Financial Highlights

Results

Net Revenue

€1,438.1m

Increase of 87.8% on a constant currency basis

Operating Profit before Exceptional Items

€47.9m

Operating Profit after Exceptional Items

€58.5m

Balance Sheet

Liquidity

€438.7m

Net Debt/EBITDA Including Leases

3.4x

Net Debt/EBITDA Excluding Leases

3.4x

Cash

Free cashflow conversion

35.6%

Contents

Business & Strategy

2 Chair's Statement
6 Vision, Purpose and Values
7 Divisional Structure
8 Our Engagement with Stakeholders
10 Group Chief Executive Officer's Review
24 Strategic Report - Group Strategy
26 Strategic Report - Business Model
30 Strategic Report - How we create sustainable value
32 Strategic Report - Key Performance Indicators
34 Strategic Report - Management of Risks and Uncertainties
46 TCFD Disclosure
54 Group Chief Financial Officer's Review
62 Responsibility Report

Governance

82 Directors' Report
88 Directors and Officers
90 Corporate Governance Report
100 Audit Committee Report
106 Environmental, Social and Governance Committee Report
108 Nomination Committee Report
116 Directors' Remuneration Committee Report
136 Statement of Directors' Responsibilities

Financial Statements

137 Independent Auditor's Report
147 Consolidated Income Statement
148 Consolidated Statement of Comprehensive Income
149 Consolidated Balance Sheet
150 Consolidated Cash Flow Statement
151 Consolidated Statement of Changes in Equity
152 Company Balance Sheet
153 Company Statement of Changes In Equity
154 Statement of Accounting Policies
171 Notes Forming Part of the Financial Statements
240 Financial Definitions

242 Shareholder and Other Information

Chair's Statement

"We are pleased with the robust trading performance of our business during FY2022"

Stewart Gilliland
Chair

In my final annual report as Chair of C&C Group, I am pleased to welcome the reopening of the hospitality sector during FY2022 and delighted to be back serving customers and ensuring our strong portfolio of owned and agency brands are available for consumers to enjoy as trading resumes. The last two years has impacted the lives of all our stakeholders and proved an exceptionally difficult time for the hospitality sector and wider supply chains. Despite this challenging backdrop, we are pleased with the robust trading performance of our business during FY2022, the speed in which consumer demand has returned, the acceleration of some pre COVID-19 trends such as premiumisation, and the growing importance of sustainability to all our stakeholders; a key pillar of the Group's long-term strategy.

Aside from COVID-19 related trading restrictions, the business has broadly navigated the wider supply chain constraints in the UK and taken action to afford itself a degree of protection against the increasingly challenging inflationary environment. Despite these challenges, through FY2022 we executed our strategy and implemented a significant change programme, focused on providing a technologically enhanced platform to sell our brands and partner brands, underpinned by our market leading cost to serve. Notably, as part of this we announced One C&C GB, an initiative to integrate our Tennent's, Matthew Clark and Bibendum businesses under one management team which will drive efficiencies and improve our service offering to customers. Our core brands in Scotland and Ireland have continued to perform strongly, with both Tennent's and Bulmers gaining off-trade volume share compared with the pre COVID-19 levels[iii][iv]. With the Group's strategy focused on three distinct pillars: brand strength; system strength; and sustainability, during FY2022 we made significant investment behind these pillars to consolidate our position as the leading brand-led drinks distributor serving the UK and Irish hospitality sectors.

Operating Results

FY2022 was a year of gradual recovery for C&C and we are pleased to report net revenues of €1,438.1m and growth of +87.8% compared to FY2021 on a constant currency basis[i]. This performance was driven by the reopening of the higher margin on-trade which helped the Group return to operating profit generation in June 2021, coinciding with the easing of government restrictions in our core markets. FY2022 provided 267 days of trading where the on-trade was open across Ireland and the UK compared with 117 days in FY2021.

With the increase in on-trade revenues and our successful cost reduction programme, the Group delivered a pre-exceptional operating profit of €47.9 m in FY2022, compared with a loss of €63.6 m in FY2021 on a constant currency basis[i]. This, in turn, has delivered an adjusted diluted earnings per share of 7.5c in FY2022 ((21.1)c in FY2021)[ii].

The provenance and unique position of our core brands in the markets they serve ensures a strong platform from which to develop our wider portfolio and we are pleased with the performance and progression of our premium portfolio. We also continued to broaden our portfolio of agency brands, notably securing an exclusive sale and distribution agreement with Moët Hennessy in Scotland. Key to the success in securing this distribution agreement was our system strength which we have continued to enhance during FY2022, through the optimisation of our depot network, continued advances in our ecommerce platform and optimisation of our back-office. In addition, we are pleased to report both our Wellpark and Clonmel manufacturing sites have now removed single use plastic from their consumer packaging, which will remove 300 tonnes of the plastic annually.

The inherent strength of our business model and cash generating characteristics were evident in FY2022, with the Group returning to cash generation. Through prudent balance sheet management and our successful Rights Issue in June 2021, the Group looks to the future from a position of financial strength and is equipped with sufficient liquidity to execute our long-term strategy and navigate any future unexpected trading disruption.

People and Culture

We are a business with a manufacturing footprint and depot network close to the customers and consumers we serve. We have world class facilities and a network that is unrivalled in terms of reach and scale across the UK and Ireland. Integral to our success in optimising this advantage is identifying opportunities and responding quickly to serve the needs of our customers. Our people, and the culture we foster collectively, are at the core of our success. I would like to thank all of my colleagues throughout the business for their dedication and resourcefulness in navigating the challenging market backdrop through FY2022.

The health and safety of our colleagues is our key priority, one which we will continue to invest in to ensure we provide the safest and most enjoyable working environment we can for all those working in C&C. We recognise that as society has reopened and returned to pre COVID-19 characteristics, changes in how we work have had an impact on our colleagues, their wellbeing, and the environment, and consequently, the support we provide. To address this, the Group has a implemented a permanent flexible working policy for those employees who do not need to be site-based. To enhance our working environment, for example we created a Wellness Garden at our Clonmel site which opened in April 2022. The area allows colleagues to take some time out or have a meeting outdoors, providing an environment to relax, refresh and connect. The Group has a number of measures to ensure we are supporting our colleagues which include the provision of impartial advice and information on physical and mental wellbeing, financial concerns and access to specific counselling services.

Mindful of the physical and mental health of our colleagues, in FY2022 we trialled an employee health screening and lifestyle

Our people, and the culture we foster collectively, are at the core of our success.

Chair's Statement
(continued)

assessment, with over 170 colleagues taking part in Ireland. As result of the positive feedback received, we plan to roll out the equivalent Health and Wellbeing education and support programmes across the Group.

Over the last two years, open and honest discussions on mental health and wellbeing have become ever more important to ensuring that colleagues feel fully supported in the workplace. As part of our external Employee Assistance Programmes that are in place across C&C Group, we have 56 fully certified volunteer Mental Health First Aiders, available to support any colleague at any time until appropriate professional support is received or until the crisis is resolved.

As part of our commitment to the responsible promotion and consumption of alcohol and ongoing efforts to support colleague health and wellbeing and ensure a safe working environment, we have partnered with leading alcohol charity, Drinkaware, to roll out e-learning resources to all colleagues across C&C Group to improve alcohol awareness.

The Board recognises the need to regularly assess employee engagement to develop our people, culture and internal communications. The Group undertakes six monthly employee engagement surveys which are reviewed by managers and by the Board to address any concerns and target investment into our people and culture. In addition, our Board met directly with employees during FY2022 through 'Our Forum' sessions which provide a platform for open and honest dialogue between the Board and our colleagues. This continuous review ensures C&C provides the best environment and support for our colleagues to thrive, which will ensure the long-term success of the Group.

Social Responsibility and Environmental Commitments

We recognise the important role that our industry plays in wider society but acknowledge and understand the key role we play in social responsibility within the local communities we serve. We take our responsibility seriously. In terms of strategic oversight, the Board has an ESG (Environment, Social and Governance) Committee that works alongside our ESG team to develop and execute our ESG strategy. Our ESG team includes representation from colleagues at all levels across the business to ensure varied and diverse inputs and a balanced strategy. This year's Responsibility Report is set out on pages 62 to 81.

At C&C, we are a long-term supporter of minimum unit pricing ('MUP'), and our experience since its 2018 introduction in Scotland highlights our belief to act responsibly in society's long-term interests. We welcomed the introduction of MUP in Ireland on January 2022 and support any measures that will reduce problem drinking and associated pressures on public health systems. As part of our commitment to the responsible consumption of alcohol we produce a range of no and low variants of our leading brands which we continue to develop and are active members of both the Portman Group and Drinkaware.

In progressing our environmental commitments, key achievements in the year include the installation of the largest rooftop solar panel farm in Ireland, which will provide 10% of electricity used onsite and removal of single use plastics in our consumer packaging at Clonmel. In addition, with COP26 hosted in Glasgow, the home of our iconic Tennent's brand, C&C was actively involved in the event showcasing the significant sustainability investment in our Wellpark manufacturing site.

We recognise the important role that our industry plays in wider society but acknowledge and understand the key role we play in social responsibility within the local communities we serve.

Capital Allocation

Capital investment during FY2022 has been focused on our brands, system and sustainability, with investment in our branded portfolio through a multi-channel advertising campaign; integration of One C&C GB; and the removal of single use plastic from our canned products at our Clonmel manufacturing site.

We finished FY2022 in a strong position, returning to cash generation and our leverage back within traditional covenants in February 2022, the first time in FY2022. Our ambition is for a medium-term target of less than two times net debt to adjusted EBITDA. With the resumption of the on-trade and our subsequent trading performance, we will continue to deleverage our balance sheet over FY2023, so long as current trading conditions continue. Future capital allocation will be focused on organic or acquisitive growth opportunities to enhance our brands and system, while ensuring we meet our sustainability commitments.

The Group is operating within a period of covenant waivers and as such our ability to return capital to Shareholders is restricted until the end of those waivers in H2 FY2023. We recognise the importance of dividends to our Shareholders and will resume returning capital to Shareholders as, and when, the financial performance and operating environment permit us to do so.

Governance

FY2022 saw further evolution of the Board, with Vineet Bhalla joining as Independent Non-Executive Director on 26 April 2021, strengthening our range of skills and experience. Jim Clerkin, Independent Non-Executive Director and Andrea Pozzi Chief Operating Officer ('COO') decided to step down from their positions on 27 October 2021 and 1 September 2021 respectively, with their associated Board responsibilities being fulfilled by the remaining Executive and Non-Executive Directors. I am pleased to report that Andrea has taken up the role of leading the management team of our enlarged GB business following the integration of our Tennent's, Matthew Clark and Bibendum businesses. Lastly, Ralph Findlay joined as Chair designate in March 2022 and will take up the role of Chair following our AGM in July 2022. Ralph brings extensive industry experience, having until recently been Chief Executive of Marstons plc, one of the UK's most well-known pub groups.

With the easing of restrictions, we are pleased to be meeting face to face again as a Board. As part of our on-going engagement, the Board conducted a number of operating site visits over the course of FY2022. We also completed an internal Board review during the year which reviewed areas such as: Board composition; risk management; performance of our committees; and engagement.

We believe we have a Board with the requisite skills, experience and diversity to support the management of the business as it executes its strategy and remain committed to maintaining the highest standards of governance principles and practice, an overview of which is included on pages 90 to 99.

Looking Forward

I am encouraged by the speed and strength in which the on-trade has returned in FY2022. I believe this underlines the important role our industry plays in society and the unique position C&C has as the leading brand-led drinks distributor across the UK and Ireland. We have a proven business model, with our return to profitability aligned with the opening of the on-trade and a return to cash generation. We look forward with optimism, however remain vigilant on the challenging and evolving inflationary environment and will continue to manage this backdrop by taking steps where possible to minimise the impact on our customers, consumers and shareholders. With the actions taken in FY2022 to strengthen our brands, system, and sustainability credentials, C&C is well positioned to execute our long-term strategy.

As I conclude my term as Chair of C&C, I would like to thank all my current and former colleagues who have made my experience as motivating and rewarding as it has been. During my 10 years in the business, the last two years have been some of the most challenging our industry has ever faced, the response of our people and the resilience of our business has been inspiring and I believe the Group is well positioned for the future.

Stewart Gilliland
Chair

Notes
(i) FY2021 comparative adjusted for constant currency (FY2021 translated at FY2022 F/X rates).
(ii) Adjusted basic/diluted (loss)/earnings per share ('EPS') excludes exceptional items. During the current financial year, the Group completed a Rights Issue at a discounted price of £1.86. As the rights price was issued at a discount, this was equivalent to a bonus issue of shares combined with a full market price. As such, IAS 33 Earnings Per Share requires an adjustment to the number of shares outstanding before the Rights Issue to reflect the bonus element inherent in it and also for this to be included in the EPS calculation for the prior period presented so as to provide a comparable result. Adjusted basic/diluted earnings/(loss) per share ('EPS') excludes exceptional items.
(iii) Nielson, Volume Share of Long Alcoholic Drinks, Off-trade including Dunnes and Discounters, MAT February 2022.
(iv) GB IRI off-trade data 52 week ending 20.03.22.

Vision, Purpose and Values

We are committed to building a company that delivers long-term value, an organisation that has an affinity to the markets in which it operates, with sustainability and social responsibility at its forefront.

With our Bulmers, Tennent's and Magners brands, C&C has a long and rich history at the core of the company, augmented by continually evolving our offer to meet the demand of our consumers and customers.

Vision

To be the pre-eminent brand-led drinks distribution platform, serving the UK and Irish drinks market, generating stable margins, delivering strong free cash flow and returns for our shareholders.

Purpose

Play a role in every drinking occasion, delivering joy to our customers and consumers with remarkable brands and service.

Our Behaviours

- We put safety first
- We are customer centric
- We collaborate through trust
- We keep it simple and remain agile
- We are fact based, data and insight driven
- We learn to improve

Our Culture

Open	Humble
Respectful	Competitive

Our Values

Respect people and the planet

We bring joy to life

Quality is at our core

Divisional Structure

Ireland

C&C's Ireland division includes the sale of the Group's own branded products across the Island of Ireland, principally Bulmers, Magners, Tennent's, Five Lamps, Clonmel 1650, Heverlee, Dowd's Lane, Roundstone Irish Ale, Finches and Tipperary Water. The Group also operates the Bulmers Ireland drinks distribution business, a leading distributor of third party drinks to the licensed on and off-trade in Ireland. The Group distributes San Miguel, Tsingtao and Budweiser Brewing Group's portfolio of beer brands across the Island of Ireland on an exclusive basis. Our primary manufacturing plant is located in Clonmel, Co. Tipperary, with major distribution and administration centres in Dublin and Culcavy, Northern Ireland.

Great Britain (GB)

This segment includes the financial results from sale of the Group's own branded products in Scotland, with Tennent's, Caledonia Best, Heverlee and Magners the main brands. This division includes the sale of the Group's portfolio of owned cider brands across the rest of GB, including Magners, Orchard Pig, K Cider and Blackthorn which are distributed in partnership with Budweiser Brewing Group. In addition, the division includes the Tennent's drinks distribution business in Scotland. The Group also distributes selected Budweiser Brewing Group brands in Scotland and the Tsingtao and Menabrea international beer brands across the UK. Our primary manufacturing plant and administration centre is located at the Wellpark Brewery in Glasgow.

In addition, this segment includes the financial results from the Matthew Clark and Bibendum distribution businesses. Matthew Clark is the largest independent distributor to the UK on-trade drinks sector. Matthew Clark and Bibendum also have a number of exclusive distribution agreements for third party products (mainly wines but also including spirits) into the UK market and a limited range of own brand wines. Bibendum is one of the largest wine, spirits and craft beer distributors and wholesalers to the UK on-trade and off-trade, with a particular focus on wine. Together, Matthew Clark and Bibendum offer a market leading range of products, including beers, wines, spirits, cider and soft drinks.

Our Tennent's, Matthew Clark and Bibendum distribution businesses operate a nationwide distribution network serving the independent free trade and national accounts.

This segment also includes the financial results from the sale and distribution of the Group's own branded products, principally Magners and Tennent's outside of the UK and Ireland. The Group exports to over 40 countries globally, notably in continental Europe, North America, Asia and Australia. The Group operates mainly through local distributors in these markets and regions. This segment also includes the sale of the Group's cider and beer products in the US and Canada. In April 2021, the business divested our wholly-owned US subsidiary, Vermont Hard Cider Company and its Woodchuck suite of brands.

Our Engagement with Stakeholders

We aim to maintain open and positive dialogue with all of our stakeholders. Our stakeholders are a critical part of our operations and are referenced throughout this report. We have set out below details of who our key stakeholders are, and how we engage with them. For our Section 172 Statement, please see page 93.

Area of Focus	Why we engage	How we engage
Employees Our colleagues and contractors who work in our business		
• Health, safety and wellbeing • Investment in learning and development • Promotion of equality, diversity and inclusion • Recognition and careers • C&C Strategy and values	Our people sit at the heart of our business. Without them we wouldn't succeed. We want our people to thrive in a fair and inclusive work environment, to ensure that C&C has the most engaged, inspired and committed colleagues.	There are many ways we engage, including employee engagement surveys, Employee Resource Groups to promote Health and Wellbeing, employee forums with Non-Executive Directors, whistleblowing reports, online learning and training resources, weekly and monthly Teams and face to face briefings, regular site visits and roadshows.
Communities The people who live in the local communities around our sites and operations		
• Fair employment and equal opportunities • Local causes and issues	To build trust by operating responsibly and sustainably and investing in people and addressing issues that are material to our communities.	We support local and national charities and community groups to raise awareness and funds to help deserving causes. In FY2023, we will introduce a Group wide volunteering policy to allow colleagues to deliver a meaningful impact to the world around us.
Consumers The people who drink our products		
• Create joyful moments as consumers enjoy one of our drinks with family, friends and loved ones • Staying ahead of changing consumer lifestyles and habits which impact how people want to drink • Making sure that our beverage offer is sustainable and good for the planet • Safe products and environments	We strive to build lasting bonds with consumers built on quality, relevance, authenticity and trust. On occasions when consumers choose alcohol, we want them to "drink better, not more".	Using award-winning consumer insights, we develop powerful and unique brand positions that engage consumers. We invest in and nurture our brands, to develop campaigns, experiences and associations that consumers care about. We utilise the appropriate channels to reach our consumers. Our brands are available and visible in the correct venues and in the correct formats. Responsible advertising and marketing, active engagement and education to promote moderation and reduce the harmful use of alcohol.

Area of Focus	Why we engage	How we engage

Suppliers

Our partners who supply products and services

- Product quality and authenticity
- Workplace health and safety
- Ethical and sustainable supply chain reducing our environmental impact and making positive contributions to society.
- Innovation in creation of new brands

Working collaboratively to ensure resilience and availability in our supply chain to deliver the best possible service and value for money for customers and consumers.

Identify opportunities for profitable, sustainable growth.

Collaborate to improve ethical and sustainable approach.

Suppliers must sign up to our Code of Conduct and Anti Modern Slavery policies as well as provide detailed information on their Ethical and Sustainable approach.

We have also committed that suppliers and customers making up 67% of our Scope 3 emissions, will have science-based targets in place by 2026. The Company will continuously engage with suppliers and customers to support them to set science-based targets for their own emissions by 2026.

Conduct formal supplier surveys, reviews and audits.

Investments in third party innovative and new brands.

Shareholders and Lenders

Individuals or institutions that own shares in C&C Group plc or provide financing

- Financial performance
- Strategic priorities
- Corporate governance
- Leadership and succession planning
- Executive remuneration policy
- Shareholder returns
- Environmental and social commitments and progress

Our philosophy is to engage in regular, open and transparent dialogue with our existing and prospective shareholders and lenders. We value their thoughts and opinions which are shared with the Board. The Board reviews the feedback and takes appropriate actions where necessary.

We engage with our existing investors through one-to-one and group meetings, webcasts, presentations, conference calls and at our AGM. The Group Finance and Investor Relations Director holds responsibility for the investor relations programme, and the Group CEO and Group CFO dedicate significant time to engaging with our major shareholders. The Chair, other Board members and the Group General Counsel and Company Secretary also engage with our shareholders on other matters, such as Environmental, Social and Governance topics. We engage with lenders primarily through Group Finance and the Group CFO.

Customers

Our customers, who are experts in the products they buy and sell, as well as in the experience they create and deliver

- Identification of opportunities that offer profitable sustainable growth insights into consumer behaviour and trends, innovation, promotional support and merchandising and technical expertise

Our passion is to ensure we nurture mutually beneficial relationships that deliver joint value and the best outcome for all our consumers.

Collaborate to improve ethical and sustainable performance.

We engage through the use of best practice sales analytics and technology to support our retailers, ongoing dialogue and account management support and physical and virtual sales calls.

Our award-winning market insight capability, identifies product range based on consumer demand and market trends.

Governments and Regulators

Regional and national government bodies and agencies which implement and enforce applicable laws across our industry

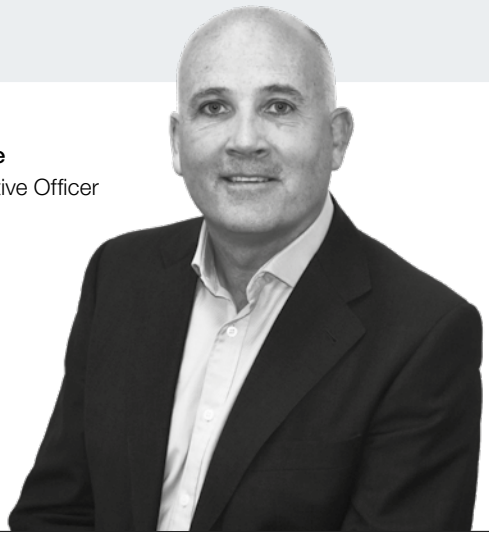
- Positive drinking programmes and impacts
- Wider sustainability agenda including human rights, environmental impacts
- Legal and regulatory compliance

To communicate our views to those who have responsibility for implementing policy, laws and regulations relevant to our businesses.

Ongoing dialogue, collaboration on responsible drinking initiatives and promotion of moderation, strengthening industry standards and participation in governments' business and industry advisory groups.

Group Chief Executive Officer's Review

"Building back stronger and positioning C&C as the leading, brand-led, drinks distribution platform in the UK and Ireland."



David Forde
Chief Executive Officer

Following a period of unprecedented challenges for the hospitality sector, we are delighted to be back serving our customers and delivering our iconic and much-loved brands to our on-trade and off-trade partners. Encouraged by the response and resilience of the industry, we are pleased with how trading has recovered and the subsequent strength of customer and consumer demand, which we believe reflects the enduring importance of the on-trade and the role it plays in our society.

The strength of our business model is evident, with C&C returning to profit in June 2021 following the easing of government restrictions in our core markets. Furthermore, we have finished FY2022 in a strong position, with a reduced level of net debt and more than sufficient liquidity to manage any near-term uncertainty and deliver our growth objectives.

The Group has navigated a challenging trading environment throughout FY2022, principally the widely publicised UK supply chain constraints, and more recently, inflationary cost pressures. We have effectively managed these challenges over the last twelve months whilst ensuring consistent supply and market leading service.

Despite these challenges, we have continued to execute our strategy by: strengthening our brands and system, enhancing our portfolio; extending our customer offering; investing in technology; driving efficiencies in our network and support office functions; and, ensuring we continue to meet our sustainability commitments.

Strategic development

C&C's strategy is based on three distinct pillars: brand strength; system strength; and sustainability, the successful execution of which will ensure our company is positioned as the leading brand-led drinks distribution platform in the UK and Ireland.

Our brands are key to the success of our business and as such we have increased investment in our branded portfolio, with direct brand marketing increasing to 7.1% of branded net revenue from pre COVID-19 levels of 5.8% in FY2020. Our brands were back on TV for the first time in a number of years, supported by promotional activity and social media campaigns. This helped improve our brand health scores[viii],[ix] in the year. In January 2022, minimum unit pricing ("MUP") was introduced in the Republic of Ireland. With our recent experience of MUP in Scotland, we were able to prepare in advance, optimising our Irish branded portfolio through ABV and pack format changes. Early indications show that Bulmers has gained market share, since the introduction of MUP[x].

In July 2021, we announced our intention to create one C&C in Great Britain, aligning our TCB, Matthew Clark and Bibendum businesses under one management team. The initiative will unite and streamline our GB businesses under one go-to-market strategy; simplify and improve the customer experience; create a more efficient GB network with market leading scale, reach and cost to serve; and an optimised support office function. In addition, we have made great progress in aligning our core ERP system across the Group which will further simplify our operations. Continuing our investment in technology, we launched Bibendum's ecommerce platform in January 2022, ensuring that we now have an online customer offering across the Group.

Financial Performance

C&C's reported net revenue for FY2022 of €1,438.1m which represents an increase of 87.8% versus last year on a constant currency basis[i]. With government restrictions in the hospitality sector easing from April 2021, recovery in the on-trade drove the majority of the uplift, with on-trade net revenues in FY2022 of €1,017.1m, +207.8% versus last year on a constant currency basis[i].

Our operating profit before exceptional items in the year was €47.9m and our overall earnings before exceptionals, interest, tax, depreciation and amortisation was €79.7m[ii]. This excluded an exceptional operating profit in the year of €10.6m of which was primarily as a result of the releasing COVID-19 provisions no longer deemed necessary. The FY2022 performance represents a return to profitability for the Group, with the business delivering a basic EPS of 9.9c[iv] and adjusted diluted EPS of 7.5c[iv].

The Group successfully completed a Rights Issue in June 2021, raising gross proceeds of €176.3m. This coupled with disciplined balance sheet management and a return to cash generation has led to net debt[vii] and liquidity[vi] of €271.3m and €438.7m respectively as at year end, compared with €441.9m and €314.6m respectively at FY2021. The Group reduced leverage to 3.4x net debt / adjusted EBITDA as at February 2022, and is back within traditional pre COVID-19 covenants. The Group is on track to meet the next covenant requirements, the waiver of which was negotiated in response to COVID-19, and which ends on 31 August 2022.

Finance costs, including exceptional items in the year, amounted to €22.6m, a decrease of 17.5% versus FY2021, with the proceeds from the Rights Issue being used to reduce gross debt and interest costs.

