"With approximately 80% of C&C's pre COVID-19 revenue derived from the hospitality sector, the pandemic has presented an unprecedented challenge for C&C. The team have responded with immediate and decisive action to secure the near term: maximising liquidity; supporting our customer base; streamlining costs and responding to off-trade demand with a change in consumption dynamics. We have continued to execute our strategy and are well positioned as the hospitality sector reopens. I would like to extend my appreciation to every C&C colleague for their commitment and flexibility during this period."

David Forde
Group Chief Executive Officer

Financial Highlights

Results

Net Revenue	Operating Loss before Exceptional Items
€736.9 m	**€59.6m**
Decrease of -56.1% on a constant currency basis	

Balance Sheet

Liquidity	Net Debt Including Leases	Net Debt Excluding Leases
€314.6m	**€441.9m**	**€362.3m**

Shareholder Return

Dividend Suspended

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Chair's Statement

"Continued health, safety, and wellbeing of our stakeholders remains our top priority."

Stewart Gilliland
Chair

This year marked a period of unprecedented turmoil in our world which is impacting the lives of all our stakeholders. COVID-19 has had an unparalleled impact on the hospitality sector and specifically C&C with the entire financial year impacted by continuously evolving national lockdowns and regional trading restrictions. During what has been one of the most challenging periods for the drinks industry the continued health, safety, and wellbeing of our stakeholders remains our top priority.

I would like to extend my appreciation to our colleagues for their continued support. They are core to the success of our business and the resilience we have displayed during FY2021. They have all had to rapidly adapt to a change in their working environment, whether working from home or within one of our distribution depots or manufacturing sites, whilst managing the various complications of COVID-19, such as home schooling. The impact of COVID-19 has meant that many of our customers have been unable to trade since March 2020 and others are navigating the impact of their third lockdown, closing their businesses and furloughing staff again. We have supported our customers throughout this period of uncertainty, displaying compassion and flexibility for those in the hospitality sector; and agility in meeting off-trade demand, fundamentally putting them at the centre of our decision making. Lastly, I would like to extend my sincere thanks to our supplier base for their support, which has been key in what we have been able to do in the hospitality sector whilst also meeting changes in demand dynamics in the off-trade.

Operating Results

The Group reacted quickly to the pandemic, displaying agility and resilience in navigating the near term challenges, while positioning the business to deliver on its strategy as and when normal trading conditions return. We worked swiftly to establish a safe, compliant and supportive working environment and took action to secure our short-term liquidity position. In addition, we tightly controlled our working capital, implementing a cost streamlining programme whilst accelerating optimisation of our distribution network and e-commerce offering. We responded quickly to the change in consumption dynamics meeting the increased off-trade sales, ensuring continuity of supply and continuing to tailor and develop our portfolio to meet consumer demand and preferences.

Our people are at the heart of our business and our decentralised business model puts them in the centre of the local communities we serve.

Encouragingly, the inherent strength of our brand led distribution business model and the fundamental role the Group occupies in the infrastructure of the UK and Irish drinks market supported a strong return to profitability and cash generation on the easing of trade restrictions in July, August and September. However, the on-trade restrictions have been longer and tougher than anticipated with Ireland experiencing one of the longest hospitality sector lockdowns in the world and H2 FY2021 providing only 54 trading days out 181 where the on-trade was open across all of C&C's core markets. The off-trade channel saw a temporary change in consumer consumption dynamics with considerable year-on-year growth. Reflecting the special affinity our core brands have with their local markets, we are pleased to report that Bulmers, Tennent's and Magners performed strongly in FY2021, with each gaining volume share in the off-trade channel. However, with on-trade operating under restrictions for the period, the Group's total net revenues declined by 56.1% against FY2020 on a constant currency basis, delivering a pre-exceptional operating loss of €59.6 million for FY2021.

The strength of our service offering and unrivalled scale and reach of our drinks distribution platform and the power of this route to market has driven significant distribution deals in FY2021. In Ireland we strengthened our partnership with Budweiser Brewing Group, beginning exclusive distribution of Budweiser, on the island of Ireland. With the addition of Budweiser, C&C now has exclusive distribution of Budweiser Brewing Group's complete beer brand portfolio across Ireland. In the UK, we were chosen as exclusive distributor and representative of Tito's Handmade Vodka, the #1 selling spirit brand in the USA. Most recently we agreed a new long-term partnership with Innis & Gunn to sell and distribute Scotland's #1 craft beer in the UK and Ireland on-trade. The Group also received an 8% equity stake at only nominal cost as part of the agreement. Our commitment to becoming the preeminent brand led drinks distributor in our core markets has led to the divestment of non-core assets including the Tipperary Coolers business in Ireland and more recently the divestment of Vermont Hard Cider Company in the USA which completed in April 2021.

We were pleased that the UK and the European Union signed a Trade and Cooperation Agreement, which provided for, among other things, zero-rate tariffs and zero quotas on the movement of goods between the UK and the European Union. The Brexit transition period formally ended on 31 December 2020 and to date we have had minimal disruption to our operations and supply chain.

People and Culture

Our people are at the heart of our business and our decentralised business model puts them in the centre of the local communities we serve. Their compassion, commitment and resourcefulness during this period of adversity has been extraordinary. We recognise that many colleagues have been placed on furlough for the many months and we thank those affected for their perseverance and patience. Through my role as interim Executive Chair until 2 November 2020, I had the pleasure of working day to day with the local management teams, gaining a deeper understanding of the challenges faced and our responses. The pandemic has presented both physical complications in our manufacturing sites and distribution network, in addition to challenges around employee wellbeing and engagement.

The Group has followed government policy, ensuring only essential staff attend their normal place of work and quickly established a safe and compliant working environment. Thanks to the excellent work of our colleagues and suppliers, the Group's supply chain and production facilities remained fully operational throughout the period. A programme of stringent ongoing COVID-19 compliance health and safety audits has been put in place in our operational sites to ensure we provide the safest environment we can for our colleagues, business partners, customers and communities where we operate.

Chair's Statement (continued)

The Group has put in place a number of measures to ensure we are supporting our colleagues including the provision of impartial advice and information on physical and mental health, financial concerns as well as access to specific counselling services. As part of this we have established a network of thirty employee volunteer mental health first aiders who have been trained and qualified to support our wider team on wellbeing and mental health issues. In addition, we offered free flu vaccines to all employees. We remain committed to meaningful employee engagement and understanding the needs of our workforce and continued to conduct employee surveys throughout the pandemic to better tailor the initiatives and supports we have in place.

In supporting our local communities and those that need it most, our colleagues, including some of those on furlough, have worked with our suppliers, business partners and customers to deliver PPE to the NHS, care home workers and other essential workers. We have also made food, drink and sanitiser donations to food banks, charities and community groups across the UK and Ireland.

The Board recognises that the unique mix of our dedicated and passionate people, alongside the inherent strengths of the Group's business model, are the basis from which we will create and drive long-term shareholder value. Our colleagues' individual and collective contributions are greatly appreciated and we will continue to invest and build on the work completed in FY2021 to improve the working environment we provide our people.

Capital Allocation

As part of our actions around securing liquidity, we have postponed non-committed capital expenditure and significantly reduced discretionary spending, marketing and brand advertising. Capital investment has been focused into our ESG (Environmental, Social and Governance) initiatives which has included an investment to move Wellpark Brewery out of plastics during FY2022, removing 150 tonnes of plastic annually. We remain committed to continuing our investment into ESG and delivering an objective of increasing importance to our stakeholders.

As we announced on 30 April 2020 and as part of liquidity actions, the Board resolved it would suspend the payment of a dividend. We recognise the importance