Our receivables purchase programme has contributed €84.1m to closing cash, an inflow of €37.8m on a constant currency basis[i], driven by the return of the on-trade back to normalised trading conditions. Total working capital during FY2022 was limited to an outflow of €19.2m; with investment into stock, this was supported by €28.8m of tax deferrals, following repayment of €64.3m during FY2022.

Post year end, the Group announced the sale of its joint venture investment in Admiral Taverns to Proprium Capital Partners for a total consideration of £55m. As part of the divestment, C&C has negotiated a long-term branded supply agreement into the Admiral estate. The divestment of Admiral is an indication of C&C's future focus on its brand-led distribution model.

Capital Allocation

The Group's capital allocation strategy remains anchored in the sustainable stewardship and growth of our business. The core components in executing our strategy include investment in our existing business; acquisitive growth opportunities that develop our brand or system strength; a target leverage of at or below 2.0x net debt / adjusted EBITDA; and a commitment to return surplus cash to shareholders.

Capital investment in the existing business stood at €17.1m for the year and was focused on sustainability initiatives and technology. Notably, at our Clonmel facility we invested €4.8m to remove single use plastic from our canned products, which will eliminate 150 tonnes of plastic per annum from our products.

We continued our support of the Independent Free Trade ('IFT') in both Scotland and Northern Ireland by lending to outlets seeking growth capital for their business plans. These loans stood at €43.0m in FY2022, up from €42.1m in FY2021. Loans are primarily secured by freehold assets and are conditional upon the outlet purchasing our products over the tenure of the agreement.

C&C is committed to a clear and disciplined approach to capital allocation. We understand the importance of dividends to our shareholders, therefore once Group cash flow permits, and we have exited our covenant waiver period, we will return to paying a dividend in due course.

Brand Strength

With the easing of government restrictions in the on-trade, this channel in FY2022, began to recover back to pre-COVID levels, with 71% of FY2022 net revenue generated in the on-trade compared with approximately 80% pre COVID-19. Distribution of our core brands into direct-delivered on-trade outlets has returned to approximately 90.0% of FY2020.

We have seen a strong performance by Tennent's and Bulmers in FY2022, with both brands driving improved brand health scores[xiv],[xv]. Off-trade share has continued to perform strongly, with market share growth compared with pre COVID-19[x],[xi] levels. Similarly, in the on-trade, Tennent's and Bulmers volume share has increased compared to two years ago[ix],[x] with these brands delivering to 88% and 92% of the outlets compared to FY2020. The Magners performance has been more challenging,

Group Chief Executive Officer's Review (continued)

with losses in value and volume share in both the on and off trade[(x),(xi)]. Cider's share of overall alcohol declined in FY2022, which impacted on performance[(xx)]. Magners Original however, remains the number one packaged apple cider by volume and value sales in GB[(xv)]. We are excited by our investment plans for the brand and our wider cider portfolio. Encouragingly, Matthew Clark and Bibendum have grown outlet penetration of our branded cider portfolio in outlets purchasing cider to nearly 50%, a growth of c.3% on FY2020.

Our premium beer portfolio, driven primarily by Heverlee, Menabrea, Drygate, Innis & Gunn and Jubel, grew its penetration of our Scotland IFT outlet base in FY2022 to 40%, compared with 35% in FY2020. Despite the periods of on-trade closures, coupled with hospitality restrictions, GB premium beer volumes reached 95% of FY2020 levels, with both Menabrea and Innis & Gunn outperforming FY2020 volumes. In Matthew Clark and Bibendum, we have grown the outlet penetration of our premium beer brands compared to total beer distribution outlets by c.+30% versus FY2020.

System Strength

During FY2022 we successfully implemented our efficiency and cost saving programme, delivering €18m of annualised savings compared to our pre COVID-19 cost base. The majority of savings were driven by the consolidation of the distribution network across GB, improving customer service whilst providing a broader offer. While completing our network consolidation, the business has navigated the UK supply chain constraints and broadly met the needs of customers through peak trading periods. Our nationwide network is owned and managed in-house which afforded the Group some protection from supply constraints being experienced by other businesses, further reflecting the strength of our underlying business model. In addition, we have rationalised our third-party brand stocking range and implemented minimum order values across the Group to further drive efficiencies.

The Group has continued to grow ecommerce revenues in FY2022 and now provides an online ordering platform for customers across the Group. I am pleased to report that we continue to see enhanced order sizes through our ecommerce platform compared with traditional contact centre orders. In addition to an enhanced customer offering, our ecommerce platform delivers support office efficiencies. To further promote the use of online ordering, we moved all promotional activity to online and partly as a result, 60.2% of Matthew Clark IFT customers now order online.

The Group navigated the CO_2 shortages which affected the industry during FY2022. Following previous investment at our Wellpark and Clonmel manufacturing facilities with CO_2 recovery systems, the Group was able to ensure continuity of service and meet customer and consumer demand for our brands.

Our Team

Central to the success of our business is a team of dedicated colleagues, passionate about our brands and delivering outstanding service to our customers. The closure of the hospitality sector meant many of our colleagues faced periods of furlough throughout the pandemic. Despite this, our colleagues demonstrated tremendous flexibility and commitment as the industry re-opened post lockdown. Our team was further challenged by the well documented labour shortages in the supply chain and again responded with remarkable adaptability and resourcefulness to deliver great service to our customers.

In positioning and strengthening C&C for the future, we simplified and centralised a number of business functions throughout the Group, which regrettably meant that some colleagues left our business as their

During FY2022 we successfully implemented our efficiency and cost saving programme, delivering €18m of annualised savings compared to our pre COVID-19 cost base.

roles became redundant. I would like to sincerely thank all our colleagues, past and present, for their commitment to our business, and their resilience throughout what has been two of the toughest years our industry, and our business, has experienced.

Sustainability

C&C has continued to invest significantly in sustainability, with over half of capital investment in FY2022 linked to sustainability projects. Notable FY2022 achievements on our sustainability initiatives include: the removal of single-use plastics in our canned products manufactured in Clonmel; the installation of Ireland's largest rooftop solar farm at Clonmel powering 10% of our site electricity needs; and Wellpark being voted the Sustainable Brewery of the Year at the Scottish Beer Awards. As C&C is a distributor as well as manufacturer, we purchase significant volumes of product for resale. We therefore expect the highest sustainability standards from our suppliers and ensure this through ethical procurement practices and a rigorous supplier selection process.

We acknowledge the positive role our industry plays in society and our position within it as a producer and distributor of alcoholic beverages. We are passionate about ensuring the safe and responsible consumption of alcohol. In that context, we use our marketing assets to promote responsible consumption and are active members of both the Portman Group and Drinkaware.

The Group recognises the essential role of sustainability in the decision making for all our stakeholders. The commitment and delivery of our sustainability objectives are central to our long-term strategy and role we play in wider society. Sustainability is therefore at the core of our decision making throughout the Group, with sustainability metrics also now forming part of our

executive renumeration, to ensure alignment between executive incentives, responsible business and stakeholder expectations.

Our sustainability commitments and achievements are disclosed in more detail on pages 62-81.

Summary and Outlook

I am encouraged by our performance in FY2022 as the Group returned to profitability and cash generation, demonstrating the inherent strength of our business model, the resilience of our brands and the ability of our team. As the on-trade has returned, I am proud of how the Group has responded to increasing levels of demand from customers and consumers. We have successfully navigated a challenging backdrop throughout FY2022, while continuing to deliver market-leading service. This has only been made possible by the dedication, commitment and agility of my colleagues at every level throughout the business.

Looking forward, we are operating in a challenging inflationary cost environment and will continue to monitor this closely over FY2023 and beyond. We have already taken actions to afford the business a degree of protection, through our successfully executed cost reduction plan, our recent price increases and input cost hedging. Despite the current positive sentiment in the hospitality sector post reopening, we are mindful of the pressures being faced by consumers and its potential impact on future demand.

FY2022 finished with a robust return of the on-trade, and we are excited for the opportunities ahead. We have and will continue to enhance our branded portfolio through increased investment and product development, utilising our system to win in cider and strengthen our position in premium beer. Through technology, we will create a more streamlined business which will in turn deliver an improved customer experience and service. I am confident that the Group will continue to play a key role in the UK and Irish drinks market and is well positioned to drive sustainable growth and create long-term returns for our shareholders.

David Forde
Chief Executive Officer

Group Chief Executive Officer's Review
Operating Review

Our brand-led distribution model and its inherent strengths of scale and reach is supported by investment in our sales and distribution infrastructure, underpinned by our local and core brands. The Group operates with two distinct divisions which are focused on the local markets they serve, with their proposition tailored to meet the needs of our customers and consumers. This structure harnesses the economies of scale in our support office, namely: procurement, finance and IT while remaining agile to adapt and react to market conditions and customer requirements.

Great Britain

€m Great Britain Constant currency[ii]	FY2022	FY2021	Change %
Net revenue	1,213.8	598.4	102.8%
of which Branded	*170.1*	*139.0*	*22.4%*
- Price / mix impact			10.0%
- Volume impact			12.4%
of which Distribution	*1,005.5*	*414.2*	*142.8%*
- Price / mix impact			83.7%
- Volume impact			59.1%
of which Co-pack / Other	38.2	45.2	(15.5%)
Operating profit/(loss)[iii]	31.2	(56.9)	NM
Operating margin	2.6%	NM	
of which Branded	*21.7*	*(10.4)*	*NM*
of which Distribution	*9.5*	*(46.5)*	*NM*
Volume – (kHL)	4,305	3,167	35.9%
- of which Tennent's	897	712	26.0%
- of which Magners	606	557	8.8%

Our Great Britain division's net revenue increased 102.8%[i] to €1,213.8m in the year, driven by the reopening of the on-trade from May 2021, with strong growth in our branded volumes. As a result, the division generated an operating profit[iii] of €31.2m against a loss of €56.9m[i] in FY2021. The period has been characterised by an evolving backdrop of challenges including: supply chain constraints; inflationary pressures and periods of further COVID-19 disruption. We have embarked on a period of significant change with the announcement of One C&C GB, streamlining our GB, MCB and International business under one management team with the goal of optimising our support office function, improving customer service and executing the Group's strategy.

Our Great Britain division's net revenue increased 102.8%[i] to €1,213.8m in the year, driven by the reopening of the on-trade from May 2021, with strong growth in our branded volumes.

Operational Highlights

Our customer service levels were impacted during FY2022 by widely publicised capacity constraints, driven by the ongoing issue of driver and warehouse operative shortages. As a result, a number of initiatives were implemented including: delivery day changes; increasing minimum order value to improve efficiency; and the simplification of our offering, for example we actively reduced the volume of less profitable water products we delivered. This, coupled with our inhouse logistics operation, with its significant size and scale, has ensured that we have broadly been able to meet customer demand throughout the period. We are pleased to report that Matthew Clark's On Time In Full ("OTIF"), one of our key delivery metrics, has recovered from a low of c.73% in FY2022 to c.88% at February 2022, our target under normalised conditions is 96%.

As service stabilised in H2 FY2022, we are pleased to report that CSI (Customer Service Index) and NPS (Net Promotor Score) scores across our TCB, Matthew Clark and Bibendum business have been improving month by month through H2 FY2022.

Our manufacturing site at Wellpark in Glasgow, has continued to build its sustainability credentials, being voted as Sustainable Brewery of the Year at the Scottish Beer Awards. During COP26 in Glasgow, the site hosted dignitaries and events, showcasing the investments made in removing CO_2 (4,000 tonnes in FY2022) and eliminating 150 tonnes of single use plastic in the year. With the inflationary pressures, especially around aluminium and energy, we have introduced a lighter weight pint can for FY2023 and continue to focus on efficiencies at the site to drive down energy usage of which 100% is now generated from renewable sources. This will ensure that we have a competitive manufacturing cost base, whilst delivering on our sustainability commitments.

Group Chief Executive Officer's Review
Operating Review (continued)

Following the reopening of the on-trade in January 2022, we are pleased to be trading with 79% of outlets in February 2022, compared with February 2020.

Brands

Tennent's performance was aided by Scotland qualifying, for the first time in 23 years, for a major football championship. Our multi-channel advertising campaign and associated on and off-trade promotional activity helped in part to drive brand health improvement, with Tennent's Lager's brand index score increasing 230 bps from 14.6% to 16.9%[viii]. Tennent's off-trade volume share of 24.0% has fallen compared with FY2021 (24.6%), a reflection of Tennent's benefitting in the previous year from supply chain disruption that competitor brands experienced as well as growth of the premium category[xi]. Encouragingly though, FY2022 volume share is higher than FY2020 (22.9%)[xi]. In the year, our Tennent's lager IFT on-trade volumes have recovered back to 74% of FY2020 levels with direct delivered outlets recovering to 88% of FY2020.

For Magners, both volume and value share of GB off-trade apple cider declined, with a similar trend in the on-trade compared to last year[xi],[xii]. Despite this, Magners Original remains the number 1 packaged apple cider by volume and value sales[xv] and the number 1 recommended apple cider brand amongst GB cider drinkers[xiv]. Matthew Clark and Bibendum have continued to grow the outlet penetration of our cider brands in outlets purchasing cider to nearly 50%, a growth of c.3% compared to FY2020.

Premium beer, driven primarily by Heverlee, Menabrea, Drygate, Innis & Gunn and Jubel, grew its penetration of our Scotland IFT outlet base in FY2022 to 40% compared with 35% in FY2020. The rate of sale has also improved in FY2022 compared with FY2020, reflecting the move to premiumisation by consumers and improved targeting into the right outlet demographic. Despite the periods of on-trade closures, coupled with hospitality restrictions, Scotland IFT premium beer volumes reached 95% of FY2020 levels with both Menabrea and Innis & Gunn outperforming FY2020 volumes. In Matthew Clark and Bibendum, we have grown the outlet penetration of our premium beer brands, compared to total beer distribution outlets, by c.+30% versus FY2020. Our premium Belgian beer brand, Heverlee has reported strong brand health scores in the latest You Gov survey[xvi] and grown in GB off-trade, with volumes +19% and value sales +20%, driven by incremental distribution and new pack formats. Innis and Gunn, exclusive partner for the IFT in GB, has made considerable distribution gains in both Scotland, England, and Wales during FY2022.

Premium beer, driven primarily by Heverlee, Menabrea, Drygate, Innis & Gunn and Jubel, grew its penetration of our Scotland IFT outlet base in FY2022 to 40% compared with 35% in FY2020.

Group Chief Executive Officer's Review
Operating Review (continued)

Distribution

FY2022 volumes were materially impacted by restrictions in the year, further compounded by supplier product shortages impacting availability. In addition, our MCB business experienced an isolated cyber security incident on 19 April 2021 which we pro-actively managed, restoring all systems by the end of May 2021. During this period operational efficiency was negatively impacted, however the business remained open and continued to trade. With the reopening of the on-trade we are pleased to report volume growth of 59.1% on FY2021 with net revenue growth of 142.8%[1]. During FY2022, we successfully retained a number of large distribution customers, however, we made the decision to stop delivering less profitable products or to some lower margin customers. We have been encouraged by the trend in spend per customer in Matthew Clark and Bibendum, where in the final nine months of FY2022, spend per customer was approximately +5% on FY2020. Together, during this period, TCB, Matthew Clark and Bibendum consistently delivered one in five equivalent drinks consumed in the GB on-trade.

Our position as the leading drinks distributor in GB has been reinforced by an exclusive sales and distribution agreement with Moët Hennessy in Scotland. The partnership will combine C&C's market leading distribution in Scotland, with the strength of Moët Hennessy's exceptional portfolio of luxury wines, spirits, and champagnes. Key to securing the partnership was the level of insight we had on the market,

Together, during this period, TCB, Matthew Clark and Bibendum consistently delivered one in five equivalent drinks consumed in the GB on-trade.

provided by PROOF, our inhouse data and insight business. PROOF Insight now has approximately one hundred international and domestic drinks brand owners and operators whom they work with either directly or who subscribe to PROOF assets.

Ecommerce

We launched an ecommerce platform for Bibendum, resulting in all of our operating businesses in GB providing customers with this offering. We have continued to enhance our existing MC and TCB ecommerce platforms, improving our customer experience through automated access, live chat and investment in platform security. Matthew Clark and TCB ecommerce revenue represent 57.6% and 54.8% of total IFT revenue respectively in February 2022, an increase from 39.5% and 37% in FY2020.

With the continued trend to online, we are retraining staff from the contact centre to support our ecommerce operations. We are pleased to report that we continue to see enhanced order sizes through our ecommerce platform compared with traditional contact centre orders. In H1 FY2022, we moved all promotional activity online, further promoting the use of online ordering amongst customers. Partly as a consequence, we are pleased to report that 60.2% of Matthew Clark's IFT customers now order online. We believe we have a market leading platform which provides a frictionless and superior customer experience and it is our near-term target to drive 80% IFT revenue through ecommerce.

International

The international business performed well in FY2022, driven by a strong recovery in late Summer 2021, aided by tourist regions re-opening. Our volumes were 91% of FY2021 as they have been impacted by the sale our Vermont business in Q1 FY2022. Magners represented approximately 75% of total exports volume in FY2022. A price increase was successfully implemented in order to manage inflationary cost pressures. In one of our core markets, Australia, we signed a new distribution agreement with Good Drinks Australia Ltd. Lastly, our North American business has performed well, with Magners and Tennent's volumes 11.1% higher than FY2020.

We launched an ecommerce platform for Bibendum, resulting in all of our operating businesses in GB providing customers this offering.

Group Chief Executive Officer's Review
Operating Review (continued)

Ireland

€m Ireland Constant currency[i]	FY2022	FY2021	Change %
Net revenue	224.3	167.4	34.0%
of which Branded	*78.3*	*48.9*	*60.1%*
- Price / mix impact			48.3%
- Volume impact			11.8%
of which Distribution	*139.8*	*115.0*	*21.6%*
- Price / mix impact			13.3%
- Volume impact			8.3%
of which Co-pack / other	*6.2*	*3.5*	*77.1%*
Operating profit/(loss)[iii]	16.7	(6.7)	NM
Operating margin	7.4%	NM	
of which Branded	*13.6*	*(4.1)*	*NM*
of which Distribution	*3.1*	*(2.6)*	*NM*
Volume – (kHL)	1,384	1,257	10.1%
- of which Bulmers	330	300	10.0%

Our Ireland division's net revenue increased by 34.0% to €224.3m in the year driven by the re-opening of the on-trade. As a result, Ireland generated an operating profit[iii] of €16.7m from a loss of €6.7m[i] in FY2021. With the re-opening of the on-trade, off-trade net revenues dropped by 0.5%[i] compared with FY2021. Our key focus in FY2022 has been stock availability and servicing the on-trade as it returned while planning and preparing for the implementation of minimum unit pricing ('MUP') in January 2022.

Our Ireland division's net revenue increased by 34.0% to €224.3m in the year driven by the re-opening of the on-trade.

Operations Highlights

We are pleased to report that our Republic of Ireland business traded directly with 95% of outlets during February 2022 compared with February 2020. With the easing of restrictions in January 2022, over January and February 2022, on-trade volumes were at 84% of the equivalent period in FY2020. Customer service and meeting demand as the on-trade reopened has been a key focus. We have delivered a strong performance in FY2022 with customer OTIF in February 2022 of 97.8% compared with 98.0% in February 2020. Pre COVID-19, cider held a 12.5%[xvii] share of the Long Alcoholic Drinks ('LAD') category, across the combined on and off-trade. Over the last 2 years, we have seen this share grow further and as of February 2022, it represented 12.6%[xviii].

MUP was introduced in the Republic of Ireland in January 2022 which put in place a minimum sales price for a unit of alcohol. MUP was introduced in Scotland in 2018, and C&C has been able to use the data and learnings from the Tennent's brand and apply them to Bulmers and the rest of our Irish portfolio. The Group optimised the off-trade portfolio in preparation for MUP by introducing new pack sizes, vessels sizes and ABVs.

Our Clonmel manufacturing site has invested €4.8m to eliminate single use plastic for all canned products from January 2022, which will remove approximately 150 tonnes of plastics from our products. Furthermore, the site has invested in the largest rooftop solar panel farm in Ireland which now generates 10% of the site's electricity requirements. Further enforcing our sustainability credentials, we are now the only significant drinks manufacturer to use returnable pint bottles.

Brands

Bulmers launched the 'When Time Bears Fruit' advertising campaign in FY2022. This campaign was rooted in sustainability, targeting the important role that bees play in our environment and importantly in the pollination of our orchards. The campaign included TV advertising which saw Bulmers on the TV for the first time in three years. The latest brand health scores have seen Bulmers Original Brand Index improve +2.8%[ix], with our TV campaign helping to increase awareness. Encouragingly, Bulmers Light increased its brand health index +4.2%[ix], compared with last year, whereas competitor brand scores have moved backwards.

Bulmers is building momentum in the near-term, taking volume share in the off-trade in the latest 26 and 13 week market data, an indication of share gains since the introduction of MUP[x]. Encouragingly, the latest 52-week data reflects off-trade volume and value share growth compared with pre COVID-19, FY2020 levels[x]. In addition, this is mirrored in the on-trade where in the latest 52-week data, reflects volume and value share gains compared with FY2020[xiii]. Between the on and off-trades, Bulmers remains the largest and most popular cider brand in Ireland.

The latest brand health scores have seen Bulmers Original Brand Index improve +2.8%

Group Chief Executive Officer's Review
Operating Review (continued)

Distribution and Wine

Distribution volumes have increased 8.3% in the year with the reopening of the on-trade. Our Wine business volumes were 107% of FY2020, driven by a strong off-trade performance and resilient on-trade performance following the reopening of the trade in June 2021 in ROI.

The Group has a strategic partnership with Budweiser Brewing Group, notably in the Republic of Ireland where we exclusively distribute their complete beer portfolio. Budweiser, the biggest brand we distribute through this agreement has been repositioned in terms of pack sizes in preparation for MUP. The latest 13-week market data indicates that Budweiser's share of volume and value in off-trade lager has moved into growth year on year[x]. In February 2022, Bud Light was launched in the Republic of Ireland further strengthening the portfolio and tailoring to changes in consumer preferences. In addition, Corona has seen 52-week volume and value market growth in the off-trade lager[x] with its brand health scores also impressing, up +16.6% compared with last year[xix]. We continued our beer portfolio development with the controlled launch of Corona Draught in December 2021.

Ecommerce

Following the launch of Bulmers Direct in H2 FY2021 and its sister platform for Tennent's NI, we are pleased to report that 33% on-trade revenue in Ireland was captured online in FY2022. In addition, we have seen higher online order values compared with traditional contact centre orders across both platforms. We will continue to enhance the customer experience online and drive customers to the platform.

Notes
(i) FY2021 comparative adjusted for constant currency (FY2021 translated at FY2022 F/X rates).
(ii) Adjusted EBITDA is earnings/(loss) before exceptional items, finance income, finance expense, tax, depreciation, amortisation and share of equity accounted investments' profit/(loss) after tax. A reconciliation of the Group's operating profit/(loss) to adjusted EBITDA is set out on page 58.
(iii) Before exceptional items.
(iv) During the current financial year, the Group completed a Rights Issue at a discounted price of £1.86. As the rights price was issued at a discount, this was equivalent to a bonus issue of shares combined with a full market price. As such, IAS 33 Earnings Per Share requires an adjustment to the number of shares outstanding before the Rights Issue to reflect the bonus element inherent in it and also for this to be included in the EPS calculation for the prior period presented so as to provide a comparable result. Adjusted basic/diluted earnings/(loss) per share ('EPS') excludes exceptional items.
(v) Free Cash Flow ('FCF') that comprises cash flow from operating activities net of tangible and intangible cash outflows which form part of investing activities. FCF highlights the underlying cash generating performance of the ongoing business. FCF benefits from the Group's purchase receivables programme which contributed €84.1m (FY2021: €45.0m reported/€46.3m on a constant currency basis) inflow in the year.
(vi) Liquidity is defined as cash plus undrawn amounts under the Group's revolving credit facility.
(vii) Net debt comprises borrowings (net of issue costs) less cash. Net debt, including the impact of IFRS 16, comprises borrowings (net of issue costs), lease liabilities capitalised less cash.
(viii) Tennent's: Source: YouGov Brand Index, 1 October 2019 - 28 Feb 2022, Scottish Likely Beer Drinkers.
(ix) Bulmers You Gov 52 week period to 28.02.22.
(x) Nielson, Volume Share of Long Alcoholic Drinks, Off-trade including Dunnes and Discounters, MAT February 2022.
(xi) GB IRI off-trade data 52 week ending 20.03.22.
(xii) CGA OPMS Data to P02 2022 (26/02/2022).
(xiii) Bulmers: CGA Ireland 52 weeks ending 28.02.22.
(xiv) YouGov Profiles+ Great Britain 02.01.2022, C&C Group, 01/03/19 - 29/02/20 vs 01/04/21 - 31/12/2021.
(xv) YouGov Profiles+ Great Britain 02.01.2022.
(xvi) Heverlee: Scotland YouGov Report, Data as of 01.03.22.
(xvii) Combined; NielsenIQ Cider MAT Vol HL share of LAD, February 2020 & CGA Cider MAT Vol HL share of LAD, February 2020.
(xviii) Combined; NielsenIQ Cider MAT Vol HL share of LAD, January 2022 & CGA Cider MAT Vol HL share of LAD, January 2022.
(xix) Corona YouGov 52 week period to 28.02.22.
(xx) IRI data 52 week ending 20.03.22.


BT reflex

Strategic Report - Group Strategy

Our ambition is to be the pre-eminent integrated brands and drinks distribution business serving the UK and Ireland drinks markets

- Provide a range of local and core brands, premium, craft and third-party brands that is unrivalled.
- Our distribution infrastructure provides market leading national scale, reach and efficiencies.
- These brands and asset base are underpinned by our offer: dedicated and passionate people; enhanced customer service; market insight and value.
- The Group has sustainability at its core – with the target of delivering to a better world.

Strategic Pillars	Invest and grow our portfolio of leading local, premium and craft beer and cider brands.	Strengthen our position as the No.1 drinks distribution platform in the UK and Ireland.	Capital allocation to enhance growth and shareholder returns.
Medium Term strategic goals	• Brand and product investment to build value of key brands over the long-term • Leverage key brand strength and market position to grow our portfolio of premium and craft brands • Successful brand development and launches to meet changes in consumer demand • Build on "partnership for equity" brand relationships to provide route to market access	• Continue the optimisation of network and wider system • Deliver unrivalled portfolio strength, value and service to the UK and Irish hospitality sectors • Commercialising the unrivalled data and insight on the hospitality sector	• Target leverage of less than 2.0x net debt / EBITDA • Inorganic opportunities that strengthen our brands and system • Invest in sustainability & technology • Return capital to Shareholders
Measurement	• Cash generation and conversion • Revenue growth • Enhanced margins • Share growth and brand health scores	• Margin expansion in our distribution business	• Net Debt/EBITDA • EPS growth • ROCE

Achievements during FY2022

- Investment across our core branded portfolio with multi-channel advertising campaigns and promotional activity. We have seen our brand health scores for Tennent's and Bulmers improve year on year.
- Tennent's and Bulmers volume share of the off-trade lager and cider market, 24.0% and 50.5% respectively continues to represent share growth compared with the pre-pandemic levels.
- Premium beer portfolio has continued to progress with IFT penetration in Scotland growing to 40% of IFT outlet base from 35% pre-pandemic. In addition, growing brand health scores for Heverlee alongside volume and net revenue growth in the off-trade.

- Return to profitability from June 2021 aligned with easing of government restrictions in our core markets with on-trade net revenue building back to 75% of FY2020.
- Successfully servicing demand following the speed and strength of customer and consumer demand as government restrictions eased. Leveraging our size and scale, in addition to our inhouse secondary logistics operation to deliver market leading service despite the widely publicised supply chain constraints in the UK.
- Launch of an ecommerce platform in our Bibendum Wine distribution business in January 2022, ensuring that all of the Group's on-trade customers can now order online.
- Effective management of inflationary cost pressures with cost reduction programme, price increases and hedging of input costs.

- Strong liquidity position of (€438.7m) and Net debt/EBITDA of 3.4x. Our strong underlying cash generating characteristics have been reflected in an encouraging performance with FCF conversion in FY2022 of 35.6%.
- Delivery of €18m annualised cost savings against pre-COVID cost base, protected against wage inflation and other costs in FY2022.
- Focus on our core business with the divestment of our minority interest in Admiral Taverns for gross cash consideration of €65.8m (£55.0m). As part of the divestment, C&C have negotiated a long-term branded supply agreement into the Admiral estate which includes our owned and agency brands.

- C&C's sustainability efforts were acknowledged with Tennent's winning two prestigious awards during 2021. Sustainable Brewery of the Year at the Scottish Beer Awards and a Good Practice Award at the VIBES Scottish Environment Business Awards.
- Continued sustainability commitment with investment at our Clonmel manufacturing site into the removal of single use plastic in its canned products. In addition, creation of Ireland's biggest rooftop solar panel farm which will generate 10% of the site's electricity requirements going forward.

Link to Strategic Pillars

Invest and grow our portfolio of leading local, premium and craft beer and cider brands.

Strengthen our position as the No.1 drinks distribution business in the UK and Ireland.

Capital allocation to enhance growth and shareholder returns.

Strategic priorities

Our core strategic objective is to deliver earnings growth.

Existing Businesses

- Create an environment that ensures the health and safety of our colleagues. Further, establish a business culture that nurtures engaged, inspired and committed colleagues, investing in key capabilities for the future
- Grow and strengthen our portfolio: growing cider share and building momentum in our premium beer portfolio as consumer preferences evolve
- Leverage our scale and reach to drive operational efficiencies in our distribution infrastructure, optimising our capacity and ensure a market leading cost to serve
- Drive better customer service through our C&C GB change programme with a simplified and integrated approach which will enhance customer experience and ultimately drive efficiencies into our back office
- Enhance our offer: commercialising the data and insight that is available; continuing to develop our ecommerce offering; and building stronger partnerships with 'equity for growth' investments or complimentary agencies

Capital Allocation

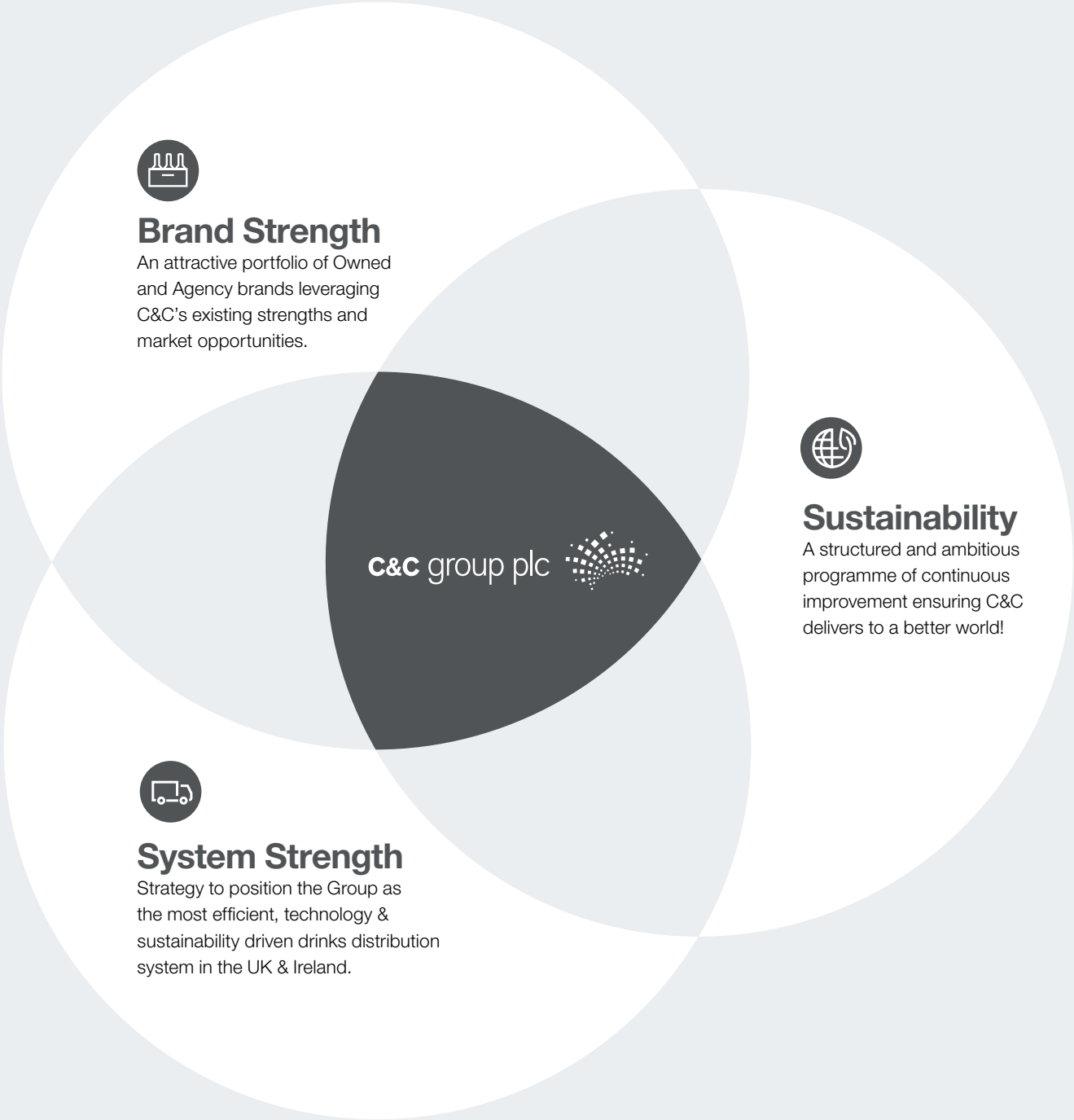
- Maintain the strong cash conversion characteristics of the business
- Deleverage the balance sheet, targeting a medium-term target of less than 2.0x Net Debt/EBITDA
- Invest in our brands; review inorganic opportunities and return excess capital to shareholders

Environmental, Social and Governance

- Execute a credible sustainability strategy focussed on people and planet

Strategic Report - Business Model

The execution of our Group strategy is underpinned by three core pillars, together these create a market leading platform which ensures C&C's position as the preeminent brand-led distributor for the UK and Ireland drinks market.



Brand Strength

Core Brands

Our three core brands: Bulmers, Magners and Tennent's are intrinsically linked to the communities and manufacturing locations where they are produced and where their heritage was born. In addition to their local appeal, they are also desired internationally with critical acclaim.

These brands form part of the fabric of the respective drinks markets they occupy, with there lasting appeal underpinned by continued brand and marketing investment, alongside new product development. Together they deliver strong margins and are highly cash generative.

Scotland's favourite beer

Tennent's is Scotland's favourite beer. Tennent's has been brewed since 1885 at our Wellpark manufacturing site in Glasgow, where a brewery has stood since the 16th century.

Ireland's No.1 cider

Bulmers is Ireland's No.1 cider, made at our manufacturing site Clonmel, Co.Tipperary.

No.3 cider in the UK

Magners is the No.3 apple cider in the UK and is recognised and distributed internationally.

Complemented by premium and craft brands

The premium market segment continues to grow structurally as consumer demands evolve although this space is fragmented with the number of brands. C&C deploys a portfolio of premium and craft beers which meet this demand and coupled with our local and core brands provide a comprehensive range to meet customer and consumer preferences. Further innovation will strengthen these brands and will be complemented by exclusive distribution agreements and 'equity for growth' investments in leading craft brands.

Belgian beer

Heverlee is a premium Belgian Beer, which is endorsed by the Abbey of the order of Prémontré, in the town of Heverlee in Leuven.

Dublin lager

The Five Lamps Dublin Brewery was originally set up in early 2012 beside Dublin's iconic Five Lamps. Its first beer, Five Lamps Dublin Lager, was launched in September 2012.

Italian lager

Menabrea is from Northern Italy and is matured gently in the perfect temperature of cave cellars for a taste of superior clarity. This pale lager is well balanced between citrus, bitter tones and floral, fruity undertones giving a consistent and refined flavour.

Craft beer

A range of craft beer brands which includes Innis & Gunn, Scotland's leading craft beer brand in which C&C recently made an 'equity for growth' investment in.

Craft cider

Orchard Pig craft ciders are full of Somerset character and scrumptious tanins found in West Country cider apples.

Other Owned & Agency

Local, niche and speciality brands as well as world premium brands such as Stella Artois, Becks, Budweiser and Corona.

Strategic Report - Business Model

System Strength

Route-to-market

C&C's route-to-market platform occupies a fundamental role in the infrastructure of the UK and Ireland hospitality sectors. The Group provides a route to market for international and local brands alike.

Customer benefit	C&C provide access to an unrivalled range of products, offering expert knowledge and insight.	Nationwide network with market leading reach and scale.	Resilience of C&C's inhouse operated network.	C&C's financial strength provides security of supply and access to credit.
C&C	A drinks portfolio which is market leading.	Ensures the Group participates in evolving consumer trends across multiple drinks categories.	C&C's distribution platform enhances market access and visibility for its brands.	Supplier brands which compliment our own branded portfolio.
Supplier benefit	C&C provide access to an unrivalled range of customers across all areas of on and off-trade.	C&C has an intimate understanding of the markets they serve.	C&C's access to data ensures it has unparalleled insight into the hospitality sector.	C&C's financial strength and creditworthiness.

Scale and Reach

C&C has unrivalled size, scale and distribution reach across attractive on-trade drinks markets in Ireland and UK. We operate two well invested and state of the art manufacturing sites. Our operational footprint can reach over 99% of the UK population on a next day delivery basis.

No.1 Drinks distributor on Island of Ireland

No.1 Drinks distributor in Scotland and GB

ESG

Sustainability

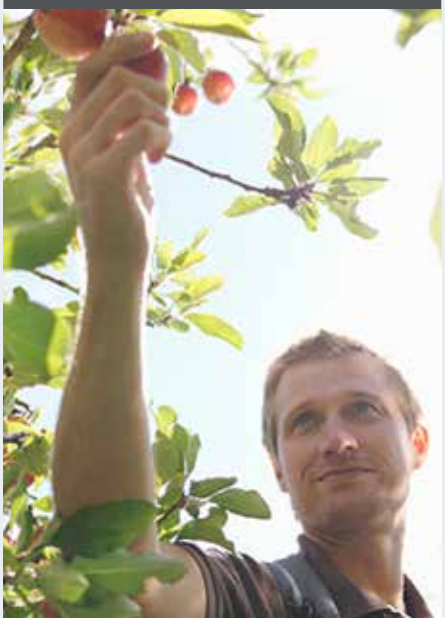
Delivering to a better world…

We recognise the important role that sustainability plays in the decision making of all our stakeholders. C&C has proven track record of investing and delivering against sustainability targets and a clear strategy anchored in three pillars.

Environmental

Reduce our carbon footprint

Sustainably source our products & services



Social

Ensure alcohol is consumed responsibly

Enhance health, wellbeing & capability of colleagues

Governance

Build a more inclusive, diverse & engaged C&C

Collaborate with Government & NGO's

Strategic Report - How we create sustainable value

C&C Group plc is a leading drinks manufacturer, marketer and distributor of premium branded cider, beer, wine, spirits and soft drinks across the UK and Ireland. The Group also plays a fundamental role in the infrastructure of the UK and Irish drinks market as a key route-to-market partner for local and international beverage brand owners.

Our **purpose** is to deliver joy to customers with remarkable brands and service.

Our **vision** is to be the first-choice brands led distribution partner for customers in hospitality and retail in the UK and Ireland.

Our **values** are:

Respect people and the planet

We bring joy to life

Quality is at our core

Manufacture

Embrace sustainable sourcing

We are committed to sourcing our raw materials from local sustainable sources. All apples crushed at the Clonmel site for the production of Bulmers and Magners cider are sourced from the island of Ireland. As well as having 165 acres of our own orchards in Co. Tipperary, there are over 50 partner growers on the island with whom we work closely.

The Group recognises that sustainability needs to be embraced by partners at every stage of the supply chain to achieve our sustainability objectives. C&C has enhanced its approach to ethical and sustainable procurement. This sets out our policies and objectives in relation to wider social and ethical issues as well as environmental issues including climate change. As part of our sustainable procurement approach, we are working with CDP and the Science Based Targets Initiative to build an understanding of the way our supply chain manages their climate change risks and their overall ethical approach.

Optimising Production and Manufacturing

The Group has employed various practices to conserve the use of energy, reduce carbon emissions, improve waste reduction and recycling and minimise the impact on natural resources. From 1 April 2021, 100% of the electricity across our main sites in the UK and Ireland comes from renewable sources, covering c98% of our electricity use. In February 2022, Leo Varadkar, Tánaiste and Minister for Enterprise, Trade and Employment in Ireland, visited Clonmel to mark the installation of the largest rooftop solar panel farm in Ireland. This solar panel provides up to 10% of Clonmel's electricity requirements, while reducing the site's carbon emissions by 4%, and saving c.290 tonnes of CO_2 per annum.

Improve sustainable packaging

During FY2022, the Group met its ambitious commitment to be out of single-use plastics (shrink and hi and mid cone rings) in the packaging of our canned products, reducing the environmental impact and ecological footprint of our products. All of our canned product is now in fully recyclable cardboard, removing more than 200 million plastic rings/per annum from the environment, as part of an overall plastic reduction of several hundred tonnes. We are the only brewer who is a member of the UK Plastics Pact, which has additional targets on plastic packaging, waste and recyclates. Across C&C group, 29% of our own beer and cider is sold in returnable formats (returnable keg and bottle).

The Group recognises that sustainability needs to be embraced by partners at every stage of the supply chain to promote the success of its sustainability strategy.

ESG Pillars 1 2 4 5

see pages 62 - 63

Market

Data

Our unrivalled scale and reach into the on-trade markets of the UK and Ireland ensures that we have superior access to data and the best insight into macro and regional trends.

Promoting responsible consumption of alcohol

We are committed to the promotion of responsible drinking and moderate consumption of our products, to ensure they are enjoyed safely by drinkers.

Communities

The Group is committed to the communities in which we operate and undertakes a range of initiatives that benefit our local communities, in particular supporting charitable activities.

Stakeholder engagement

We aim to maintain open and positive dialogue with all our stakeholders. Our stakeholders are an important part of our operations and are referenced throughout this report.

ESG Pillars 3 6
see pages 62 - 63

Distribution

C&C is the UK & Ireland's largest independent On Trade drinks distributor. Our final mile distribution strength, means we are well placed to serve our On Trade customers, with 29 nationwide depots and our owned fleet delivering in excess of 700,000 orders per year.

One stop shop

With an unrivalled range of beers, ciders, wines, spirits and soft drinks, C&C's distribution platform provides a comprehensive "one stop shop" for licensed premises owners.

Final Mile distribution

In FY2022, we completed the optimisation of the English and Scottish delivery networks. This consolidated volumes from three separate networks into two, bringing all of our final mile English distribution in-house, driving on-going efficiencies, service improvements and in turn enhance future margins.

Piloting Alternative Fuel Vehicles

Electric vehicles (EVs) are being trialled for deliveries in urban areas. An electric-powered van has been utilised for small-volume deliveries of Five Lamps craft beer in Dublin and a trial of electric vans has taken place at the Matthew Clark Park Royal depot, together with a Hydrogenated Vegetable Oil (HVO) diesel replacement trial at our Bedford depot. In Scotland, we are investigating alternative fuel types for vehicles, electric vehicles for Wellpark to Cambuslang trips and hydrogen for longer distance inter depot shunts.

ESG Pillar 1
see pages 62 - 63

Strategic Report - Key Performance Indicators

FY2022 has seen the reopening of the on-trade across our core markets and a rebuilding of profit and cash generation for the Group. As a consequence, we have reinstated the Key Performance Indicators ("KPIs") reported in FY2020 although we would note that performance in a number of KPIs compared with pre COVID-19 remain impacted. With recognition of the current backdrop and covenant waiver period net debt and liquidity continue to form part of the key financial metrics during FY2022.

Strategic Priority	KPI	Definition (see also financial definitions on pages 240 and 241)	FY2022 Performance		FY2022 Focus	Links to other Disclosures
To enhance earnings growth	Operating profit	Operating profit/(loss) (before exceptional items)	FY2019 FY2020 FY2021 FY2022	€104.5m €120.8m (€59.6m)* €47.9m	To seek continuing growth, through revenue enhancement, acquisition synergies and cost control	Group CFO Review page 54
	Operating margin	Operating profit/(loss) (before exceptional items), as a percentage of net revenue	FY2019 FY2020 FY2021 FY2022	6.6% 7.0% (8.1%)* 3.3%		
	Adjusted diluted earnings per share	Attributable earnings before exceptional items divided by the average number of shares in issue as adjusted for the dilutive impact of equity share awards	FY2019 FY2020 FY2021 FY2022	26.6c 29.6c (21.1c)** 7.5c	To achieve adjusted diluted EPS growth in real terms	Group CFO Review page 54
	Basic earnings per share	Attributable earnings divided by the average number of shares in issue as adjusted for the dilutive impact of equity share awards	FY2019 FY2020 FY2021 FY2022	23.4c 2.9c (31.1c)** 9.9c	To achieve EPS growth in real terms	Group CFO Review page 54
To generate strong cash flows	Free Cash Flow	Free Cash Flow is a non GAAP measure that comprises cash flow from operating activities net of capital investment cash outflows which form part of investing activities (before exceptional items)	FY2019 FY2020 FY2021 FY2022	€96.9m €155.1m (€91.2m)* €28.4m	To generate improved operating cash flows	Group CFO Review page 54
	Free Cash Flow Conversion Ratio	The conversion ratio is the ratio of free cash flow as a percentage of EBITDA (before exceptional items)	FY2019 FY2020 FY2021 FY2022	80.8% 101.0% NM* 35.6%		
To ensure the appropriate level of financial gearing and profits to service debt	Net debt: Adjusted EBITDA	The ratio of net debt (Net debt comprises borrowings (net of issue costs) less cash less leased liabilities) to Adjusted EBITDA	FY2019 FY2020 FY2021 FY2022	2.51x 1.77x NM* 3.40x	Move towards medium term target of 2.0 times Net Debt/adjusted EBITDA (excluding leased liabilities)	Group CFO Review page 54

Strategic Priority	KPI	Definition (see also financial definitions on pages 240 and 241)	FY2022 Performance		FY2022 Focus	Links to other Disclosures
To ensure the appropriate level of liquidity	**Liquidity**	Liquidity (liquidity comprises cash on hand and headroom available in the Group's revolving credit facility) as part of our renegotiated covenants	FY2019 FY2020 FY2021 FY2022	€322.9m €335.3m €314.6m €438.7m	Ensure sufficient liquidity to meet the on-going requirements of the business and execute its strategy	Group CFO Review page 54
To ensure the appropriate level of financial gearing	**Net debt**	Net debt (net debt comprises borrowings (net of issue costs) less cash)	FY2019 FY2020 FY2021 FY2022	€301.6m €233.6m €362.3m €191.3m		Group CFO Review page 54
To deliver sustainable shareholder returns	**Progressive dividend/ return to shareholders**	Total dividend per share paid and proposed in respect of the financial year in question	FY2019 FY2020 FY2021 FY2022	15.31c 5.5c - -	The Group will continue to seek to enhance shareholder returns	
	Dividend Payout Ratio	Dividend cover is Dividend/ Adjusted diluted EPS	FY2019 FY2020 FY2021 FY2022	57.6% 18.6% - -		
To achieve the highest standards of environmental management	**Reduction in CO_2 emissions**	Tonnes of CO_2 emissions***	FY2019 FY2020 FY2021 FY2022	38,092t 32,729t 26,865t 24,196t	To achieve best practice across the Group, including acquired businesses	Responsibility Report page 62
To achieve the highest standards of environmental management	**Waste recycling**	Tonnes of waste sent to landfill	FY2019 FY2020 FY2021 FY2022	0t 0t 0t 0t	To achieve best practice across the Group, including acquired businesses	
To ensure safe and healthy working conditions	**Workplace safety accident rate**	The number of injuries that resulted in lost-work days, per 100,000 hours working time in production facilities	FY2019 FY2020 FY2021 FY2022	1.02 0.52 0.54 0.28	To achieve best practice across the Group, including acquired businesses	Responsibility Report page 62

* COVID-19 had a material impact on KPIs in FY2021.

** During the current financial year, the Group completed a Rights Issue at a discounted price of £1.86. As the rights price was issued at a discount, this was equivalent to a bonus issue of shares combined with a full market price. As such, IAS 33 *Earnings Per Share* requires an adjustment to the number of shares outstanding before the Rights Issue to reflect the bonus element inherent in it and also for this to be included in the EPS calculation for the prior period presented so as to provide a comparable result.

*** Market based scope 1 and 2 emissions as stated in annual Carbon Disclosure Project return.

Strategic Report - Management of Risks and Uncertainties

The Board has overall responsibility for the Group's system of internal control, for reviewing its effectiveness and for confirming that there is a process for identifying, evaluating and managing the principal risks affecting the achievement of the Group's strategic objectives. This system of internal control can only provide reasonable and not absolute, assurance against material misstatement or loss.

The Group has established a risk management process to ensure effective and timely identification, reporting and management of risk events that could materially impact upon the achievement of the Group's strategic objectives and financial targets. This involves the Board considering the following:

- the nature and extent of the principal risks facing the Group;
- the likelihood of these risks occurring;
- the impact on the Group should these risks occur; and
- the actions being taken to manage these risks to the desired level.

The Audit Committee oversees the effectiveness of the risk management procedures in place and the steps being taken to mitigate the Group's risks.

A process for identifying, evaluating and managing significant risks faced by the Group, in accordance with the UK Corporate Governance Code 2018 and the FRC Guidance on Risk Management, Internal Control and Related Financial and Business Reporting, has been in place for the entire period and up to the date the financial statements were approved. These risks are reviewed by the Audit Committee and the Board, who will also consider any emerging risks for inclusion in the Group Risk Register.

The risks facing the Group are reviewed regularly by the Audit Committee with the executive management team. Each of the Group's principal risks is assigned an executive owner, who is responsible for ensuring mitigating actions are sufficient to bring risks to within the agreed appetite and the risk management governance framework ensures that these mitigations and internal controls are embedded and operate effectively throughout the organisation.

The annual Board and the Audit Committee agendas include a series of updates from executive risk owners in relation to the Group's principal risks. These updates include a history of the risk to date, key mitigating actions and controls, an outline of the residual risk and any future actions planned to address control weaknesses.

The Audit Committee also receives regular updates on risk management and internal control effectiveness from the Head of Internal Audit along with agreed mitigating actions to resolve any weaknesses identified.

Environmental, Social and Governance (ESG) Committee

The ESG Committee, established in FY2021, supports the Group's ongoing commitment to environmental, corporate social responsibility and corporate governance matters. This Committee is responsible for monitoring and reviewing current and emerging ESG trends, relevant international standards and legislative requirements and identifying how these are likely to impact the strategy, operations and reputation of the Group. The Committee is also responsible for assessing the effectiveness of the Group's policies, programmes, practices and systems for:

- identifying, managing and mitigating or eliminating ESG risks in connection with the Group's operations and corporate activity; and
- ensuring compliance with relevant legal and regulatory requirements and industry standards and guidelines applicable to ESG matters.

Internal Controls and Risk Management

The key features of the Group's system of internal control and risk management include:

- review, discussion and approval of the Group's strategy by the Board;
- clearly defined organisation structures and authority limits for the operational and financial management of the Group and its businesses;
- corporate policies for financial reporting, treasury and financial risk management, information technology and security, project appraisal and corporate governance;
- review and approval by the Board of annual budgets for all business units, identifying key risks and opportunities;
- monitoring of performance against budgets on a weekly basis and reporting thereon to the Board on a periodic basis;
- an internal audit function which reviews key business processes and controls; and
- review by senior management and the Audit Committee of internal audit findings, recommendations and follow up actions.

The preparation and issue of financial reports, including consolidated annual financial statements is managed by the Group Finance function with oversight from the Audit Committee. The key features of the Group's internal control procedures with regard to the preparation of consolidated financial statements are as follows:

- the review of each operating division's period end reporting package by the Group Finance function;
- the challenge and review of the financial results of each operating division with the management of that division by the Group Chief Financial Officer;
- the review of any internal control weaknesses highlighted by the external auditor, the Group Chief Financial Officer, Head of Internal Audit, Company Secretary and Group General Counsel and the Audit Committee; and
- the follow up of any critical weaknesses to ensure issues highlighted are addressed.

The Directors confirm that, in addition to the monitoring carried out by the Audit Committee under its terms of reference, they have reviewed the effectiveness of the Group's risk management and internal control systems up to and including the date of approval of the financial statements. This review had regard to all material controls, including financial, operational and compliance controls that could affect the Group's business. The Directors considered the outcome of this review and found the systems satisfactory.

Principal Risks and Uncertainties

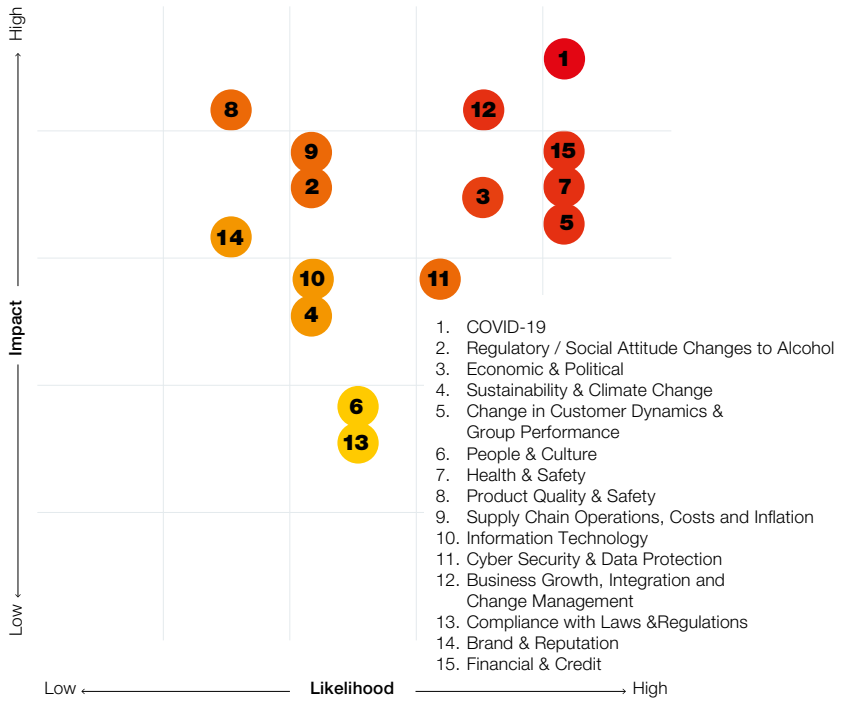
During the year, the Audit Committee and the Board carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. The principal risks and uncertainties set out on pages 36 to 45 represent the principal uncertainties that the Board believes may impact the Group's ability to effectively deliver its strategy and future performance. The list does not include all risks that the Group faces and it does not list the risks in any order of priority. The actions taken to mitigate the risks cannot provide assurance that other risks will not materialise and adversely affect the operating results and financial position of the Group. These principal risks are incorporated into the modelling activity performed to assess the ability of the Group to continue in operation and meet its liabilities as they fall due for the purposes of the Viability Statement on pages 44 to 45. The Audit Committee and Board will continue to monitor risk in the context of relevant factors such as the ongoing impact of the COVID-19 pandemic, as well as other changes in the external environment, which may create future risks.

Sustainability and Climate Change Risk

The Board recognise the significant risks posed by climate change and consideration of these risks forms part of our existing risk management processes. The increasing importance of climate change risk was reflected in the Board's decision to include climate change and sustainability as a standalone principal risk in FY2021.

During the year, a cross-functional team was created to further align our assessment and disclosure practices within the requirements of the Taskforce on Climate-related Financial Disclosures ("TCFD"). This included conducting a detailed climate change risk assessment and scenario analysis with the support of an expert external party. The TCFD section on pages 46 to 53 summarises the work undertaken to date to understand the potential impact of climate change on the Group and outlines future areas of management focus.

Principal Risk Matrix



Strategic Report - Management of Risks and Uncertainties (continued)

Changes to the Principal Risks

While there has been no significant change in the principal risks in the last year, the Group operates in a dynamic environment where risks continue to evolve and the Group continues to develop mitigation measures to address them.

Although the COVID-19 pandemic has continued to create uncertainty, as vaccination rollouts progress and our understanding and agility in managing it through preventative measures has grown, the outlook has improved. As a consequence, we have chosen to not consider COVID-19 as an individual risk, but rather consider the amplifying effect it has on a number of other principal risks such as Health & Safety risk, People and Culture, Supply Chain Operations, Costs and Inflation, and Cyber and Information Security.

Some fluctuation in risk trends did arise in FY2022 including:

- Supply Chain Operations, Costs and Inflation has increased from stable to increasing as global activity has increased supply chain pressures and inflation has created headwinds across the business; and
- Economic and Political, Sustainability and Climate Change and People and Culture continue to trend upwards.

Risk & Uncertainties

Impact	Mitigation	Risk Trend
Regulatory and Social Attitude Changes to Alcohol		▲
The Group may be adversely affected by changes in government regulations affecting alcohol pricing (including duty), sponsorship or advertising.	The Group and business units continue to engage with trade bodies to ensure any proposed changes to legislation and restrictions are appropriate within the industry. The Group is actively involved in BBPA and also complies with all Portman Group guidance. Within the context of supporting responsible drinking initiatives, the Group supports the work of its trade associations to present the industry's case to government. The Group has developed low, and zero, alcohol options for brands in order to address legislation and possible duty increases as well as appeal to those consumers looking for a healthier choice.	
Economic and Geo-Political		▲
Our business, financial results and operations may be adversely affected by economic or geo-political instability and/or uncertainty, such as the conflict in Ukraine. The Group's performance is also impacted by potential recessions, inflation, exchange rates, taxation rates and social unrest.	The Board and management will continue to consider the impact on the Group's businesses, monitor developments and engage with the UK, Irish and Scottish governments to help ensure a manageable outcome for our businesses. Group businesses are active members in respected industry trade bodies including being a steering committee member of the all-party UK Parliamentary Beer Group. On an ongoing basis, the Group seeks, where appropriate, to mitigate currency risk through hedging and structured financial contracts and take appropriate action to help mitigate the consequences of any decline in demand within its markets. We have implemented action plans to protect the profitability and liquidity of the Group and mitigate a significant proportion of our cost base. We continue to review our cost base for additional savings. We remain vigilant to changes in local jurisdictions and retain the flexibility to take appropriate mitigating action as necessary.	

Risk Movement New | No change | Increasing | Decreased

Impact	Mitigation	Risk Trend
Sustainability and Climate Change		▲
The Group recognises the significant environmental challenges the world faces due to a changing climate and the implications that this can have for our business and supply chains. Physical climate impacts and related policy and/or market changes may disrupt our operations or impact demand for our products. Failure to implement policies and meet required sustainability and ethical standards and social perceptions could significantly impact C&C's reputation as well as potentially impact future growth.	The Group has established a strong governance model which includes an ESG Committee responsible for the delivery of our sustainability strategy. Ambitious targets are in place with regard to reducing the carbon footprint of our operations, our water intensity, reducing waste and also the use of single use plastics. Clonmel continues to be ISO 14001 accredited for an effective environmental management system. C&C Group plc have pledged to be a carbon-neutral business by 2050 at the latest. We have recently set our emissions reduction targets which are grounded in climate science and will be validated by the Science Based Targets initiative ('SBTi'). We are committed to reduce our absolute Scope 1 and Scope 2 GHG emissions by 35% by 2030 (Vs a FY2020 base year). To achieve our target of reducing our Scope 3 emissions by 25% (Vs a FY2020 base year) by 2030, we have also committed that suppliers and customers making up 67% of our Scope 3 emissions (Purchased Goods, Downstream Transport and Use of Sold Goods will have science-based targets in place by 2026. The Group will continuously engage with suppliers and customers to support them to set science-based targets for their own emissions. A cross functional team has been established to lead our alignment with the TCFD guidance. An expert external party has also been engaged to support this process. We continue to embed climate considerations into our overall strategic planning and investment appraisal process. Sustainability and climate related metrics were included as part of the Long-Term Incentive Plan ('LTIP') for Executive Directors in FY2022. We have established a Risk & Compliance Committee which is responsible for monitoring and managing climate risk. This committee is composed of executives and various levels of management from across the Group and will meet bi-monthly. The Risk Committee for Sustainability and Climate Change reports to the Audit Committee; however, we are in the process of evaluating and developing additional reporting lines which will see the Risk Committee for Sustainability and Climate Change reporting also to the ESG Committee in order to improve our oversight of climate-related risks and opportunities. The Group ensures strong overall corporate social responsibility of suppliers is reviewed and assessed both on an ongoing basis and as part of new tenders to ensure sustainability and ethical practices are a fundamental part of the supply chain.	

Strategic Report - Management of Risks and Uncertainties (continued)

Impact	Mitigation	Risk Trend
Customer and Consumer Dynamics and Group Performance		▲
Consumer preference may change, new competing brands may be launched and competitors may increase their marketing or change their pricing policies. Failure to respond to competition and/or changes in customer preferences could have an adverse impact on sales, profits and cash flow within the Group. COVID-19 may have an impact on the viability of a certain cohort of the Group's customers and on underlying consumer behaviour and preferences.	Through diversification, innovation and strategic partnerships, we are developing our product portfolio to enhance our offering of niche and premium products to satisfy changing consumer requirements including the production of low and non-alcoholic variants of our brands. The Group has a programme of brand investment, innovation and product diversification to maintain and enhance the relevance of its products in the market. The Group also operates a brand-led model in our core geographies with a comprehensive range to meet consumer needs. In order to specifically assist customers manage the impact of COVID-19, the Group provided a 'holiday' on capital and interest repayments to loan customers, full credit or 'new for old' on un-broached kegs, together with a dedicated helpline to offer advice and guidance around government support initiatives that were introduced and how to access them as well as assistance and advice in relation to hygiene measures.	
People and Culture		■
The Group's ability to attract, develop, engage and retain a diverse, talented and capable workforce is critical if the Group is to continue to compete and grow effectively. A number of external factors including the COVID-19 pandemic, have increased the competition for talent and labour across all sectors. Failure to continue to evolve our culture, diversity and inclusion could impact our reputation and delivery of our strategy.	The Group seeks to mitigate this risk through employment policies and procedures, as well as ongoing enhancements to pay and conditions, including benchmarking remuneration packages to ensure market competitiveness, broadening the scope of variable elements of remuneration and the development of retention and succession plans for critical roles. The Group's approach to talent management and executive succession planning is regularly reviewed by the Group Executive and is overseen by the ESG, Nomination Committee and the Board. A key focus of the Group's sustainability agenda is to build a purpose led, culturally diverse, engaged and inclusive workforce, where our people can be at their best, contribute to the Group's success and realise their career ambitions. Progress is monitored through KPIs and a six monthly Group wide employee engagement survey. The Group has continued to prioritise the safety and wellbeing of employees as it has navigated the challenges of the COVID-19 pandemic.	

Risk Movement New | No change | Increasing | Decreased

Impact	Mitigation	Risk Trend
Health and Safety		▲
A health and safety related incident could result in serious injury to the Group's employees, contractors, customers and visitors, which could adversely affect our operations and result in reputational damage, criminal prosecution, civil litigation and damage to the reputation of the Group and its brands. The continuing COVID-19 pandemic presents a specific risk to the health and welfare of the Group's employees, as measures required to be adopted by societies and businesses to help prevent the spread of the virus adversely effect our employees.	The Group has a Health, Safety and Environmental ('HSE') team who work closely with management to ensure that the Group complies with all health, safety and environmental laws and regulations with ongoing monitoring, reporting and training. The Group has established protocols and procedures for incident management and product recall and mitigates the financial impact by appropriate insurance cover. Stringent COVID-19 protocols remain in place at all sites. These include remote working in some locations, employee and visitor screening protocols, segregation and zoning and use of appropriate personal protective equipment. Our support for mental health and wellbeing has increased this year, with a significant expansion of our Mental Health First Aider population and investment in a range of resources.	
Product Quality and Safety		■
The quality and safety of our products is of critical importance and any failure in this regard could result in a recall of the Group's products, damage to brand image and civil or criminal liability. The COVID-19 virus continues to present additional risk to the safe production of the Group's products.	The Group has implemented quality control and technical guidelines which are adhered to across all sites. Group Technical continually monitor quality standards and compliance with technical guidelines. The Group also has quality agreements with all raw material suppliers, setting out our minimum acceptable standards. Any supplies which do not meet the defined standards are rejected and returned. The Group has enacted specific business continuity plans and a range of measures to protect the business in line with the advice of governments and local health authorities; and ensure the safe production and distribution of the Group's products.	

Strategic Report - Management of Risks and Uncertainties (continued)

Impact	Mitigation	Risk Trend
Supply Chain Operations, Costs and Inflation		■
Circumstances such as the prolonged loss of a production or storage facility, disruptions to its supply chains or critical IT systems and reduced supply of raw materials may interrupt the supply of the Group's products, adversely impacting results and reputation.	The Group seeks to mitigate the operational impact of such an event through business continuity plans, which are tested regularly to ensure that interruptions to the business are prevented or minimised and that data is protected from unauthorised access, contingency planning, including involving the utilisation of third party sites and the adoption of fire safety standards and disaster recovery protocols. The Group seeks to mitigate the financial impact of such an event through business interruption and other insurance covers.	
FY2022 has seen unprecedented global supply chain disruption. The COVID-19 pandemic combined with an increased number of other disruptive events have posed the risk of an interruption to the supply of raw materials or to the effective operation of the Group's manufacturing facilities.	The Group has enacted specific business continuity plans including a range of measures to protect the integrity of production and distribution facilities and increased packaging capacity to meet increased take home demand. To date we have maintained strong levels of service into our customer base. We have taken action to ensure our facilities are staffed sufficiently, that our production plans optimise the capacity available at each of our sites and that we prioritise the SKUs that current consumer demand requires. The Group is also working closely with its suppliers to protect the integrity and consistency of supply of raw materials.	
Also, there is a risk of increased input costs due to poor harvests and price of inputs. Very recently, the conflict in Ukraine has contributed to heightened uncertainty and inflationary pressures.	The Group seeks to minimise input risks through long-term or fixed price supply agreements, where applicable. The Group continues to assess inflationary and other supply chain pressures and impacts on product pricing and will continue to work with our suppliers to identify opportunities to improve supply chain resilience and to selectively pre-purchase products in order to ensure continuity of supply. The Group does not seek to hedge its exposure to commodity prices by entering into derivative financial instruments.	
Information Technology		■
The Group relies on robust IT systems and supporting infrastructure to manufacture and trade effectively. Any significant disruption or failure of key systems could result in business disruption and revenue loss, accident or misappropriation of confidential information. Failure to properly manage existing systems, or the implementation of new IT systems may result in increased costs and/ or lost revenue, and reputational damage.	The Group has continued to focus on modern cloud-based assets which are naturally more resilient to failure. Business and IT continuity has been maintained during the COVID-19 pandemic by updating operating models to ensure the safety of our workforce and customers. Nevertheless, the risk of disruption or failure of critical IT infrastructure, as well as process failure remains a significant risk.	

Risk Movement New | No change | Increasing | Decreased

Impact	Mitigation	Risk Trend
Cyber Security and Data Protection		▲
Failure or compromise of our IT infrastructure or key IT systems may result in theft, loss of information, inability to operate effectively, financial or regulatory penalties, loss of financial control and negatively impact our reputation. Failure to comply with legal or regulatory requirements relating to data security (including cyber security) or data privacy in the course of our business activities, may result in reputational damage, fines or other adverse consequences, including criminal penalties and consequential litigation, adverse impact on our financial results or unfavourable effects on our ability to do business. There is a constant threat of significant and sophisticated cyber attacks including phishing, ransom ware, malware and social engineering. A continuation of home working as a result of the COVID-19 pandemic has led to an increase in the risk of cyber/phishing attacks across all organisations. Using personal data in a non-compliant manner (whether deliberately or inadvertently) may exacerbate the impact of security incidents.	Following the incident affecting Matthew Clark and Bibendum IT systems in April 2021, we have reviewed our information security and cyber preparedness policies and procedures, enhanced our information technology systems and controls, including the appointment of a Technology and Transformation Director and Group Head of IT. In the field of information technology and security, the Group undertakes a regular security assurance programme, testing controls, identifying weaknesses and prioritising remediation activities where necessary. This includes periodic best practice specialist security testing by a leading third party provider and regular system scanning to identify security weaknesses. Issues are assessed for risk and are comprehensively managed as part of the Group's risk management programme. The Board and Audit Committee is presented with regular detailed Information Security Reports by the Technology and Transformation Director and Group Head of IT, which includes recommendations for further reinforcements, and a roadmap for further risk reduction. As a demonstration of our commitment to tackling cyber security we are currently pursuing Cyber Essentials Plus accreditation from the National Cyber Security Centre ('NCSC'). An appropriate governance structure is in place including an IT & DP risk committee. Cyber security is a major focus area for the Board and Audit Committee who this year received three formal updates from the Group Transformation and Technology Director. A programme of initiatives has been implemented and enhancements made to further reduce cyber risk. Specialist external IT security team undertake a 24/7 security monitoring service, a vulnerability management programme, a software review process, supply chain partner audits, a data loss prevention programme and identity governance controls amongst other initiatives. During FY2022 we continued our ongoing programme of investment in cyber security controls which included Endpoint Detect and Respond ('EDR'), Cloud Access Security Broker ('CASB'), Domain based Message authentication, Reporting and Conformance ('DMARC'), email authentication and enhanced data loss prevention controls. Business continuity, disaster recovery and crisis management plans are in place and tested on a regular basis. We continue to prioritise a number of initiatives to further minimise the risk profile, including employees receiving regular online cyber security training and ongoing awareness is promoted through monthly phishing training and other initiatives to keep employees abreast of new and emerging threats. Policies are in place regarding the protection of both business and personal information, with support from the newly appointed, Group Data Protection Officer.	

Strategic Report - Management of Risks and Uncertainties (continued)

Impact	Mitigation	Risk Trend
Business Growth, Integration and Change Management		■
As the Group reacts to the effects of the COVID-19 pandemic, it is necessary to adjust to change and assimilate new business models. The breadth and pace of change can present strategic and operational challenges. Business integration and change that are not managed effectively could result in unrealised synergies, poor project governance, poor project delivery, increased staff turnover, erosion of value and failure to deliver growth.	Significant projects and acquisitions have formal leadership and project management teams to deliver integration. Regular Group communications ensure effective information, engagement and feedback flow to support cultural change. The Executive Management team oversees change management and integration risks through regular meetings.	
Compliance with Laws and Regulations		■
The Group operates in an environment governed by strict and extensive regulations to ensure the safety and protection of customers, shareholders, employees and other stakeholders. These laws and regulations include hygiene, health and safety, the rules of the London Stock Exchange and competition law. Changing laws and regulation may impact our ability to market or sell certain products or could cause the Group to incur additional costs or liabilities that could adversely affect its business. Moreover, breach of our internal global policies and standards could result in severe damage to our corporate reputation and/or significant financial penalty. Companies face increased risk of fraud and corruption, both internally and externally, due to financial pressures and changes to ways of working as a consequence of COVID-19.	The Company Secretary and Group General Counsel is a member of the Executive Committee and is supported by appropriately skilled in-house legal, data protection and company secretarial resource, with further support provided by external lawyers and advisors. Policies and procedures are in place to ensure compliance with regulations and legislation, providing updated documentation, training and communication across the Group. The Group's Code of Conduct and supporting policies, clearly define the standards and expectations for all employees and third parties. A mandatory online employee compliance programme is in place to embed employees understanding of key compliance risks. The Group's Vault whistleblowing service, managed and facilitated by an independent third party, is available to all employees to raise concerns with regard to suspected wrongdoings or unethical behaviours. All calls are followed up and investigated fully with all findings reported to the Board. The Group maintains appropriate internal controls and procedures to guard against economic crime and imposes appropriate monitoring and controls on subsidiary management.	

Risk Movement New | No change | Increasing | Decreased

Impact	Mitigation	Risk Trend
Brand and Reputation		■
The Group faces considerable risk if we are unable to uphold high levels of consumer awareness, retain and attract key associates and sponsorships for our brands, or if we have inadequate marketing investment to support our brands. Maintaining and enhancing brand image and reputation through the creation of strong brand identities is crucial for sustaining and driving revenue and profit growth. The closure of on-trade outlets and a reduction in the Group's marketing and brand advertising due to COVID-19 may impact the Group's brand health scores.	To mitigate this risk, C&C has defined values and goals for all our brands. These form the foundation of our product and brand communication strategies. Central to all our brand image initiatives is ensuring clear and consistent messaging to our targeted consumer audience. Executive Management, Group Legal and internal/external PR consultants work together to ensure that all sponsorship and affiliations are appropriate and protect the position of our brands. The Group is monitoring the impact of the rapidly changing trading environment on the Group's brands and will make necessary investment decisions to protect the Group's brand health scores and reputation.	
Financial and Credit		▲
The Group is subject to a number of financial and credit risks such as adverse exchange and interest rate fluctuations, availability of supplier credit, credit management of customers and possible increase to pension funds deficits and cash contributions. COVID-19 may have a further impact on the Group's liquidity, due to lower on-trade revenues, customers' ability to honour their obligations, and the Group's ability to access supplier credit. Non-conformities of accounting and financial controls could impair the accuracy of the data used for internal reporting, decision-making and external communication.	The Group seeks to mitigate currency risks, where appropriate, through hedging and structured financial contracts to hedge a portion of its foreign currency transaction exposure. It has not entered into structured financial contracts to hedge its translation exposure on its foreign acquisitions. In relation to pensions, continuous monitoring, taking professional advice on the optimisation of asset returns within agreed acceptable risk tolerances and implementing liability-management initiatives. A range of credit management controls are in place which are regularly monitored by management to minimise the risk and exposure. The Group is working with all customers and suppliers to minimise the adverse impact of COVID-19 on the business. Contracts may be renegotiated. We continue to focus on retention and new sales opportunities as customers move to more resilient and "best in class" operations. A range of key internal financial controls, such as segregation of duties, authorisations and detailed reviews are in place with regular monitoring by management to ensure the accuracy of the data for reporting purposes.	

Assessment of the Group's Prospects

Going Concern

The Directors have adopted the going concern basis in preparing the financial statements after assessing the Group's principal risks including the risks associated with COVID-19.

Following the Rights Issue that the Group successfully completed in June 2021 in which the Group raised £151 million (€176 million) and as a consequence of COVID-19, the debt covenants for 31 August 2022 were renegotiated to increase the threshold of the Group's Net Debt/Adjusted EBITDA covenant to not exceed 4.5x and to reduce the Interest cover covenant to be not less than 2.5x. Restrictions including a minimum liquidity requirement of €150.0 million each month and a monthly gross debt limit of €700.0 million also apply. The Group is on track to meet these amended covenants, which end in August 2022 and revert to the traditional covenant metrics

Strategic Report - Management of Risks and Uncertainties (continued)

(Net Debt: Adjusted EBITDA not exceeding 3.5:1 and Interest Cover not less than 3.5:1) for its FY2023 full year results. In fact, the Group is back within its traditional covenant metrics as at 28 February 2022. However the restrictions will continue to apply until the Group demonstrates compliance with the traditional covenant metrics at its FY2023 full year results, unless it can show Net Debt: Adjusted EBITDA not exceeding 3:1 and Interest Cover not less than 4:1 for its FY2023 half year results, in which case the restrictions will end at that point.

The proceeds from the Rights Issue of £151 million (€176 million), coupled with a return to profitability and cash generation following the easing of government restrictions around COVID-19 in our core markets and disciplined balance sheet management has led to net debt excluding leases and liquidity of €191 million and €439 million respectively at year end compared with €362 million and €315 million respectively in FY2021. The Group delivered a leverage of 3.4x Net Debt/EBITDA as at 28 February 2022 and as previously noted is back within its traditional covenant metrics.

The Group returned to profitability in May 2021 following the easing of government restrictions around COVID-19 in our core markets, with trading ahead of plan. However, renewed Government restrictions on the hospitality industry around the key Christmas trading period adversely impacted performance. With the lifting once again of restrictions towards the latter stages of FY2022, the Group's on-trade performance improved, providing a platform for a clean start to FY2023. Cost inflation pressures have grown over recent months and in response, the Group implemented a series of price increases which, alongside the previously announced €18.0 million cost reduction programme and cost hedge positions taken, affords the Group a degree of protection from the inflationary environment as we enter into FY2023.

The Directors assessed the Group's cash flow forecasts for the period ending 31 August 2023 (the going concern "assessment period"). The Cashflows included various stress testing scenarios around higher costs, an evolving inflationary environment and reduced volumes, in part associated with the impact of the on-going conflict in Ukraine, but even at FY2022 profit levels, which were significantly curtailed as a consequence of the COVID-19 restrictions, the Group would have sufficient headroom to covenants. The Group's cash flow forecasts assume the continuation of trading over the assessment period with no lockdowns or the reintroduction of COVID-19 restrictions.

Overall conclusion

The headroom on the covenants within the financing facilities have been reviewed in detail by management and assessed by the Directors. Given the successful Rights Issue in June 2021; the return to profitability in the Group's core markets; the price increases implemented, cost hedge positions taken and the disposal of the Group's share of Admiral Taverns in FY2023, the Group's cashflow forecasts demonstrate significant headroom on the covenants within the financing facilities. Given the quantum of headroom, the Directors have concluded that the covenants will be satisfied and therefore consider it appropriate to adopt the going concern basis of accounting with no material uncertainties as to the Group's ability to continue to do so.

Viability Statement

As set out in Provision 31 of the UK Corporate Governance Code, the Directors have assessed the prospects of the Group and its ability to meet its liabilities as they fall due over the medium-term. Specifically, the Directors have assessed the viability of the business over a three-year period to February 2025. In conducting the assessment the Directors have taken account of the Group's current position and prospects, the Group's strategy, the Board's risk appetite and the Group's Principal Risks and Uncertainties as set out above and how these are identified, managed and mitigated. Based on this assessment, which includes a robust assessment of the potential impact that these risks would have on the Group's business model, future performance, solvency and liquidity, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the three-year period to February 2025.

Group's strategic planning process

The Board considers annually a strategic plan. Current year business performance is reforecast during the year and a more detailed budget is prepared for the following year. The most recent financial plan was approved by the Board in March 2022. The plan is reviewed and approved by the Board, with involvement from the Group CEO, Group CFO and the management team. Part of the Board's role is to consider the appropriateness of key assumptions, considering the external environment, business strategy and model including the impact of COVID-19.

Period of Assessment

Given the uncertainty at the time of issuing last year's Annual Report, the Directors determined that a two year period was the appropriate period to consider the Group's viability. Given the current outlook for future trading, the Directors have determined that the three year period to February 2025 is an appropriate period over which to provide its viability statement. This period has been considered for the following reasons:

- The business model can be evolved for significant changes in market structure or government policy over the three year period;
- For major investment projects three years is considered by the Board to be a reasonable time horizon for an assessment of the outcome; and
- The Group's strategic planning cycle covers a three year period.

Viability Assessment

The Directors' assessment of the Group's viability has been made with reference to the 2022 performance and its budget for FY2023. The Group returned to profitability in May 2021 following the easing of government restrictions around COVID-19 in our core markets, with trading ahead of plan. However, renewed Government restrictions on the hospitality industry around the key Christmas trading

Risk Movement New No change Increasing Decreased

period adversely impacted performance. With the lifting of restrictions towards the latter stages of FY2022, the Group's on-trade performance improved, providing a platform for a clean start to FY2023. Cost inflation pressures have grown over recent months and in response, the Group implemented a series of price increases which, alongside the previously announced €18.0 million cost reduction programme and cost hedge positions taken, affords the Group a degree of protection from the inflationary environment as we enter into FY2023.

The Group also successfully completed a Rights Issue in June 2021, raising gross proceeds of £151 million (€176 million). This coupled with a return to profitability and cash generation following the easing of government restrictions around COVID-19 in our core markets and disciplined balance sheet management has led to net debt excluding leases and liquidity of €191 million and €439 million respectively at year end compared with €362 million and €315 million respectively in FY2021. The Group delivered a leverage of 3.4x Net Debt/EBITDA as at 28 February 2022 and are back within the traditional covenant metrics as at 28 February 2022 (Net Debt: Adjusted EBITDA not exceeding 3.5:1 and Interest Cover not less than 3.5:1). However, the waiver restrictions will continue to apply until the Group demonstrates compliance with the traditional covenant metrics at its FY2023 full year results, unless it can show Net Debt: Adjusted EBITDA not exceeding 3:1 and Interest Cover not less than 4:1 for its FY2023 half year results, in which case the restrictions will end at that point.

The Board reviewed the assessment of the Group's prospects made by management, including:

- The development of a rigorous planning process, the outputs of which are comprised of a strategic plan, a consolidated financial forecast for the current year and financial projections for future years covering the period of the plan;
- A comprehensive review of the strategic plan as part of its annual strategy review, with regular monitoring of the achievement of strategic objectives taking place at each Board meeting;
- Assumptions are built at both Group and business unit levels and are subject to detailed examination, challenge and sensitivity analysis by management and the Directors. This included assumptions around higher cost and reduced volumes but even at FY2022 profit levels which were significantly curtained as a consequence of the COVID-19 restrictions, the Group would have sufficient headroom. The Group's cash flow forecasts assume the continuation of trading over the assessment period with no lockdowns or the reintroduction of COVID-19 restrictions;
- A consideration of how the impact of one or more of the Group's Principal Risks and Uncertainties, particularly in respect of the extent and timing of the recovery in the on-trade business from the impact of the COVID-19 pandemic, could materially impact the Group's performance, solvency or liquidity; and
- The impact of climate change on the Financial Statements. The assessment concluded that climate change is not expected to have a material impact on the viability of the Group in the short term. Further detailed scenario and qualification analysis on the CROs in the TCFD report will be examined in FY2023.

These considerations include external factors such as the impacts of the expected high levels of inflation, lower economic growth, particularly in our key areas of operation, the potential impacts of COVID-19 on the Group, unfavourable currency exchange rate movements, increased regulations and internal factors such as the strategic plan under-delivering, the loss of a key production site or a health and safety related event. These considerations also took into account additional mitigating measures available to the Group, including the ability to reduce capital expenditure and the potential availability of additional debt facilities. As at 28 February 2022, the Group had total undrawn committed credit facilities of €374.0 million, and €64.7 million cash net of overdrafts.

The Audit Committee reviews the output of the viability assessment in advance of final evaluation by the Board. Having reviewed these elements, the COVID-19 related challenges and impacts experienced in FY2022 and those anticipated for the years ahead, current performance, forecasts, debt servicing requirements, total facilities and risks, the Board has a reasonable expectation that the Group has adequate resources to continue in operation, meet its liabilities as they fall due and retain sufficient available cash across the assessment period.

The Board therefore has a reasonable expectation that the Group will remain viable over the period of assessment. The Board does not expect any reasonably anticipated COVID-19 outcome to impact the Group's long-term viability.

Strategic Report Approval

The Strategic Report, outlined on pages 2 to 81, (including the assessment of the Group's prospects as set out above) incorporates the Highlights, the Business Profile and Key Performance Indicators, the Chair's Statement, the Group Chief Financial Officer's report, the Sustainability Report and the Management of Risks and Uncertainties section of this document.

This report was approved by the Board of Directors on 17 May 2022.

Mark Chilton
Company Secretary

TCFD Disclosure

Response to Climate Change

It is evident that climate change requires urgent action. Whilst the Group has implicitly considered climate change factors in strategic decisions over the last number of years, it was recognised that this was required in a more formal and robust manner in FY2022. During the year, we strengthened our analysis of climate related matters, as well as our governance and reporting of them. This included strengthening our contributions and commitments to decarbonising our value chain as well as reviewing our strategies around climate risk management and adaptation.

Moreover, as part of our efforts to understand the impacts of climate change on our business, we have begun alignment towards the Task Force on Climate-related Financial Disclosures ("TCFD") recommendations with the help of external consultants.

In accordance with LR 9.8.6R(8) and LR 9.8.7, we are required to include a statement in this Annual Report and Financial Statements setting out whether the Group has included climate-related financial disclosures consistent with the TCFD Recommendations and Recommended Disclosures ("TCFD Recommendations"). We have included climate-related financial disclosures in this Annual Report and Financial Statements consistent with the TCFD Recommendations, except for the following:

- Formally embedding climate-related risks and opportunities ("CROs") within our strategy and financial planning through the use of quantitative scenario analysis (Recommendations Strategy (b) and (c))
- Identifying and monitoring metrics and targets aligned to all of the climate-related risks and opportunities that were identified as part of our qualitative scenario analysis (Recommendation Metrics & Targets (a) and (c)).

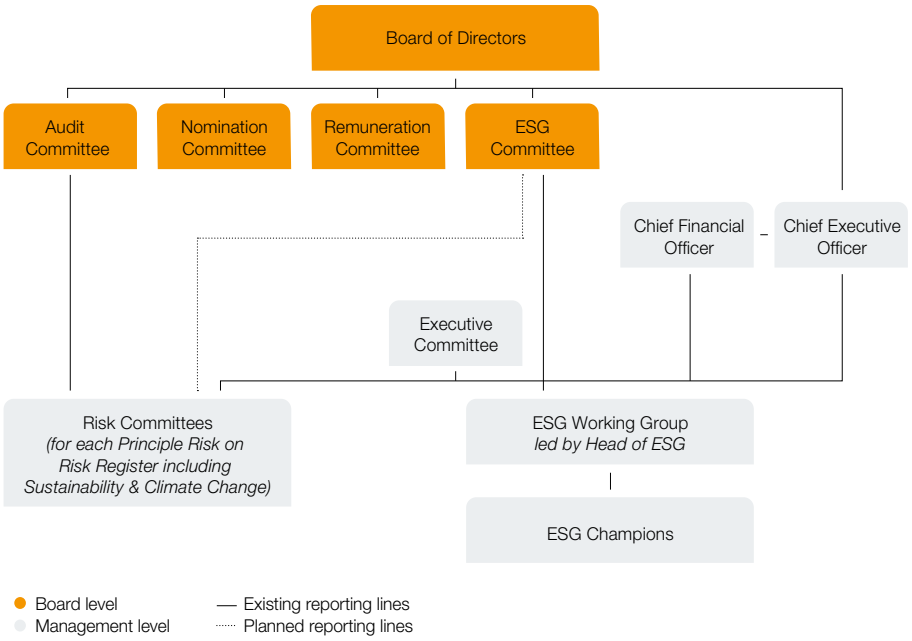
Our climate-related disclosures are set out below. This is the first year we have used the TCFD framework to support our reporting and we are committed to ensuring that we continue to improve our climate-related disclosures over the next year.

Governance

The Board is responsible for overseeing climate change risks and opportunities and considers climate-related issues when reviewing and guiding the Group's strategy, as well as when undertaking any major plans of action or capital expenditure. C&C's climate-related issues are also integrated into decisions regarding C&C's annual budgets, business plans and performance objectives. The Group is committed to ensuring climate-related issues are considered when setting the Group's risk management policies going forward, as discussed within the Risk Management section of this report on page 51.

Additionally, during the year, the Board has undertaken initial training on climate change related matters and the TCFD framework. A short list of CROs and the output of the scenario analysis conducted (see strategy section on page 47) were presented to the Board in March 2022. During the remaining months of 2022, we intend to carry out more extensive training on ESG and climate change as well as the associated risks and opportunities, in order to increase our leadership's knowledge, understanding and awareness of climate related issues.

Elements of the Board's oversight of climate change have been delegated to the ESG Committee which was established in September 2020. See page 107 of the ESG Committee report which contains its responsibilities and matters considered during the year. The Chair of the ESG Committee is responsible for providing the Board with an update around all ESG matters, including climate change. The ESG Committee is supported by a number of other Committees and Working Groups:



Risk & Compliance Committee: In our FY2021 Annual Report we included Sustainability and Climate Change as one of our principal risks. Therefore, in October of 2021 we established a Risk & Compliance Committee which is responsible for monitoring and managing this principal risk. This Committee is composed of executives and various levels of management from across the Group, and will meet bi-monthly. The Risk Committee for Sustainability and Climate Change reports to the Audit Committee; however, we are in the process of evaluating and developing additional reporting lines which will see the Risk Committee for Sustainability and Climate Change reporting also to the ESG Committee in order to improve C&C's oversight of climate-related risks and opportunities.

ESG Working group: This is a core working group focused on initiating and overseeing projects related to ESG matters. Supporting the ESG working group are a number of ESG Champions across the business. The responsibilities of the Champion role focus on providing upward feedback on ESG initiatives to the ESG Committee.

We intend to roll out training on climate-related matters to key colleagues including ESG Champions and Procurement / Buying teams so that they will be able to contribute towards the update of risk registers and the identification of climate-related risks.

The Directors' Remuneration Committee report on page 117 contains details on the ESG related metrics considered by the Committee. Specifically in relation to climate change, the following metrics are relevant:

Metric	Target	Relevant to
Carbon reduction for the Group	The Group has set a target to reduce its Scope 1 emissions and Scope 2 emissions[1] over the three financial years ending with FY2024 as follows: Threshold - 6% reduction Maximum - 12% reduction	Executive Directors

1. Scope 1: direct emissions from owned or controlled sources, which includes emissions from Group-owned or operated facilities and vehicles.
Scope 2: indirect emissions from the generation of purchased energy e.g. electricity, steam, heat and cooling.

Strategy

The Group has pledged to be a carbon-neutral business by 2050. We have grounded our emissions reduction targets in climate science through the Science Based Targets initiative ('SBTi'), which will be validated by the end of 2023 at the latest as discussed on page 65 of the Responsibility Report.

Our Approach to Identifying Climate-related Risks and Opportunities.

In FY2022 we collaborated with external consultants to support us in identifying the Group's CROs and to carry out a qualitative scenario analysis to understand the impact of the identified risks on our business. We completed various workshops involving our external consultants and a range of key stakeholders within C&C to consider potential CROs. Throughout this process, we utilised our existing Risk Management framework (as described on page 34 of the annual report) to assess the impact and the likelihood associated with each CRO. To take into consideration the longer term effects of climate change we redefined the Risk Time Frame.

The below time-horizons, which focus on when the identified CRO is likely to begin having a material impact on the business' goals and objectives, were approved for use by the ESG Committee:

Time Frame	Description
Short term	Present day to 2025
Medium Term	2025 to 2030
Long term	2030 to 2050

TCFD Disclosure
(continued)

Our Identified CROs

Using the process outlined above, we identified a "long list" of 38 CROs which was provided to the ESG Committee. We assigned each one a specific time horizon, impact level and likelihood and from this we prioritised 5 risks and 2 opportunities ("short list") based on their overall rating.

Based on these shortlisted CROs, in FY2023 we will further develop additional targets and metrics that will allow us to manage these risks / leverage these opportunities, as well as measure our progress against them.

While the above represent the risks and opportunities that we have identified as being the most relevant to C&C at this time, we will continue to monitor the risks that we have identified as part of our long list and consider emerging CROs as new climate data and policies emerge. We expect this list to evolve over time. We also continue to actively monitor the changing landscape of sustainability reporting requirements to ensure that we are meeting the reporting expectations of our key stakeholders including regulators, investors and customers.

Heatmap

Transition risk
1. Climate Change Levy / Carbon Tax

Physical Risk
2. Effects on ingredient production due to climate change
3. Water scarcity reduces availability of water for production
6. Floods disrupt production and distribution at Clonmel facility
7. Disruption to supply chain & distribution network due to extreme weather

Opportunity
4. Invest in low carbon intensity supply chains and distribution networks
5. Sustainable trends in consumer demand

*As defined in our Group Risk Register.

Understanding the impact on our CROs through Scenario Analysis

As part of our efforts to identify, assess, and mitigate climate-related risks and opportunities we have carried out a qualitative scenario analysis using the Representative Concentration Pathways ("RCP") Scenarios published by the Intergovernmental Panel on Climate Change ("IPCC"). For our qualitative analysis, we used the IPCC RCP2.6 (to support our analysis of transition risks) and RCP8.5 (to support our analysis of physical risks) scenarios to assess the impact of different temperature increases on our short list of CROs.

Under the RCP2.6 scenario, the main risk for C&C will be the increase in climate change levies and taxes that would have to be introduced in most countries to be able to reduce GHG emissions. However, there are also opportunities for C&C to leverage under this scenario. We are trialling the use of electric vehicles and investigating the use of hydrogen vehicles within our car and truck fleets in order to decarbonise our supply chain and lower our exposure to carbon taxes.

Under the RCP8.5 scenario C&C would be primarily exposed to the risks of water scarcity, flooding and changing crop yields, all of which will impact our production.

The effects of the temperature scenarios on the shortlisted CROs and their impact, as well as C&C's mitigation of these impacts, is summarised in the following table:

TCFD CRO Category	Scenario	Time Horizon	Value Chain Impact and divisional impact	Description of Impact prior to any mitigating activities being considered	Management of risks and opportunities
1. Climate Change Levy / Carbon Tax					
Transition risk - policy & legal Transition risk - technology	RCP2.6	Short term	Upstream, Production & distribution *Branded* *Wholesale*	The Group's primary production sites are located in geographical locations either with a Carbon Tax (Ireland) or Carbon Levy (UK). These costs are due to increase substantially between now and 2030. Moreover, the increased pricing of GHG emissions means that the Group's operational costs will increase (e.g. heating).	The Group will reduce our carbon emissions in line with our SBTi target. The Group will explore avenues to invest in low carbon intensity supply chains and in cleaner technologies. The Group will explore implementing a shadow carbon price in order to assess potential future financial impacts that could arise from proposed increases in carbon pricing.
2. Effects on ingredient production due to climate change					
Physical risk - chronic	RCP8.5	Long term	Raw materials *Branded* *Wholesale*	Changes in precipitation patterns and extreme variability in weather patterns will adversely affect barley, maize, wheat, malt, apple and apple juice, and wine production therefore affecting the Group's supply chain and production capabilities.	The Group will assess the climate related risk to each ingredient on an individual basis. The results will be incorporated into our supply chain strategy.
3. Water scarcity reduces availability of water for production					
Physical risk - chronic Transition risk - policy & legal	RCP8.5	Long term	Raw materials & Production *Branded* *Wholesale*	Potential for long-term changes in ground water levels due to reduced precipitation may affect the availability of water for production (the Group uses water as both a product ingredient and as a plant cleaning medium) and enhances regulatory controls over seasonal water extraction activities, disrupting the Group's production.	Each of the Group's sites has an active water management programme. This includes an ongoing assessment of the water scarcity risk to each production site. The Group will engage with our suppliers on their water management policies and establish if they have conducted a risk assessment which covers climate related water stress.

TCFD Disclosure
(continued)

TCFD CRO Category	Scenario	Time Horizon	Value Chain Impact and divisional impact	Description of Impact prior to any mitigating activities being considered	Management of risks and opportunities
6. Floods disrupt production and distribution at Clonmel facility					
Physical risk - acute	RCP8.5	Long term	Production & Distribution *Branded*	Increased heavy precipitation leading to floods in Clonmel facility. The occurrence of flooding could also cause damage to property and halt production in these facilities, impacting outputs and revenue.	As a significant employer in Tipperary in Ireland, the Group will work with the local authorities to foresee and mitigate any associated risk. A flood risk assessment will be conducted on the Clonmel site in Tipperary based on a RCP 8.5 scenario followed by the development of a flood management plan to minimise any potential business disruption.
7. Disruption to supply chain & distribution network due to extreme weather					
Physical risk - acute	RCP8.5	Long term	Upstream, Distribution *Branded* *Wholesale*	Distribution channels are exposed to more extreme weather events leading to financial losses through lost revenue due to our suppliers being unable to deliver goods to us or the Group being unable to deliver goods to our customers.	The Group will work with our partners in our recently launched Supply Chain engagement programme to review risks and mitigations on a longer term time horizon. The Group will mitigate the operational impact of extreme weather events through business continuity plans, which will be tested regularly against the latest IPCC scenarios. The Group will mitigate the financial impact of such events through business interruption insurance cover.

TCFD CRO Category	Scenario	Time Horizon	Value Chain Impact and divisional impact	Description of Impact prior to any mitigating activities being considered	Management of risks and opportunities
4. Invest in low carbon intensity supply chains and distribution networks					
Transition Opportunity (Resource Efficiency)	RCP2.6	Long term	Distribution *Branded* *Wholesale*	Opportunity to mitigate the increase in production, transportation and distribution cost due to the increase in energy prices by transitioning to lower carbon options. This could allow the Group to lower costs with respect to our competitors.	The Group will actively assess low carbon distribution options as the leading final mile delivery partner to the on trade in the UK and Ireland. The Group will work with our partners in our recently launched Supply Chain engagement programme to help them lower their carbon emissions.
5. Sustainable trends in consumer demand					
Transition Opportunity (Resilience and Market)	RCP2.6	Short term	Sales & consumers *Branded*	Strong corporate climate change management enhances credibility and strengthens relationships with stakeholders leading to potential new revenue opportunities. Additionally, given that the Group's production, distribution and crop sites are relatively close to each other, this could have a positive impact on carbon labelling and reputation as consumers increasingly look for locally sourced, low carbon products.	The Group will continue to utilise in-house consumer insight via PROOF and external sources to develop / execute meaningful brand sustainability campaigns (Life is Bigger than Beer – Tennent's and Save the Bees – Bulmers).

Risk Management

C&C adopts a standard risk management framework which is discussed in detail on page 34. We have in the past considered a wide range of risks and opportunities relating to climate change and other environmental factors that were evaluated by senior operational managers and technical specialists. These include, for example: impacts relating to continuity and cost of supply of raw materials, water, waste, energy use and efficiency, packaging materials, customer and consumer requirements, regulation as well as brand and reputational issues. However given the increasing focus on climate, in FY2022 we completed a deep dive on CROs as described in the strategy section above. We have integrated the results of this assessment into our overall risk management system. Therefore, the identification, prioritisation, assessment and management of our 'Sustainability and Climate Change' risk is completed in a manner consistent with the Group's other principal risks with the exception of the timeframe used (please refer to the Strategy section of the TCFD report on page 47).

For additional information regarding the climate-related risks identified and our activities to mitigate these risks, please refer to the Strategy section of the TCFD report on page 47. Climate change mitigation is a current and ongoing responsibility for the Risk Committee for Sustainability and Climate Change as highlighted as part of the Governance section of this report on page 46.

TCFD Disclosure
(continued)

To be able to better manage the projected impacts of climate change, we are committed to the continuous improvement of our processes for identifying and assessing our climate-related risks. We also want to improve the bottom-up risk assessment process and we will roll out education and awareness training that will be carried out an operational level to enhance our risk identification processes.

Any changes to climate-regulation, or the emergence of new climate-related regulation is considered as part of our normal regulation assessment for the Group.

Metrics & Targets

To oversee our progress against our Group's climate-related goals and targets we have set a number of climate-related KPIs in line with our sustainability strategy. These KPIs have been selected in order to monitor our progress against our targets and to help us manage the identified CROs. The metrics adopted are monitored using a financial control boundary, and were developed in alignment with international environmental frameworks, namely CDP and SBTI, as well as with guidance provided by GHG Protocol.

The Board recognises the importance of ensuring that we monitor our performance with respect to the CROs identified with tailored KPIs. Currently, through the measurement of Scope 1, Scope 2 and Scope 3 emissions along with its SBTi commitment, the Group is able to manage CRO 1, Climate Change Levy / Carbon Tax. Additionally, through the monitoring of water usage in C&C's facilities, the Group is able to manage CRO 3 - Water scarcity reduces availability of water for production - even though there is additional work to be done around the metrics to monitor suppliers in this area. The Group also measures performance and historical progress with respect to waste management (for more information, see page 70 in the Responsibility Report). We recognise that further work on metrics and targets aligning to the remaining CROs is required and are committed to working on this during the next financial year.

Areas of focus for FY2023

In FY2023 the Group will carry out a quantitative scenario analysis to support the formal embedding of CROs within our strategic planning. Moreover, it will allow the Group to further assess the financial impact of climate-related risks and opportunities on our business.

As we mature in our understanding of C&C's climate-related issues and the impact on our business, we will also continue to reassess the short list as risks and opportunities evolve. We will integrate additional metrics and targets to support us in mitigating and managing the identified risks and opportunities.

TCFD Index

Disclosure Requirement	TCFD disclosure met	Page Reference	Actions Undertaken	Next Steps
Governance				
(a) Describe the board's oversight of climate-related risks and opportunities.	Yes	Page 46	• A Risk & Compliance Committee was established in order to monitor and manage Sustainability and Climate Change as a principal risk. • The Board received initial training on climate change and TCFD reporting.	• Carry out further training on ESG and climate change as well as the associated risks and opportunities. • Develop additional reporting lines which will see the Risk Committee for Sustainability and Climate Change reporting also to the ESG Committee.
(b) Describe management's role in assessing and managing climate-related risks and opportunities.	Yes	Pages 46 - 47		

Disclosure Requirement	TCFD disclosure met	Page Reference	Actions Undertaken	Next Steps
Strategy				
(a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Yes	Pages 49 - 51	• Identified climate risks and opportunities that could have a material impact on C&C. • Conducted a detailed qualitative climate change risk assessment and scenario analysis with the support of an expert external party.	• Continue to monitor the risks that we have identified and consider emerging CROs as new climate data and policies emerge. • Actively monitor the changing landscape of sustainability reporting requirements. • Carry out a quantitative scenario analysis to assess the financial impact of climate-related risks and opportunities on C&C and integrate climate change within C&C's strategy and financial planning.
(b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	No	-		
(c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Partially	Pages 47 - 48		
Risk Management				
(a) Describe the organisation's processes for identifying and assessing climate-related risks.	Yes	Page 51	• Further integrated climate-related risks within C&C's overall risk management process.	• C&C will further develop the bottom-up risk assessment process relevant to CROs. • Roll out education and awareness training that will be carried out an operational level to enhance the Group's risk identification processes.
(b) Describe the organisation's processes for managing climate-related risks.	Yes	Pages 46 and 51		
(c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Yes	Page 51		
Metrics & Targets				
(a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Partially	Page 47 and 52	• Set carbon reduction targets in line with SBTi. • Assessed our current metrics in relation to the identified CROs.	• Evaluate and develop, where applicable, additional metrics and targets to support us in managing the identified climate-related risks and opportunities. • Achieve our SBTi objectives.
(b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Yes	Page 66		
(c) Describe the targets used by the organisation to manage climate related risks and opportunities and performance against targets.	Partially	Page 47 and 52		

Group Chief Financial Officer's Review

"The Group's performance in FY2022 continued to be significantly impacted by COVID-19 and the associated on-trade restrictions in our core markets."

Patrick McMahon
Group Chief
Financial Officer

Results For The Year

Once again, COVID-19 and its related restrictions have posed significant challenges to the drinks and hospitality sector, effecting all of the Group's stakeholders and materially impacting our results for the year ended 28 February 2022. Despite significant challenges the Group returned to profitability for the year.

C&C is reporting net revenue of €1,438.1m, operating profit[i] of €47.9m, liquidity[ii] of €438.7m and net debt[iii] including leases, of €271.3m. Net debt[iii] excluding IFRS 16 *Leases* was €191.3m. Following the easing of on-trade restrictions in the first half of FY2022, trading was ahead of plan with the Group returning to profitability and underlying cash generation. However, renewed Government restrictions on the hospitality industry in the second half of the year, particularly across the key Christmas trading period adversely impacted performance. With the lifting once again of restrictions towards the latter stages of FY2022, the Group's on-trade performance improved yet again, providing a platform for a clean start to FY2023. Cost inflation pressures and concerns associated with the potential consequences of the ongoing conflict in Ukraine have grown over recent months. In response to this challenging and evolving inflationary backdrop and uncertain macro environment, in November 2021 the Group implemented a series of price increases which, alongside our previously announced cost reduction programme and cost hedge positions afford us a degree of cost protection as we enter into FY2023.

The Group's performance in FY2022 continued to be significantly impacted by COVID-19 and the associated on-trade restrictions in our core markets. As a direct result, and on a constant currency basis[iv], net revenue for the Group of €1,438.1m increased by 87.8%.

Bulmers and Tennent's continued to build on market share gains, our distribution businesses returned to profitability and we successfully executed our previously announced cost reduction programme. The continued, intermittent lockdowns and restrictions in the on-trade resulted in the Group reporting an operating profit for the year of €47.9m[i], up from a loss of €63.6m in the prior year[i][iv] and €74.8m[i] below the Group FY2020 outcome (on a constant currency basis). Adjusted diluted EPS for FY2022 is 7.5 cent.

Liquidity and net debt reduction have been a key focus for the Group throughout FY2022. The Group completed a successful Rights Issue in June 2021 issuing 81,287,315 New

Ordinary Shares at 186 pence per New Ordinary Share, raising gross proceeds of £151.2m (€176.3m). As a result of this, the Group reduced leverage with a significant reduction in net debt, improving the Group's overall liquidity position and providing the Group with the capital structure to both support the business during further potential disruptions from COVID-19 and to deliver on its strategy. The Group maintains a robust liquidity position with available liquidity of €438.7m at 28 February 2022 and at year end achieved Net Debt/ EBITDA of 3.4x. Our target Net Debt/ EBITDA level is less than 2x.

The potential impact on the Group's profitability from the challenging inflationary cost environment and concerns associated with the potential consequences of the ongoing conflict in Ukraine is a key focus as the Group enters FY2023. This risk has been somewhat mitigated to date by a successfully executed €18.0m cost reduction plan, recent price increases and input cost hedging but we remain very vigilant of the risk this level of cost inflation poses to our cost base and more generally consumer confidence and spending as we progress into FY2023.

Accounting Policies

As required by European Union ('EU') law, the Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, and as applied in accordance with the Companies Act 2014, applicable Irish law and the Listing Rules of the UK Listing Authority. Details of the basis of preparation and the accounting policies are outlined on pages 154 to 170.

Finance Costs, Income Tax and Shareholder Returns

Net finance costs before exceptional items of €16.1m were incurred in the financial year (FY2021: €19.5m), with €7.4m being incurred post the receipt of Rights Issue gross cash proceeds of £151m (€176m). The Group successfully negotiated financial covenant waivers as a consequence of the impact of COVID-19 with its lenders. Exceptional finance costs of €6.7m were incurred directly associated with these waivers including waiver fees, increased margins payable and other professional fees associated with the covenant waivers.

In FY2022, the UK trading group increased its contribution to overall Group profits. Expectedly, this impacts the Group's effective tax rate for FY2022 of 18.8%, as UK generated profits are taxed a rate of 19% as compared to that of 12.5% in Ireland. Further pressure on the Group's effective tax rate is to be expected with the increase of the UK's corporate tax rate to 25% from 1 April 2023 and the expected implementation of a 15% corporate tax rate in Ireland (for large multi-national corporations) towards the end of FY2023. The Group continues to manage its effective tax rate in line with its published tax strategy.

Due to COVID-19 and the impact this had on global economies and on business generally, the Board concluded it was not appropriate to pay an interim dividend or a final dividend for FY2022. In the prior financial year, due to the emergence of COVID-19, no interim or final dividend was paid, a payment of €0.4m was made to recipients of dividend accruing share-based payment awards and a credit of €0.2m was recognised in the Income Statement as a consequence of dividend accruing share-based payment awards now deemed to be not capable of achieving their performance conditions, and hence both the share-based payment award and related dividend accrual were deemed to have lapsed.

Due to COVID-19 and the impact this had on global economies and on business generally, the Board concluded it was not appropriate to pay an interim dividend or a final dividend for FY2022.

Group Chief Financial Officer's Review
(continued)

Exceptional items

Total exceptional items, before the impact of taxation, of a €11.3m credit were incurred in the current financial year.

COVID-19

The Group has continued to account for the ongoing COVID-19 pandemic as an exceptional item and has incurred an exceptional credit of €17.5m from operating activities at 28 February 2022. The Group reviewed the recoverability of its debtor book and advances to customers and booked a credit of €7.9m with respect to its provision against trade debtors and a credit of €5.5m with respect to its provision for advances to customers. The Group also realised an exceptional credit of €4.1m with respect to inventory, this related to inventory that had previously been assessed as unsaleable before becoming obsolete, all as a consequence of the COVID-19 restrictions.

Restructuring costs

A credit of €1.2m relating to restructuring costs was incurred in the current financial year. This included severance costs of €0.6m which arose as a consequence of the optimisation of the delivery networks project in England and Scotland. In addition, the Group realised a credit of €1.8m in relation to the profit on disposal of a property as a direct consequence of the optimisation project.

Impairment of property, plant & equipment

Property (comprising freehold land & buildings) and plant & machinery are valued at fair value on the Consolidated Balance Sheet and reviewed for impairment on an annual basis. During the current financial year, as outlined in detail in note 11, the Group engaged external valuers to value the freehold land & buildings and plant & machinery at the Group's Clonmel (Tipperary), Wellpark (Glasgow) and Portugal sites. Using the valuation methodologies, this resulted in a net revaluation gain of €0.6m accounted for in the Consolidated Income Statement and a gain of €2.5m accounted for within Other Comprehensive Income.

Rights Issue costs

The Group completed a successful Rights Issue in June 2021 issuing 81,287,315 New Ordinary Shares at 186 pence per New Ordinary Share, raising gross proceeds of £151.2m (€176.3m). Attributable costs of €9.2m were incurred, of which €6.6m was debited directly to Equity and €2.6m was recorded as an exceptional charge in the Group's Condensed Consolidated Income Statement.

Profit on disposal

During the current financial year, as outlined in further detail in note 10, the Group completed the sale of its wholly owned US subsidiary, Vermont Hard Cider Company to Northeast Kingdom Drinks Group, LLC on the 2 April 2021 for a total consideration of €17.5m (USD 20.5m) (comprised of cash proceeds of €13.4m (€12.9m net cash impact on disposal) and promissory notes of €4.1m at the date of transaction), realising a profit of €4.5m on disposal.

Finance income

The Group earned finance income of €0.2m relating to promissory notes issued as part of the disposal of the Group's subsidiary Vermont Hard Cider Company.

Finance expense

As outlined previously, during the current financial year, the Group successfully negotiated covenant waivers due to the impact of COVID-19 with its lenders. Costs of €6.7m were incurred in the year directly associated with these waivers including waiver fees, increased margins payable and other professional fees associated with covenant waivers.

Equity accounted investments' exceptional items

On 17 May 2022, the Group announced the sale of its joint venture investment in Admiral Taverns, to Proprium Capital Partners for a total consideration of €65.8m (£55.0m). The sale of the shares will be completed and the consideration will be paid in three tranches during FY2023, subject only to FCA approval. Admiral Taverns was classified as an asset held for sale as at 24 February 2022.

The net impact of exceptional items in relation to Admiral is a charge of €3.7m. The Group continued to equity account for this investment up until this date, with the Group recognising a credit of €2.7m with respect to its share of Admiral Taverns' exceptional items. This included a credit of €4.1m with respect to the Group's share of the revaluation gain arising from the fair value exercise to value Admiral's property assets. The Group also recognised an exceptional charge of €1.4m in relation to its share of other exceptional items for the year, including the Group's share of acquisition costs of €1.4m incurred with respect to Admiral Taverns' acquisition of Hawthorn. The Group also recognised its share of other exceptional items for the year of €0.5m, primarily relating to restructuring costs. This was offset by a release from the expected loss provision with respect to the recoverability of Admiral Taverns' debtor book as a consequence of COVID-19 of €0.5m.

As a result of the same property valuation exercise, a gain of €2.2m with respect to the Group's share of the revaluation was recognised in Other Comprehensive Income.

Also in the current financial year, the Group assessed the carrying value of its equity accounted investment as a result of its classification as an asset held for sale as at 24 February 2022 and recognised an impairment charge of €6.4m. This impairment charge reverses previously accumulated gains and losses in relation to the application of equity accounting for the Admiral Taverns investment, to reflect the recoverable value of the Group's investment in line with the agreed consideration of €65.8m (£55.0m).

Other

During the current financial year, €0.3m was released against a provision for legal disputes.

Balance Sheet Strength and Debt Management

Balance sheet strength provides the Group with the financial flexibility to pursue its strategic objectives. It is our policy to ensure that a medium/long-term debt funding structure is in place to provide us with the financial capacity to promote the future development of the business and to achieve its strategic objectives. To ensure the business was equipped with the optimum capital structure and financing to emerge from the COVID-19 pandemic in a position of strength, the Group announced a Rights Issue on the 26 May 2021. The Group successfully completed the Rights Issue in June 2021 raising gross cash proceeds of £151.2m (€176.3m). As a result of this, the Group reduced leverage, improving the Group's overall liquidity position and providing the Group with the capital structure to both support the business during further potential disruptions from COVID-19 and to deliver on its strategy.

The Group manages its borrowing requirements by entering into committed loan facility agreements. In July 2018, the Group amended and updated its committed €450m multi-currency five year syndicated revolving loan facility and executed a three-year Euro term loan. Both the multi-currency facility and the Euro term loan were negotiated with eight banks, namely ABN Amro Bank, Allied Irish Bank, Bank of Ireland, Bank of Scotland, Barclays Bank, HSBC, Rabobank and Ulster Bank. In FY2020 the Group availed of an option within the Group's multi-currency revolving loan facility agreement to extend the tenure for a further 364 days from termination date. The multi-currency facility agreement is therefore now repayable in a single instalment on 11 July 2024. During the prior financial year, the Group renegotiated an extension of the repayment schedule of the Euro term loan with its lenders and the last instalment is now payable on 12 July 2022.

In March 2020, the Group completed the successful issue of new USPP notes. The unsecured notes, denominated in both Euro and Sterling, have maturities of 10 and 12 years and diversify the Group's sources of debt finance. The Group's Euro term loan included a mandatory prepayment clause from the issuance of any Debt Capital Market instruments however a waiver of the prepayment was successfully negotiated in addition to a waiver of a July 2020 repayment, as a consequence of COVID-19, which now becomes payable with the last instalment in July 2022.

As outlined previously, as a direct consequence of the impact of COVID-19, the Group successfully negotiated waivers on its debt covenants from its lending group for FY2021, and these have been extended up to, but not including, the August 2022 test date.

As part of the agreement reached to waive the debt covenants, a minimum liquidity requirement and a gross debt restriction have been put in place. The minimum liquidity requirement and gross debt restriction will remain in place until the Group is able to show compliance with its original debt covenant levels at the 28 February 2023 or any subsequent test date or earlier if compliance can be demonstrated and with respect to the minimum liquidity requirement, the Group must maintain liquidity of at least €150.0m each month.A monthly gross debt cap of €700.0m in the current financial year applied which will continue during FY2022.

The Group complied with these new minimum liquidity and gross debt requirements during the financial year.

The Group maintains a £200m committed receivables purchase facility, renewable annually in May. As at 28 February 2022, €84.1m of this facility was drawn (FY2021: €45.0m, FY2020: €131.4m).

Cash generation

Summary cash flow for the year ended 28 February 2022 is set out in the table below. Overall liquidity remains robust. The increase in the Group's receivables purchase programme, as a direct consequence of increased trading was partly offset by the Group's repayment of previously deferred tax payments to the UK and Irish Tax Authorities in accordance with our agreed repayment schedules of €64.3m and an investment in stock in Q4 FY2022. The contribution to year end Group cash from the receivables purchase programme was €84.1m compared to €45.0m (€46.3m on a constant currency basis[iv]) at 28 February 2021 - a cash inflow of €37.8m[iv]. In FY2022 €64.3m of previously deferred tax payments were repaid and €28.8m will be repaid in FY2023.

Capital expenditure in FY2022 amounted to €14.9m, with almost 50% relating directly to ESG initiatives and investments, namely the completion of our Out of Plastics projects for owned alcohol brands in Wellpark and Clonmel and an investment in Ireland's largest rooftop solar panel installation in Clonmel which will provide 10% of the site's electricity requirement.

Group Chief Financial Officer's Review
(continued)

Table 1 – Reconciliation of Adjusted EBITDA[v] to Operating profit/(loss)

	2022 €m	2021 €m
Operating profit/(loss)	**58.5**	(84.8)
Exceptional items	**(10.6)**	25.2
Operating profit/(loss) before exceptional items	**47.9**	(59.6)
Amortisation and depreciation charge	**31.8**	30.8
Adjusted EBITDA[v]	**79.7**	(28.8)

Table 2 – Cash flow summary

	2022 €m	2021 €m
Adjusted EBITDA[v]	**79.7**	(28.8)
Working capital	**(19.2)**	(44.7)
Advances to customers	**2.3**	1.2
Net finance costs excluding exceptional finance costs	**(16.7)**	(18.0)
Tax (paid)/refunded	**(3.2)**	7.2
Pension contributions paid	**(0.4)**	(0.4)
Tangible/intangible expenditure	**(17.1)**	(10.0)
Net proceeds on disposal of property plant & equipment	**2.3**	1.0
Exceptional items paid	**(12.5)**	(12.4)
Other*	**3.0**	1.3
Free cash flow[vi]	**18.2**	(103.6)
Free cash flow[vi]	**18.2**	(103.6)
Net exceptional cash outflow	**10.2**	12.4
Free cash flow[vi] excluding net exceptional cash outflow	**28.4**	(91.2)
Reconciliation to Group Cash Flow Statement		
Free cash flow[vi]	**18.2**	(103.6)
Net proceeds from exercise of share options/equity interests	**0.7**	0.3
Drawdown of debt	**49.5**	570.9
Repayment of debt	**(271.7)**	(464.0)
Payment of lease liabilities	**(21.9)**	(19.0)
Proceeds from Rights Issue	**176.3**	-
Payment of issue costs	**-**	(1.4)
Payment of Rights Issue costs	**(9.2)**	-
Disposal of subsidiary/equity investment	**12.9**	6.7
Cash outflow re acquisition of equity accounted investments/financial assets	**(0.3)**	(6.9)
Dividends paid	**-**	(0.4)
Net decrease in cash	**(45.5)**	(17.4)

* Other relates to the add back of share options, pension contributions: adjustments from charge to payment and the add back of intangible asset impairment.

Retirement Benefits

In compliance with IFRS, the net assets and actuarial liabilities of the various defined benefit pension schemes operated by the Group companies, computed in accordance with IAS 19 *Employee Benefits*, are included on the face of the Consolidated Balance Sheet as retirement benefits.

Independent actuarial valuations of the defined benefit pension schemes are carried out on a triennial basis using the attained age method. An actuarial valuation process is currently ongoing. The most recently completed actuarial valuations of the ROI defined benefit pension schemes were carried out with an effective date of 1 January 2021 while the date of the most recent actuarial valuation of the NI defined benefit pension scheme was 31 December 2020.As a result of these updated valuations the Group has committed to contributions of 27.5% of pensionable salaries for the Group's staff defined benefit scheme. There is no funding requirement with respect to the Group's executive defined benefit pension scheme or the Group's NI defined benefit pension scheme, both of which are in surplus. The Group has an unconditional right to these surpluses when the scheme concludes.

There are 2 active members in the NI scheme and 51 active members (less than 10% of total membership) in the ROI staff defined benefit pension scheme and no active members in the executive defined benefit pension scheme.

At 28 February 2022, the retirement benefits computed in accordance with IAS 19 *Employee Benefits* amounted to a net surplus of €37.6m gross of deferred tax (€20.0m surplus with respect to the Group's staff defined benefit pension scheme, €11.1m surplus with respect to the Group's executive defined benefit pension scheme and a €6.5m surplus with respect to the Group's NI defined benefit pension scheme) and a net surplus of €31.5m net of deferred tax.

The key factors influencing the change in valuation of the Group's defined benefit pension scheme obligations gross of deferred tax are as outlined below:

	€m
Net surplusat 1 March 2021	**4.9**
Translation adjustment	**0.2**
Employer contributions paid	**0.4**
Credit to Other Comprehensive Income	**32.8**
Charge to Income Statement	**(0.7)**
Net surplus at 28 February 2022	**37.6**

The increase in the surplus from €4.9m at 28 February 2021 to a surplus of €37.6m at 28 February 2022 is primarily due to an actuarial gain of €32.8m over the year. The actuarial gain was driven by the increase in the discount rates used to value the pension benefit obligation. The impact of the increase in discount rates was partially offset by the increase in the inflation-related assumptions.

Financial Risk Management

The main financial market risks facing the Group continue to include commodity price fluctuations, foreign currency exchange rate risk, interest rate risk, creditworthiness in relation to its counterparties and liquidity risk.

The Board of Directors set the treasury policies and objectives of the Group, the implementation of which are monitored by the Audit Committee. Details of both the policies and control procedures adopted to manage these financial risks are set out in detail in note 24 to the consolidated financial statements.

Currency Risk Management

The reporting currency and the currency used for all planning and budgetary purposes is Euro. However, as the Group transacts in foreign currencies and consolidates the results of non-Euro reporting foreign operations, it is exposed to both transaction and translation currency risk.

Currency transaction exposures primarily arise on the Sterling, US, Canadian and Australian Dollar denominated sales of our Euro subsidiaries and Euro purchases in the Group's Great Britain (GB) business. We seek to minimise this exposure, when possible, by offsetting the foreign currency input costs against the same foreign currency receipts, creating a natural hedge. When the remaining net currency exposure is material, the Group enters into foreign currency forward contracts to mitigate and protect against adverse movements in currency risk and remove uncertainty over the foreign currency equivalent cash flows. Forward foreign currency contracts are used to manage this risk in a non-speculative manner when the Group's net exposure exceeds certain limits as set out in the Group's treasury policy. In the current financial year, the Group had €22.2m forward foreign currency cash flow hedges outstanding.

The average rate for the translation of results from Sterling currency operations was €1:£0.8524 (year ended 28 February 2021: €1:£0.8959) and from US Dollar operations was €1:$1.1701 (year ended 28 February 2021: €1:$1.1602).

Group Chief Financial Officer's Review
(continued)

Comparisons for revenue, net revenue and operating profit before exceptional items for each of the Group's reporting segments are shown at constant exchange rates for transactions by subsidiary undertakings in currencies other than their functional currency and for translation in relation to the Group's Sterling and US Dollar denominated subsidiaries by restating the prior year at current year average rates.

Segmental reporting

In September 2021, the Group announced to the market as part of its 'One C&C' target that it would be combining all of the Great Britain ('GB and RoW') trading businesses with immediate effect aligning management structures and beginning a significant change programme of simplification and integration. This led to our previously reported GB, Matthew Clark Bibendum and International businesses being absorbed under one management team led by one Managing Director. The Ireland business remains unchanged. Considering the changes in the operational management and organisational structure, the Group has aligned its reporting segments with how the business is now managed. Furthermore and to aid more useful analysis of the Group's business performance, the Group has introduced Branded, Distribution and Co-pack/Other secondary analysis to its reporting this year.

Applying the realised FY2022 foreign currency rates to the reported FY2021 revenue, net revenue and operating loss[i] are shown in the table below:

Table 3 – Constant currency comparatives

	Year ended 28 February 2021 €m	FX transaction €m	FX translation €m	Year ended 28 February 2021 €m
Revenue				
Ireland	269.8	-	1.9	271.7
Branded	*94.2*	-	*0.7*	*94.9*
Distribution	*167.2*	-	*1.2*	*168.4*
Co-pack/Other	*8.4*	-	-	*8.4*
Great Britain	753.0	-	36.8	789.8
Branded	*230.8*	-	*10.5*	*241.3*
Distribution	*476.2*	-	*24.2*	*500.4*
Co-pack/Other	*46.0*	-	*2.1*	*48.1*
Total	**1,022.8**	**-**	**38.7**	**1,061.5**
Net revenue				
Ireland	166.1	-	1.3	167.4
Branded	*48.6*	-	*0.3*	*48.9*
Distribution	*114.0*	-	*1.0*	*115.0*
Co-pack/Other	*3.5*	-	-	*3.5*
Great Britain	570.8	-	27.6	598.4
Branded	*133.4*	-	*5.6*	*139.0*
Distribution	*394.2*	-	*20.0*	*414.2*
Co-pack/Other	*43.2*	-	*2.0*	*45.2*
Total	**736.9**	**-**	**28.9**	**765.8**
Operating loss[i]				
Ireland	(4.9)	(1.7)	(0.1)	(6.7)
Branded	*(3.9)*	*(0.1)*	*(0.1)*	*(4.1)*
Distribution	*(1.0)*	*(1.6)*	-	*(2.6)*
Great Britain	(54.7)	0.6	(2.8)	(56.9)
Branded	*(10.0)*	*(0.1)*	*(0.3)*	*(10.4)*
Distribution	*(44.7)*	*0.7*	*(2.5)*	*(46.5)*
Total	**(59.6)**	**(1.1)**	**(2.9)**	**(63.6)**

Notes to the Group Chief Financial Officer's Review
(i) Before exceptional items.
(ii) Liquidity is defined as cash plus undrawn amounts under the Group's revolving credit facility.
(iii) Net debt comprises borrowings (net of issue costs) less cash plus lease liabilities capitalised under IFRS 16 *Leases*.
(iv) FY2021 comparative adjusted for constant currency (FY2021 translated at FY2022 F/X rates).
(v) Adjusted EBITDA is earnings/(loss) before exceptional items, finance income, finance expense, tax, depreciation, amortisation charges and equity accounted investments' profit/(loss) after tax. A reconciliation of the Group's operating profit/(loss) to EBITDA is set out on page 58.
(vi) Free Cash Flow ('FCF') that comprises cash flow from operating activities net of capital investment cash outflows which form part of investing activities. FCF highlights the underlying cash generating performance of the ongoing business. FCF benefits from the Group's purchase receivables programme which contributed €84.1m (FY2021: €45.0m reported/€46.3m on a constant currency basis) inflow in the year. A reconciliation of FCF to net movement in cash per the Group's Cash Flow Statement is set out above.

Commodity Price and Other Risk Management

The Group is exposed to commodity price fluctuations, and manages this risk, where economically viable, by entering into fixed price supply contracts with suppliers. We do not directly enter into commodity hedge contracts. The cost of production is also sensitive to variability in the price of energy, primarily gas and electricity. Our policy is to fix the cost of a certain level of energy requirement through fixed price contractual arrangements directly with our energy suppliers. Evolving cost inflation pressures and concerns associated with the potential consequences of the ongoing conflict in Ukraine have grown over recent months, heightening the risk around cost and to some extent continuity of supply of raw materials and ingredients.

The Group seeks to mitigate risks in relation to the continuity of supply of key raw materials and ingredients by developing trade relationships with key suppliers. We have long-term apple supply contracts with farmers in the west of England and have an agreement with malt farmers in Scotland for the supply of barley.

In addition, the Group enters into insurance arrangements to cover certain insurable risks where external insurance is considered by management to be an economic means of mitigating these risks.

Cyber Incident

On 19 April 2021, the Group announced that it had experienced a cyber security incident within its Matthew Clark Bibendum (MCB) operations. In response, certain IT systems and applications used in those business units were pro-actively shut down and were securely restored over the course of a number of weeks. By the end of May 2021, MCB was again using their IT systems and applications. The cyber security incident affected MCB only, with other Group business and production sites unaffected throughout the period.

The Group incurred €2.6m of costs in FY2022 as a direct result of the cyber security incident in April. These costs primarily related to specialist advisory fees incurred to investigate and respond to the incident and subsequent improvements and additional protection tools to enhance the security of the IT systems. Following the incident affecting Matthew Clark and Bibendum IT systems in April 2021, the Group has reviewed its information security and cyber preparedness policies and procedures, enhanced its Information Technology systems and controls, including the appointment of a Technology and Transformation Director and Group Head of IT. As a demonstration of the Group's commitment to tackling cyber security, it is currently pursuing Cyber Essentials Plus accreditation from the National Cyber Security Centre (NCSC).

Patrick McMahon
Group Chief Financial Officer

Responsibility Report

At C&C, our Environmental, Social and Governance (ESG) strategy is directed by our Group purpose of "We deliver joy to customers with remarkable brands and service" and our 3 values of "**Respect** people and the planet", "We bring **Joy** to life" and "**Quality** is at our core".

Our Board level Environmental, Social and Governance Committee and our dedicated ESG team, seek to champion and embed ESG in everything that we do at C&C.

While delivering joy to customers, we always shine a light on people and the planet. A structured and ambitious programme of continuous improvement will ensure we meet our ESG vision of "Delivering to a better world!"

Our six ESG pillars ensure that we focus on the most material areas to guide our actions around sustainability and support the UN Sustainable Development Goals.

Environmental

We strive to minimise our impact on the environment and the communities in which we operate.

1. Reduce our Carbon Footprint

- Optimising our manufacturing facilities
- Streamlining our logistics operations
- Increasing the recycling rate for our brands / improve sustainable packaging
- Waste reduction
- Piloting alternative fuel vehicles

2. Sustainably produce and source products & services

- Collaboration with our apple & barley growers
- Source water optimisation
- Water usage reduction
- Achieving the highest sourcing standards

Social

Our ethos is simple, our employees should work in a safe and healthy workplace. As a drinks business, we are also committed to promoting responsible alcohol consumption.

3. Ensure Alcohol is consumed responsibly

- Introducing 0% and low alcohol variants
- Reducing ABV & calories
- Active support for industry programmes including Portman Group and Drinkaware
- Support relevant charities

4. Enhance Health, Wellbeing & Capability of colleagues

- Safety first
- Health & Wellbeing support systems
- Support remote/hybrid working
- Alcohol awareness training
- Embed key codes including Employee Code of Conduct, Anti-Bribery and Corruption
- Learning and development programmes

Governance

We believe that working ethically, in line with the Group's corporate governance framework, in an environment where individuality is respected and celebrated, acting as a trusted partner with all stakeholders, makes a tangible difference to people and our planet.

5. Build a more Diverse, Inclusive, & Engaged C&C

- Diversification of Board
- Group wide D&I measurement
- Formal manager D&I training
- Employee engagement tracking

6. Collaborate with Government & NGOs

- Leading DRS implementation in Scotland
- MUP Ireland
- Portman and Drinkaware support

We continue to look to disclose all key non-financial indicators and guidance in line with the Sustainability Accounting Standards Board ('SASB') Framework.

Responsibility Report
Environmental

Reduce our Carbon Footprint

C&C Group plc have pledged to be a carbon-neutral business by 2050 at the latest. We have recently set our emissions reduction targets which are grounded in climate science and will be validated by the Science Based Targets initiative ('SBTi'). We are committed to reducing our absolute Scope 1 and Scope 2 GHG emissions by 35% and our Scope 3 GHG emissions by 25% by 2030 (versus FY2020).

We have used the data collected for CDP reporting and selected 2020 as the base year for a SBTi engagement target. 2020 was used as the base year due to the impacts of COVID-19 on the business – activity in 2021 was significantly affected by lockdowns and other restrictions and would not provide a credible base for normal levels of activity.

In accordance with the FCA listing rules, our Annual Report and Financial Statements include climate-related financial disclosures consistent with the recommendations of the Task Force on Climate-related Financial Disclosures ('TCFD').

This is the first year C&C has used the TCFD framework to support our reporting and we are committed to ensuring that we continue to improve our climate-related disclosures over the coming years. More details can be found on pages 46 to 53.

Optimising our manufacturing facilities.

Conservation of energy

With respect to energy targets, renewable procurement is currently a priority for C&C. In fact, from 1 April 2021, 100% of the electricity across our main sites in the UK and Ireland comes from renewable sources, covering c.98% of our electricity use.

The Group clearly identifies and manages energy costs in each operating site and country of operation, setting energy reduction targets to help reduce our exposure to future changes in energy costs. In FY2022, we aligned to our Science Based Target, setting a KPI to deliver a 4% year on year reduction in our carbon related energy use. C&C also benchmark our core production processes against competitors to understand our relative efficiency and continue to invest significantly in technology to reduce our overall energy consumption, including the introduction of direct solar power at our Clonmel Manufacturing facility.

In order to monitor our energy performance and our progress with respect to this goal, we utilise energy consumption, energy intensity and renewable energy consumption metrics.

Our Energy Consumption position is set out below.

kWh	FY2018-19	FY2019-20	FY2020-21	FY2021-22	Change YoY	Change V FY2019-20
Natural Gas	80,579,000	88,630,000	83,199,000	89,904,000	8%	1%
LPG	1,979,000	2,332,000	3,556,000	3,949,000	11%	69%
LNG	6,107,000	5,591,000	5,007,000	-	-100%	-100%
Diesel	31,137,000	33,257,000	15,329,000	24,618,000	61%	-26%
Petrol	-	450,000	111,000	346,000	212%	-23%
Kerosene/Fuel Oil	64,000	65,000	209,000	208,000	0%	220%
Wood	3,991,000	-	-	-	0%	
Biogas (Out of Scope)	83,000	83,000	7,735,289	9,189,000	19%	10971%
Electricity	40,695,000	41,401,000	41,187,738	41,900,128	2%	1%
(Of which, renewables)	14,550,000	14,737,000	14,946,029	39,486,899	164%	168%
Total Scope 1	123,857,000	130,325,000	107,411,000	119,025,000	11%	-9%
Total Scope 2	40,695,000	41,401,000	41,187,738	41,900,128	2%	1%
Total Scope 1 and 2	164,635,000	171,809,000	156,334,027	170,114,128	9%	-1%

From 1 April 2021, 100% of the electricity, used in Wellpark, Clonmel and across our key UK depot network is provided by renewable sources.

The Group has delivered a number of initiatives in our ongoing efforts to reduce energy use. These include:

- From 1 April 2021, 100% of the electricity, used in Wellpark, Clonmel and across our key UK depot network is provided by renewable sources.
- Biogas energy: anaerobic digestion technology at Wellpark Brewery and Clonmel generated 1,119,477 cuM of biogas / per annum.
- On 18 February 2022, Leo Varadkar, Tánaiste and Minister for Enterprise, Trade and Employment in Ireland, officially opened C&C Group's new Sustainability Project at Clonmel Co. Tipperary. The Project includes the installation of the largest rooftop solar panel farm in Ireland, which will reduce the Clonmel site's carbon emissions by 4%, saving c.290 tonnes of CO_2 per year and almost 10,000 tonnes over the next 20 years. The solar panels also provide up to 10% of electricity used onsite.

Reducing carbon emissions

In FY2022, the Group commenced work with the SBTi to set and have validated science-based carbon reduction targets to meet the goals of the Paris Agreement and limit global warming to well below 2°C. A near term validation is expected in FY2023.

Responsibility Report
Environment

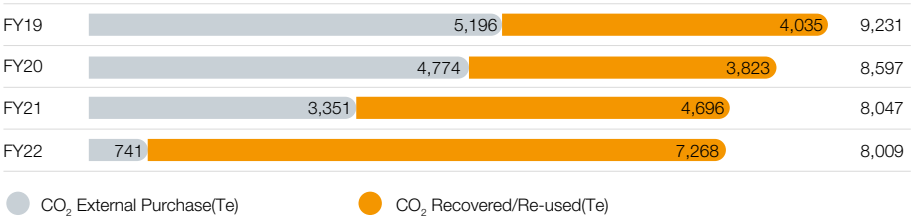
Scope 1 and Scope 2 emissions

The table below details C&C Scope 1 and Scope 2 emissions in FY2022 (versus FY2020), for both location and market-based emissions. The purchase of renewable energy has delivered the biggest and most positive impact in FY2022. C&C has commenced trials using an alternative to diesel in our delivery fleet and changed to ambient vaporisation of our carbon dioxide in Wellpark. There were also COVID related impacts with a change to product mix, and delivery schedules as the business reacted to the pandemic. We have invested in FY2023 to deliver heat exchange opportunities to reduce our carbon footprint. The methodology and calculations for Scope 1 and 2 are based on the GHG Protocol.

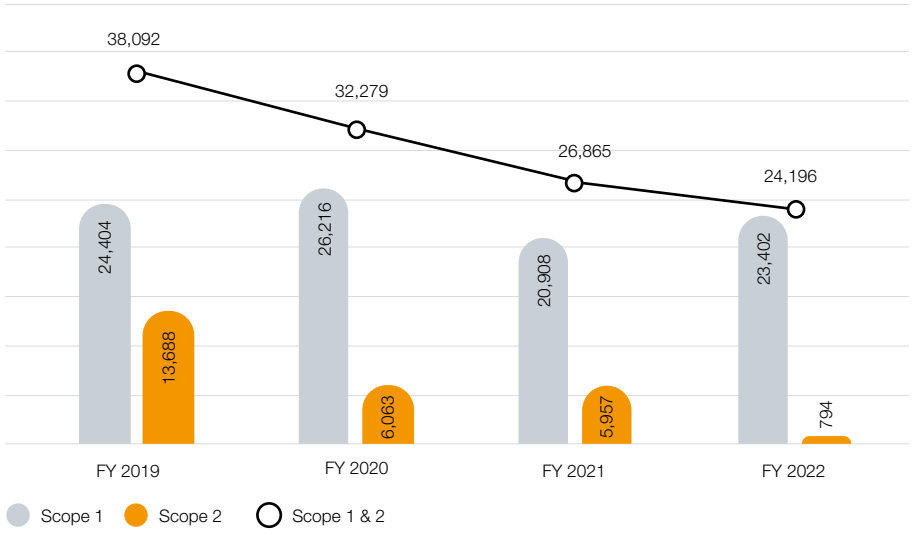
Additional initiatives to drive emission reductions include, further optimising our biogas generation and carbon dioxide capture at our Wellpark Brewery in Glasgow, with our Clonmel plant already having this technology in place. The ability to capture carbon dioxide from our fermentation process has positively reduced site carbon dioxide emissions. In addition to the environmental benefit, the carbon capture capability at our main production sites, has seen C&C become c95% self-sufficient in CO_2, which provides security of supply when external availability of supply has repeatedly been scarce in recent years. We maximise use of recovered CO_2 and use collected gas for product carbonation initially, and for product storage cover gas to ensure the correct product quality.

To give impetus to C&C's de-carbonisation efforts, the Group has set a target under the LTIP awards granted in June 2021 to reduce its Scope 1 emissions and Scope 2 emissions over the three financial years ending with FY2024, in line with the Paris Agreement. The incentive relates to delivery of a 12% (4,500 tonnes) reduction in Scope 1 and 2 carbon emissions (versus FY2020).

Manufacturing CO_2 Sourcing (tonnes)



Market Based Emissions (tCO_2e)



Scope 3

Our Scope 3 emissions (including supply chain, customer use of our products, and other indirect emissions) make up around 95% of C&C's total emissions. We recognise our responsibility and the need to collaborate with suppliers and customers to tackle these emissions.

C&C has signed up to participate in the CDP Supply Chain Screening Programme for 2021. This sees C&C work with 130 strategic supply chain partners and request them to disclose climate-related information to allow us to use the reported data to measure supplier environmental impacts and collaborate with them to track progress of sustainability goals and/or commitments. In addition, we are encouraging our key supply chain partners to publish and share their full carbon footprint via CDP as C&C has done for the last 12 years.

To support our Supply Chain Screening approach, CDP delivered training to circa 50 C&C Procurement and Commercial colleagues on how supply chain screening and collaborating with suppliers and customers can play a vital role in tackling environmental harm and achieving global climate goals.

To achieve our target of reducing our Scope 3 emissions by 25% (Vs FY2020) by 2030, we have also committed that suppliers and customers making up 67% of our Scope 3 emissions, (Purchased Goods, Downstream Transport and Use of Sold Goods), will have science-based targets in place by 2026.

The Group will continuously engage with suppliers and customers to support them to set science-based targets for their own emissions.

C&C Group has again received a B rating from CDP on our latest Climate Change score.

Location-Based Emissions

	Total C&C FY2018-19*	Total C&C FY2019-20	Total C&C FY2020-21	Total C&C FY2021-22	Change YOY	Change V FY2019-20
Net Revenue (M Euro)	1,575	1,719	737	1,438	95%	-16%
Production volume (Hectolitres)	4,388,761	4,396,981	3,803,970	4,039,648	6%	-8%
Scope 1 (tCO_2e)	24,404	26,216	20,908	23,402	12%	-11%
Scope 2 (tCO_2e)	13,688	12,768	10,681	10,255	-4%	-20%
Total Scope 1 & 2 (tCO_2e)	38,092	38,984	31,589	33,657	7%	-14%
Scope 3 (tCO_2e)	221,976	718,088	440,733	550,736	25%	-23%
Total Footprint (tCO_2e)	260,068	757,072	472,322	584,393	24%	-23%

* Acquisition of Mathew Clark, and in-housing of Tennent's distribution, with associated depots and transport fleet

Emissions Intensity

	Total C&C FY2018-19	Total C&C FY2019-20	Total C&C FY2020-21	Total C&C FY2021-22	Change YOY	Change V FY2019-20
Scope 1 and 2 tCO_2e per M EURO	24.19	22.68	42.86	23.41	-45%	3%
Scope 1 and 2 kgs CO_2e per HL produced	8.68	8.87	8.30	8.33	0%	-6%

Market-Based Emissions

	Total C&C FY2018-19	Total C&C FY2019-20	Total C&C FY2020-21	Total C&C FY2021-22	Change YOY	Change V FY2019-20
Net Revenue (M Euro)	1,575	1,719	737	1,438	95%	-16%
Production volume (Hectolitres)	4,388,761	4,396,981	3,803,970	4,039,648	6%	-8%
Scope 1 (tCO_2e)	24,404	26,216	20,908	23,402	12%	-11%
Scope 2 (tCO_2e)	13,688	6,063	5,957	794	-87%	-87%
Total Scope 1 & 2 (tCO_2e)	38,092	32,279	26,865	24,196	-10%	-25%
Scope 3 (tCO_2e)	221,976	718,088*	440,773	550,736	25%	-23%
Total Footprint (tCO_2e)	260,068	750,367	467,598	574,932	23%	-23%

Emissions Intensity

	Total C&C FY2018-19	Total C&C FY2019-20	Total C&C FY2020-21	Total C&C FY2021-22	Change YOY	Change V FY2019-20
Scope 1 and 2 tCO_2e per M EURO	24.19	18.78	36.45	16.83	-54%	-10%
Scope 1 and 2 kgs CO_2e per HL produced	8.68	7.34	7.06	5.99	-15%	-18%

Definitions:
Scope 1: Direct emissions from our own operations.
Scope 2: Indirect emissions from our purchased energy (mainly electricity).
Scope 3: Including supply chain, customer use of our products, and other indirect emissions.
*FY2019-20 now includes all scope 3 emissions in our reporting.

Responsibility Report
Environment

Streamlining our Logistics Operations

We recognise that our carbon footprint extends beyond manufacturing and the distribution and transport of our products also contributes to the Group's carbon footprint. The Group has an "end to end" supply chain model in the UK and Ireland, with circa 360 vehicles in operation. Our Group-wide logistics forum sees learnings shared across C&C, allowing efficiencies to be identified and captured across every stage of the product journey to reduce delivery miles and carbon footprint.

In FY2022, our KPI to reduce carbon generated by logistics fleet by 250 tonnes (5%) CO_2e achieved a 200-tonne reduction.

We have completed the optimisation of our English and Scottish delivery networks, including the opening of our new depot at Newbridge in Edinburgh. This exercise has seen us consolidate volumes from three separate networks into two, bringing all of our final mile English distribution in-house, reducing road miles and carbon emissions.

In our primary network, we track, measure, consolidate and identify opportunities to reduce vehicles movements across our sites. We achieved these improvements through profiling existing order patterns, order quantity, frequency and minimum order quantities. By engaging with retailers, we will introduce revised schedules, resulting in more consistent movements and logistics performance.

The Group has also undertaken work with suppliers to improve logistics performance (e.g. creating minimum acceptable standards for 3rd party hauliers in relation to engine standards, emissions management, load optimisation and investments in more efficient vehicles - including current trials of electric and LNG vehicles, and other alternatives including biofuels).

We have invested in logistics and supply chain improvements to reduce emissions, including engagement with upstream material suppliers and downstream logistics suppliers to optimise routes and reduce miles over which materials and finished goods travel.

Our Supply Chain Logistics and Procurement teams continually work with suppliers to identify opportunities to increase local sourcing of materials, optimising packaging materials, increasing percentage utilisation of vehicles and cutting road miles.

Our Fleet

All new vehicles leased or purchased must meet the EURO 6 standard and 93% of our fleet are currently EURO 6. We amended vehicle specification (by for example, applying the Direct Vision Standard for heavy goods vehicles which assesses and rates how much the driver can see directly from their cab in relation to other road users).

We have 34 solar-assisted trucks in our delivery fleet. With solar panels on the roofs, the trucks use solar energy to power all on-board ancillary equipment, cutting fuel consumption by 5%.

Driving efficiencies

We are eliminating the need for secondary loads, by introducing direct delivery of orders from manufacturing sites to customer premises. We continue to increase the level of direct deliveries from the Clonmel and Wellpark sites.

Software including transport network, route planning and on-road training for driver habits have maximised fuel efficiency and limited frequency of runs to distance areas each week.

Increasing the Recyclable Rate for our Brands and Improve Sustainable Packaging

During FY2022, the Group met its ambitious commitment to be out of single-use plastics (shrink and hi and mid cone rings) in the packaging of our canned products, reducing the environmental impact and ecological footprint of our products. All of our canned product is now in fully recyclable cardboard, removing more than 200 million plastic rings per annum from the environment, as part of an overall plastic reduction of several hundred tonnes. The investment also recognises the future market changes

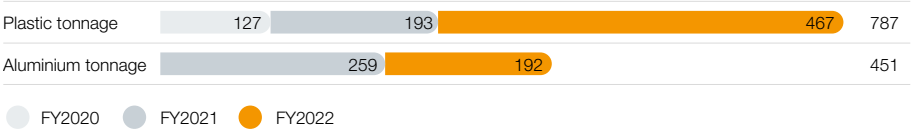
including the Deposit Return Scheme ('DRS') introduction in Scotland, planned for August 2023 and in Ireland (date still to be confirmed).

During COP26, Mairi McAllan, Scottish Minister for Environment and Land Reform, joined Shona Munro, Director of Manufacturing at C&C Group, and Jo Green, Chief Officer for Green Recovery at the Scottish Environmental Protection Agency (SEPA), for a tour of Wellpark Brewery to mark Tennent's achievement of removing single-use plastic from packaging of our canned products.

Leo Varadkar's visit to Clonmel on 18th February also marked Bulmers investment into 'dry end' packaging machinery to reduce the environmental impact and ecological footprint of consumer packaging. As of January 2022, plastic is no longer used in the packaging of our canned products at Clonmel.

Tennent's is the only brewer who is a member of the UK Plastics Pact, which has additional targets on plastic packaging, waste and recyclates.

Packaging Material Usage Reduction (Tonnes)



Also, during COP26, Tennent's Lager committed to add a "Please Enjoy Sustainably" message on all cans to encourage recycling, reduce littering and benefit the environment. While recycling logos are widely carried on canned products, it is hoped that our more direct call-to-action on the 120 million cans filled on average every year, will encourage drinkers to increase recycling.

Our lightweight can programme at Wellpark and Clonmel, further optimising the material used, has now removed c.450 tonnes of Aluminium from the environment, since site enhancements were made in FY2019.

In Clonmel, we have also reduced the amount of plastic in polyethylene terephthalate ('PET') in our preforms.

Light weighting in PET and Out of Plastics initiatives have delivered a reduction of c.800 tonnes in plastics, since site enhancements were made in FY2019.

In FY2023, we will switch to 100% recycled plastic on our keg caps and trial 50% PCR shrink wrap for our glass and PET bottle formats.

In Ireland we continue to produce reusable glass bottles for our cider products and in all territories, we distribute beer and cider in reusable stainless-steel kegs. We have demonstrated the cost, carbon and waste reduction benefits of retaining this form of packaging compared to disposable bottles/ kegs. Across C&C Group, 29% of our own beer and cider is sold in returnable formats (returnable keg and bottle).

Leo Varadkar's visit to Clonmel on 18th February also marked Bulmers investment into 'dry end' packaging machinery to reduce the environmental impact and ecological footprint of consumer packaging.

Responsibility Report
Environment

Waste Reduction

In FY2022 C&C's main manufacturing sites at Clonmel and Wellpark again both achieved our target of sending zero waste to landfill. We continue to implement a waste hierarchy approach through prevention, re-use and recycling:

- In our manufacturing operations, we routinely monitor our waste stream and target improvement annually. We measure raw material usage and yields on a weekly basis to ensure the efficient use of our resources. We introduced improvements in our recycling facility at Wellpark brewery reducing the number of collections.
- 100% of by-products are recycled for use as animal feed or organic compost. Over 20,000 tonnes of spent grain and apple pomace were used as animal feed, with the remainder of our waste either recycled or sent for energy recovery.
- As part of a Scottish Government funded initiative, Tennent's is working with Zero Waste Scotland ('ZWS') and leading environmental consultancy, Eunomia, to identify further circular opportunities in our operations and to develop a pathway towards adoption and implementation of those opportunities.

Piloting Alternative Fuel Vehicles

Electric vehicles ('EVs') are being trialled for deliveries in urban areas. An electric-powered van has been utilised for small-volume deliveries of Five Lamps craft beer in Dublin and a trial of electric vans has taken place at the Matthew Clark Park Royal depot, together with a Hydrogenated Vegetable Oil ('HVO') diesel replacement trial at our Bedford depot. In Scotland, we are investigating alternative fuel types for vehicles, electric vehicles for Wellpark to Cambuslang trips and hydrogen for longer distance inter depot shunts.

Electric and hybrid company car options are now available to colleagues across the Group. We are installing EV charging at our 5 main sites, with a plan to install across our entire network by 2024.

Sustainably Source our Products & Services

Collaboration with our Apple and Barley Growers

We are committed to sourcing our raw materials from local sustainable sources. All apples crushed at the Clonmel site for the production of Bulmers and Magners cider are sourced from the Island of Ireland. As well as having 165 acres of our own orchards in Co. Tipperary, there are over 50 partner growers on the Island, with whom we work closely. The health and sustainability of the Irish apple growing sector are therefore central to C&C's strategy. A key aspect of apple orcharding is the health of the population of bees and other pollinating insects. As part of our commitment to protect the biodiversity of bees, C&C is a patron of the All-Ireland Pollinator plan and patrons of the South Tipperary Bee-Keepers Association who carry out activity on the protection and promotion of the species in our Redmonstown Orchard, where we maintain over 13km of healthy hedgerows to support the bee and pollinator population and maintain strong biodiversity in the area.

We also recognise that, since our products are largely based around agricultural inputs, investment in techniques which increase yields for our apple growers also serves to provide greater resilience in our supply chain – for example, diversification of crop varieties helps to minimise risks relating to variable weather patterns and harvests.

In Scotland, our Tennent's beers are brewed using 100% Scottish malt. We seek to support the growers of our key raw materials such as barley and wheat through long-term supply arrangements, with sustainability a key consideration. Malting barley is only purchased from farms with current and up-to-date, independently audited farm assurance schemes. 75% supply of malt is FSA Gold accredited and the balance is Redtractor assured, which ensures the best environmental practices are adhered to.

For the opening of COP26 in Glasgow, as thousands of delegates from around the world arrived at the brand's hometown for the annual UN climate change conference, Tennent's Lager, launched an ambitious multi-channel advertising campaign, highlighting the importance of sustainable brewing. Communicating why quality, local brewing is a sustainable option for drinkers, the 3 executions; Rebrewable Energy, Ayr Miles and Outstanding in our Field, bring to life the brand's sustainable processes. These include using 100% renewable electricity at Wellpark, only ever brewing with local barley and reducing the distance from brewery to bar - a pint of Tennent's travels up to seven times fewer miles than other popular beers. The campaign has also contributed to Tennent's achieving record high brand health scores (January 2022).

Source water optimisation and water usage reduction

COVID-19 challenges resulting in a shift in SKU format to packaged product to meet demand in the off-trade and an overall reduction in production volumes continues to impact our plans around water optimisation. In FY2022 we therefore achieved a water ratio of 3.4:1 missing our target of 3.2:1 (Water Ratio of hectolitres extracted versus hectolitres produced).

Anaerobic Digestion (water treatment) plants are fully operational at both Wellpark and Clonmel and have reduced our sites' wastewater emissions and improved the quality of our wastewater discharged by c.90%.

An upgrade to the pasteurisation control system at Wellpark, reduced water consumption in the canning operation by 14 million litres per annum, and we have a plan to introduce a similar control system to our Clonmel plant in May 2022.

The Clonmel site has an active groundwater protection programme to upgrade the site drainage and wastewater network. This will protect the water sources of the surrounding Tipperary countryside.

C&C again participated in the CDP Water Security questionnaire in 2021 and secured a C rating.

The CDP water security questionnaire provides insight on current and future water-related risks and opportunities. Along with CDP's water scoring methodology, the water security questionnaire helps companies to drive improvements in water management and enables benchmarking against best practice. As part of this we investigated the water availability in the locations where our apples are produced and sourced. The location where our apples are produced is considered low risk in terms of water availability according to the WRI Aqueduct Tool Group. As part of the 2021 CDP Water Security questionnaire submission, we engaged with our value chain on water related issues. This will support our water sustainability targets and also operate in a manner aligned to our ESG objectives. Again, we are engaging with our key suppliers, requesting water use, risks and/or management information. Although this is a low percentage of suppliers, we considered key ingredient and raw material suppliers as the priority.

As part of our sustainability commitment, we remain committed to reducing the water ratio of hectolitres extracted versus hectolitres produced.

	FY2020-21	FY2021-22	% Change
Water usage ratio (Hectolitres extracted versus hectolitres produced)	3.3:1	3.4:1	3.0%
Water usage (m cubic metres)	1.3	1.4	7.7%

Achieving the highest sourcing standards

The Board has formally adopted an Ethical and Sustainable Procurement ('E&SP') Strategy which sets out its policy and objectives in relation to wider social and ethical issues as well as to environmental issues including climate change. This includes responsibility for setting of related targets across the business and reporting of results and KPIs. As part of our sustainable procurement strategy work, we are building information on the way our supply chain manages their climate change risks and their overall ethical approach. Under our new E&SP approach, we have written to Suppliers to request that they sign up to our Code of Conduct and Modern Slavery policy, as a fundamental requirement of trading with our business. Completion of our ES&P questionnaire, to confirm partners commitment to sustainability is also a requirement of trading with C&C.

We recognise that sustainability needs to be embraced by partners at every stage of the supply chain in order to be successful. Audits and reviews are carried out both during initial procurement and over the lifetime of our major supplier's contract to assess their track record in environmental management, health and safety, sustainability, diversity, ethical approach and overall corporate social responsibility.

In February 2022, CDP awarded C&C Group an A- rating for Supplier Engagement, acknowledging our performance on governance, targets, scope 3 emissions, and value chain engagement in the CDP climate change questionnaire.

Eco Warriors

Part of Bibendum's environmental pledge sees us work with producers who share our beliefs and adhere to sustainable methods in the vineyard and winery. Practices include organic and biodynamic viticulture, ISO 14001 certification, carbon emission

Responsibility Report
Environment

reduction, water management, waste reduction and recycling, and ethical working conditions.

In January 2022, Bibendum introduced our Eco Warriors initiative. This sees us work with some amazing producers, who not only produce delicious wines, but also strive to improve their communities and reduce their impact on our planet. These 35 Eco Warriors, tackle the challenges faced by our people and planet with kindness and consideration, focusing on four critical areas of Planet, Place, Packaging and People. Eco Warriors was launched with a sustainability discussion panel and eco tasting featuring nine of our producers at the Arboretum venue in London on 22 February.

Irish bee propagation support

Bulmers always begins with a bee. Not only is Ireland's bee population vital to our Bulmers cider, bee pollination is vital to all life.

In the summer of 2021, Bulmers introduced consumers and customers in Ireland to bees as a key member of our "workforce". Bees are critical in bringing to life the 17 varieties of apples that are used in the making of our iconic Irish cider.

Working with the team behind the All-Ireland Pollinator plan and launched on World Bee Day 20th May 2021, the multimedia campaign #meettheworkforce ran on TV, radio, social media and in both the on and off-trade. The campaign highlights the vital role that bees and other pollinators play in our ecosystem, and how necessary they are for our survival. The campaign also aims to raise awareness of the threat to bees from loss of biodiversity, use of pesticides, drought, habitat destruction, nutrition deficit, air pollution, global warming and more. As well as offering tips on the steps we can all take to save the bees, the campaign also offers consumers across Ireland the chance to win 1 of 500 "Bee Hotels" to help in the conservation and support of the bee population.

Accreditation / Awards

The Group has achieved the ISO 14001 certification for its Clonmel, Matthew Clark (Whitchurch, although scope covers all MCB vehicle emissions including commercial fleet and all MCB waste and packaging requirements) and Bibendum sites, which is the international standard specifying the requirements for an effective environmental management system. Our Wellpark site has been recognised for its consistently excellent environmental compliance by the Scottish Environment Protection Agency.

C&C's sustainability efforts were acknowledged with Tennent's winning two prestigious awards during 2021. Sustainable Brewery of the Year at the Scottish Beer Awards and a Good Practice Award and shortlisted for Outstanding Sustainable Achievement at the VIBES Scottish Environment Business Awards.

For the third year, Matthew Clark was the headline sponsor of the Footprint Food & Beverage Sustainability Awards. This event was aimed at sharing best practice and recognising outstanding industry achievement in support of sustainability across the hospitality industry.

Social

Ensure Alcohol is Consumed Responsibly

In FY2022, C&C met a KPI around the responsible consumption of alcohol, by achieving ZERO incidents of non-compliance with alcohol industry or regulatory codes.

Introduction of 0% and Low Alcohol / Low Calorie Variants

C&C Group plc advocates the responsible consumption of the brands we manufacture and distribute. We are committed to the promotion of responsible drinking and moderate consumption of our products, to ensure they are enjoyed safely by consumers. Again in FY2022, C&C did not face any enquiries or break any alcohol marketing guidelines or regulations in any of the markets in which we operate.

Recognising the evolving trends around moderation and reduced consumption, C&C has introduced low/no alcohol variants of its core brands:

- Tennent's Light has been acknowledged as Scotland's lowest calorie beer. At 3.5% ABV, based on our award-winning Gluten Free Tennent's recipe and made from 100 per cent Scottish grown cereals and fresh highland water from Loch Katrine, Tennent's Light is 114 calories per pint and 66 calories per bottle.
- Tennent's Zero is our refreshing 0.0% lager. With 57 calories per bottle and 75 calories per can, and the same great flavour profile as Tennent's Lager, Tennent's Zero is a great choice for those looking for non-alcoholic alternatives. At the Scottish Beer Awards in September 2021, Tennent's Zero was acknowledged as Scotland's best No or Low Alcohol beer.
- In November 2021 we launched Menabrea Zero Zero into the UK on-trade, to offer an alcohol-free alternative, for those who want to enjoy the great taste of Italy's most stylish serve, but with 0% ABV.
- In February 2022, Bulmers Light launched a new campaign, "Floaty Little Devils" on TV, Social, Radio, Out of Home and in both the on and off-trade. The campaign highlights the brand's low-calorie content (84 calories in each 300ml bottle).
- Magners and Bulmers Zero are refreshing alternatives to our much-loved Original recipe with 0.0% alcohol. Both have all the flavour and character you would expect from our Original recipe and use a non-alcoholic fermentation to create the cider character.

Consistent with our commitment towards responsible alcohol consumption, and to ensure that consumers are provided with the full information on our products, we continue to display calorie information and the Chief Medical Officer guidelines on the primary packaging of our major brands in the UK and Ireland.

Supporting Drinkaware

We include "Drinkaware" referencing prominently on all of our owned / agency brand communications (including TV, out of home, social media and on our sponsorship media assets) in the UK throughout the year. We have met our KPI to donate owned media to reach 5m UK consumers with Drinkaware responsibility messaging.

Portman Group

In May 2021, C&C re-joined the Portman Group. While our internal marketing codes have always exceeded the Portman Group Codes of Practice, we were delighted to re-join the Group and actively support their aims to deliver higher standards of best practice and ensure the responsible marketing and promotion of alcoholic products.

We participate fully in all Portman forums including Council and Public Affairs Directors meetings and support their work on key industry initiatives including Alcoholic Drinks Industry Forum, low and no alcohol industry roundtable, communications marking 25 years of the code of practice and response to mandatory labelling proposals.

Support for relevant charities

The Group is committed to the communities in which it operates and undertakes a range of initiatives that benefit our local communities.

In FY2023, C&C will roll out a Volunteering Policy across the group, offering colleagues the opportunity to support community and charity initiatives and deliver a meaningful impact on the world around us.

Responsibility Report
Social

Some examples of our commitment to the community are set out below.

In March 2022, to help those affected by the conflict in Ukraine, C&C Group donated €25,000 each to the British Red Cross and the Irish Red Cross.

We are active members of Tipperary Chamber of Commerce and hold a seat on the steering group of County Tipperary Skillnet, our local enterprise led learning network. We have forged strong links with local employment services including 'Turas Nua', who are Ireland's leading welfare to work provider, helping people move on their journey into sustainable employment.

We continue to partner with Inner City Enterprise ('ICE') in Dublin. ICE is a charity which advises and assists unemployed people in Dublin's inner city to set up their own businesses. We have provided ICE with funding to support their initiatives and a number of our staff have joined their panel of business advisors to support the entrepreneurs that they work with.

In 2022, Matthew Clark, will again partner with Pubaid and the All-Party Parliamentary Beer Group to support the Community Pub Hero Awards. The initiative recognises the critical role that hospitality plays across the UK, together with licensees and teams who went the extra mile to help their communities through the pandemic.

Bibendum continues to be a key partner of The Drinks Trust (formerly The Benevolent), to provide care and support to the people who form the drinks industry workforce with services across vocational, wellbeing, financial and practical support. These services are intended to assist with and improve the circumstances of those who receive them.

Heverlee is created in association with the Abbey of the Order of Premontre (known as Park Abbey) and is inspired by the beers first brewed by the monks in medieval times. The Abbey lies just outside Leuven and is the largest of its kind in Belgium, founded in 1129. Today, every pint of Heverlee sold supports the major multi-million Euro restoration of Park Abbey.

In autumn 2021, Orchard Pig, delivered a campaign to limit food waste, featuring influencers, PR and owned-social content – "Save The Scraps". The west country cider brand worked with a series of food bloggers and influencers to create recipes using leftovers in a bid to encourage consumers to be more mindful with waste.

Tennent's continues its longstanding partnership with The Benevolent Society of Scotland ('The Ben'), which aids people of all ages who have worked in the licensed trade for at least three years full-time. Beneficiaries receive annual financial assistance as well as discretionary grants for emergency situations.

In September 2021, Tennent's Light announced a £250,000, 3-year commitment to grassroots creative talent in Scotland, following a devastating year for arts and culture due to the pandemic. The "SpotLight Project" sees Tennent's Light invest 3.5% from every pint and bottle sold to support Scotland's up and coming creative talent. Out of more than 800 promising applicants, five creatives; Danny Aubrey, Katie Doyle, Jubemi Iyiku, Jonny MacKinnon and Michael Rankin, have been chosen, spanning industries including music, sustainable fashion, film, photography and skateboarding.

Enhance Health, Wellbeing & Capability of colleagues

Our main priority will always be the health, safety and wellbeing of our employees; recognising the key importance of delivering better safety standards and improving the wellbeing of our colleagues.

Safety First

Given the ongoing impact of COVID-19 on society and our industry during FY2022, we continued with our risk assessments, controls and training across all of our operations to protect our employees and deliver a "COVID-19 secure" manufacturing and logistics supply chain. To maintain the highest safety standards, the COVID-19 protection measures we introduced in FY2021, were extended into FY2022.

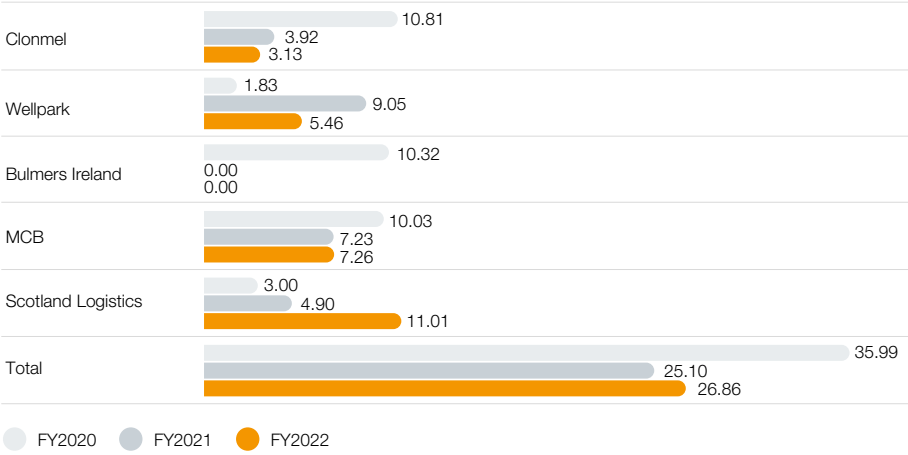
C&C has launched a revised Health and Safety Strategy under our 'Vision Zero' initiative. We are committed to create a safe and healthy workplace by reducing all accidents, harm and work-related diseases whilst continually promoting excellence in health, safety and wellbeing. A key part of this sees us implement a "Plan, Do, Check, Act" cycle to help embed health and safety management as an integral part of good management across the Group.

The Group has introduced a new risk platform system to facilitate better reporting of accidents, near misses and Health and Safety audits. Launched in December, "BSI Connect", has been supported by the introduction of risk assessment training and a new C&C Risk Management Policy and Protocol.

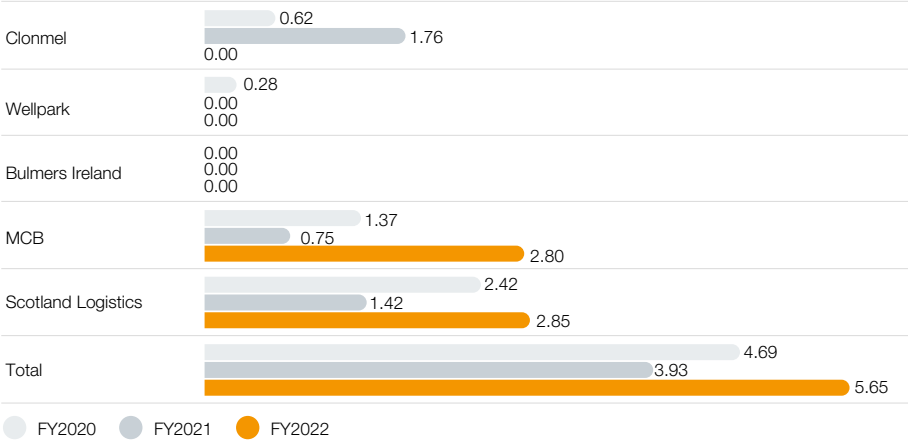
To help improve Health and Safety across the Group, we set a KPI to reduce both RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) and Lost Time Accidents, for employees, agency staff and contractors, by 10% versus FY2020.

We have met our FY2022 RIDDOR KPI.

RIDDOR - Incidents per 100,000 hours worked



Lost Time Accident Incident Rate incidents per 100 employees



Responsibility Report
Social

Labour shortage and increases in agency / temporary staff of up to 60%, has resulted in us missing our LTA KPI. To address this, we continually re-evaluate training and supervision provided to eliminate accidents and we are now seeing reductions in numbers of agency staff being used. Agency staff remaining are benefitting from experience, training and supervision.

Other Health and Safety initiatives being rolled out across C&C, as part of the "Safety First" approach include commercial vehicle CCTV installation, forklift truck safety upgrades, provision of automated external defibrillator (AED's) across all sites and trials of CO_2 monitors.

Health and wellbeing external support systems

To enhance the external Employee Assistance Programmes that are in place across C&C Group, we have introduced 55 fully certified Mental Health First Aiders ('MHFAs'). These volunteers will provide the initial help to any colleague who is developing a mental health problem or experiencing a worsening of an existing mental health problem. This first aid is given until appropriate professional support is received or until the crises resolves.

The role of our Mental Health First Aiders is to:

- Raise awareness of wellbeing activities and initiatives
- Challenge the stigma around mental wellbeing
- Actively listen and signpost support to colleagues
- Build trust, demonstrate compassion, and respect confidentiality
- Collaborate with other First Aiders (and networks) to share best practice
- Be open and lead the charge in sharing stories about mental health

Colleagues across the Group have ongoing access to Employee Assistance and Occupational Health programmes. In addition, colleagues have 365, 24/7 access to free and confidential mental health wellbeing support programmes via external specialist providers. This mental health wellbeing support also extends to colleagues' partners or spouses and any dependents over the age of 16 years who are still living at home.

In Ireland, in Autumn 2021, in partnership with Health Screening Plus, we trialled on site employee health screening and lifestyle assessments. Over 170 colleagues took part over a 2-week period. Feedback has been overwhelmingly positive and in FY2023 we will roll out equivalent Health and Wellbeing education and support programmes across the Group.

In FY2022, free flu jabs were offered to all colleagues across Group, with over 600 taking advantage of the opportunity.

To enhance the external Employee Assistance Programmes that are in place across C&C Group, we have introduced 55 fully certified Mental Health First Aiders (MHFA).

Employee Resource Groups ('ERGs')

In March 2022, C&C launched 3 Employee Resource Groups, to enhance our Health and Wellbeing efforts.

1. Physical Health, including how we prioritise our physical wellbeing during times of stress and different ways of working.
2. Mental Health, including promoting the role of our Mental Health First Aiders.
3. Parents Returning to Work, including how we can support working parents by sharing advice and insight.

These employee-led, voluntary groups aim to foster a diverse, inclusive and equitable workplace. The ERGs also aim to create a sense of belonging by inspiring conversations, while bringing new ways to look at issues and ultimately deliver innovative solutions. Each ERG is sponsored by an Executive Committee member, to create and deliver the key themes with their ERG members.

Remote working

In September 2021, to facilitate and support remote working, we introduced our Right to Disconnect Policy and our Agile Working Guidelines. The Right to Disconnect refers to all employees' right to disengage from work and refrain from engaging in work-related communications, such as emails, telephone calls or other messages, outside normal working hours. Our aim is to cultivate a culture of hard work within normal hours while fully respecting personal life and time outside of work.

Managers play a key role in implementing these policies; however, colleagues can follow a formal complaint procedure if their experience does not live up to our commitment.

Our Agile Working Guidelines provide a clear steer on our approach to agile working for colleagues who have flexibility in their work location or working pattern to balance business needs with individual preferences.

Agile Working is an informal arrangement that may enable a better work-life balance for our people, where job roles within C&C Group do not require attendance at a specific workplace at a particular time.

Alcohol awareness training

In FY2022, as part of our commitment to the responsible promotion and consumption of alcohol and ongoing efforts to support colleague health and wellbeing and ensure a safe working environment, we partnered with leading alcohol charity, Drinkaware, to roll out e-learning resources to all colleagues across C&C Group.

To ensure our marketing colleagues have a full understanding of legislation, and industry codes and guidelines – we are working with Copy Clear (Institute of Advertising Practice Ireland Alcohol Marketing) in ROI and the Portman Group (on the Code of Practice on the Naming, Packaging, and Promotion of Alcoholic Drinks and The Code of Practice on Alcohol Sponsorship) and Advertising Standards Authority (ASA) / Code of Advertising Practice (CAP) in the UK, to refresh mandatory responsible alcohol marketing training.

Embed key codes including Employee Code of Conduct

By the end of FY2022, c.800 colleagues across the Group had completed online policy compliance training, created by legal specialists, DWF Advantage, on:

- Code of Conduct
- The Bribery Act
- Fraud prevention
- Cyber security
- Cyber-crime
- Information security at C&C
- Modern Slavery
- Whistleblowing with confidence
- Financial crime compliance
- Updated C&C Policies
- Competition Law

Learning and Development Programmes

We have a renewed focus to develop our people and strengthen our capability to ensure that C&C has the most engaged, inspired and committed colleagues.

A strategic review of our approach to Learning and Development was carried out across C&C during FY2022. Following this review, in FY2023, we will introduce our People Growth agenda under 5 key pillars:

- Develop the best leaders;
- Developing our differentiating capabilities;
- Execute people processes consistently;
- Live our Values, Behaviours and Culture; and
- Bring the outside in to win!

We will provide an update on the delivery of our new Learning and Development strategy in our FY2023 Annual Report.

A learning management platform is available across C&C. This provides on-demand online resources to all colleagues. In addition to wellbeing, COVID-19, and diversity and inclusion topics, online learning content is available to develop sales teams and support organisational change programmes.

As COVID restrictions are fully removed, we will reintroduce apprenticeships requiring on the job learning experience. Professional development has continued within central and support services functions, including Finance, Marketing and HR, as well as some sales and operational areas. We continue to support professional development across the Group and this year have again supported colleagues through further education and professional exams including SVQs in Management, MBAs, CIMA, CIPD and IBD qualifications.

Responsibility Report
Governance

Build a more Diverse, Inclusive and Engaged C&C

We want C&C to be a place where colleague's individuality is respected and celebrated.

Diversification of Board

With each review of its composition, and when considering any appointment, the Board has particular regard for diversity of gender, social and ethnic backgrounds, nationality, and cognitive and personal strengths. Diversity at Board level – and throughout the organisation – is key to ensure that we incorporate a wider range of perspectives in deliberations and decision making. While incorporating all aspects of diversity, we have placed a particular focus on gender and ethnic diversity in light of the Hampton Alexander and Parker Reviews.

Group wide Diversity & Inclusion measurement

In FY2022, we continued to focus on strong diversity and fair employment practices. We do however recognise our need for greater effort in these areas. Our Diversity, Inclusion and Wellbeing Policy is visible across C&C Group and is supplemented by shared learning resources, available to all colleagues. Diversity and Inclusion ('D&I') are a focus for our Executive Committee, who continue to receive external coaching to support them in leading inclusion in a more meaningful way. Training is being rolled out to all managers and those involved in recruitment process and D&I principles will be included in our recruitment and assessment panels.

In the summer of 2021 as COVID restrictions were relaxed, we took a critical step by launching our confidential 'Getting to Know You' questionnaire. This allows us to develop our approach via a greater understanding of the demographic and intersectional make up of our colleagues and their in-depth views on D&I topics to allow us to develop our HR practices through improved insight.

On 8 March 2022, in celebration of International Women's Day 2022, around 150 women from across C&C Group, met to discuss the issue of gender bias and how we as a business can take positive steps to #BreakTheBias in our workplace and communities. We have captured colleague comments on what we as a business can do to help #BreakTheBias and will ensure these are included in our discussions and actions going forward.

On 8 March 2022, in celebration of International Women's Day 2022, around 150 women from across C&C Group, met to discuss the issue of gender bias and how we as a business can take positive steps to #BreakTheBias in our workplace and communities.

Employee engagement tracking

Colleague engagement is a key priority for C&C Group and is an agenda item at each Board, Executive and ESG Committee meeting.

In July and December 2021, C&C worked with Peakon to survey all colleagues, to capture their views on the Group. These surveys, submitted anonymously, look to identify where we are as a business and how our values reflect colleagues' experience working at C&C. The feedback secured on areas including diversity, inclusion and wellbeing, and delivering our business strategy, are critical in our efforts to make C&C a great place to work.

Peakon survey results are shared with the Executive Committee and the Board and cascaded to direct reports and broader business areas. Actions were identified and communicated to all colleagues to address the three main drivers of Engagement, Reward, Growth (see Learning and Development above) and Strategy & Mission to address colleague feedback.

Initiatives put in place to address feedback on Reward include a role evaluation exercise with Korn Ferry, pay and salary increases for FY2023, and discussions with colleagues to establish common understanding of "what reward is". C&C will also extend Gender Pay Gap Reporting across the Group and measures we will put in place to address the gap.

The Group recognises that communication is a priority in improving colleague understanding of strategy and mission. Initiatives to improve communication include weekly briefings to managers and monthly briefings to all colleagues. In February and March 2022, six roadshows were held across the UK to present and discuss brand plans and receive feedback from colleagues. On 10 March 2022, a full day session on strategy with senior leaders was held in Manchester. The content from this session was cascaded across the business, to allow colleagues to identify how C&C purpose, values and strategy, can be embedded in their day-to-day work.

To encourage greater participation in the surveys, Peakon engagement training has been put in place for all managers and kiosks have been placed at all manufacturing and depot sites.

Our Forum sessions were again held in November 2021 and February 2022. Hosted by Executive Committee members and Non-Executive Directors. These sessions provide a short business update, with the key focus being to answer any questions / concerns that colleagues have about C&C. Our Forums build on existing employee engagement opportunities and the Group's continuing efforts to develop a culture of informality, transparency, and trust. The aim is to provide a further opportunity to increase two-way dialogue between the Group and all staff. They also allow our Non-Executive Directors to hear directly from colleagues and feedback to the C&C Board.

Our Forum sessions will be held regularly (quarterly as a minimum) across our sites in UK and Ireland during FY2023.

Confidential Whistleblowing Helpline

At C&C, we work hard to foster a safe, inclusive working environment. We have a zero-tolerance policy for all forms of bullying, harassment and discrimination, and we want to ensure that everyone at C&C has the ability to speak up about injustices they experience or witness. We have partnered with Vault, a simple, safe and confidential app. that allows colleagues to raise any concerns they may have about themselves, a colleague or our working environment.

There were 35 instances of concerns raised in FY2022, on "concern or suspicion related to ethical or compliance related wrongdoing in the Group".

Human Rights

We do not condone and will not knowingly participate in any form of human exploitation, including slavery and people trafficking. We refuse to work with any suppliers or service providers who knowingly participate in such practices or who cannot demonstrate to us sufficient controls to ensure that such practices are not taking place in their supply chains. Our approach is reflected in our Code of Conduct and Modern Slavery policies, which we circulate to suppliers. We also carry out diligence audits and checks on our suppliers to ensure that they have in place and adhere to appropriate ethical policies, with KPIs for those areas where we believe the potential impact on the Group is material. A process is in place internally to address and remediate any instances of non-conformance. A copy of our Code of Conduct and Modern Slavery Statement are available on our website.

Anti-Bribery and Corruption

Our Anti-Bribery and Corruption Policy and accompanying training materials, referenced above in Embedding Key Codes, are designed to be straightforward and direct so that it is clear to all employees what they may or may not do as part of normal business transactions. The Policy applies to all colleagues in the Group equally. It is written to ensure that legitimate and honest business transactions can be distinguished from improper and dishonest transactions. This Policy and the accompanying training will be tracked as part of the internal audit monitoring process to monitor understanding and adherence to the Policy. KPIs have been established for those areas where we believe the potential impact on the Group is material. During FY2022, no incidences of bribery or corruption were uncovered across the Group.

Responsibility Report
Governance

Collaborate with Government, NGOs and Industry Programmes

We are funders and active members of Drinkaware, which performs the valuable role of educating consumers about responsible alcohol consumption.

The Group, also support Best Bar None in Scotland, a national accreditation and award scheme for licensed premises. Participants are given lots of support and advice to improve the safety of their staff, premises and customers and to adopt high management standards.

We are members of the UK's National Association of Cider Makers ('NACM'), which works closely with apple growers and the agricultural communities in cider regions in the UK. This working relationship puts us at the heart of many UK Government discussions relating to the responsible use of alcohol. The NACM is also engaged with tax and regulatory departments and opinion-forming bodies having an interest in cider and alcohol generally. We are also members of the Wine and Spirit Trade Association and the European Cider and Fruit Wine Association.

In Ireland, C&C are members and actively support the work of the Licensed Vintners Association, the Vintners Federation of Ireland and Hospitality Ulster.

Support Long Live the Local with BBPA

In FY2022, C&C worked with the British Beer and Pub Association (BBPA) and c.50 producers and pub groups to support Long live the Local. The campaign was Launched in 2018 to raise awareness of the high number of pub closures across the UK and to highlight that the UK has one of the highest Beer Duty rates in the world. The campaign seeks an extension in the lower level of VAT for food and beverages sold in hospitality, an overall reduction in beer duty and alcohol duty reforms that support British pubs and beer as a lower strength product, together with lower business rates for pubs equitable to other similar businesses.

Sustainable Growth Agreement with Scottish Environmental Protection Agency

During a visit to Wellpark in October 2021, Mairi McAllan, Scottish Minister for Environment and Land Reform and Jo Green, Chief Officer for Green Recovery at the Scottish Environmental Protection Agency ('SEPA'), announced the signing of a Sustainable Growth Agreement ('SGA'), between Tennent's and SEPA which sets out a joint vision for how the producer of Scotland's favourite beer can help encourage the country's drinks industry to adopt more sustainable practices. The SGA focuses on two key areas – the first looking to address Tennent's environmental footprint across plant, supply chain, distribution networks and materials use. The second explores how Tennent's will use heritage and its iconic brands to educate and engage consumers and customers in conversation on climate change and environmental challenges and help drive positive action.

Partnership with 2050 Climate Group and Scottish Environmental Protection Agency

Tennent's has also partnered with the Scottish Environment Protection Agency and climate charity, the 2050 Climate Group to hold a series of workshops, to engage consumers in climate conversation. A launch event was held at Wellpark during COP26. A further series of events, will be held in on-trade venues across Scotland throughout 2022, bringing together consumers and climate activists, with the aim of increasing climate conversation and action.

Leading Deposit Return Scheme ('DRS') Implementation in Scotland

C&C has supported the Scottish Government's aims around the introduction of a Deposit Return Scheme ('DRS') since proposals were first announced in 2017. Since then, we have worked with the Scottish Government, Zero Waste Scotland, our Trade Bodies and all stakeholders to help create an efficient, well-designed DRS for Scotland that delivers on the country's recycling and litter targets and supports ambitions for a more circular economy. In March 2021, C&C became a founding member of Circularity Scotland, the system administrator appointed to operate the DRS in Scotland. The administrator works collaboratively with producers, retailers, the hospitality industry and wholesalers to deliver a scheme to collect more than 90% of used drinks containers. The Group engages fully in all working groups established by CSL and has established a Group Steering Committee and project teams to develop our internal systems and processes for the introduction of DRS in Scotland on 16 August 2023 (and prepare for the introduction of DRS in Ireland and the rest of the UK).

Collaborate on Minimum Unit Price Implementation in Ireland

We continue to work with the Irish Government and all stakeholders following the implementation of minimum unit pricing in Ireland on 1 January 2022. Although the majority of drinkers in Ireland enjoy alcohol responsibly, we believe this legislation will have the same positive impact as it has had in Scotland in tackling the availability of strong, cheap alcohol and its correlation with harmful drinking.

We continue to liaise with all stakeholders to prepare for the implementation of minimum unit pricing in Northern Ireland.

Tax

The Group takes its responsibilities as a corporate citizen seriously. This includes respecting and complying with local tax laws and paying the required and appropriate levels of tax in the different countries where we operate. We claim the allowances and deductions that we are properly entitled to, for instance, on the investment and employment that we bring to our communities. We benefit from having always been an Irish company, established in the Republic of Ireland's corporate tax environment, with our major cider production unit located in Clonmel and the Group is headquartered in Dublin. The majority of the Group's profits are earned in the Republic of Ireland and the UK, which both have competitive corporation tax rates compared with the European average. In the Republic of Ireland and the UK, we remit substantial amounts of duty on alcohol production.

We continue to work with the Irish Government and all stakeholders following the implementation of minimum unit pricing in Ireland on 1 January 2022.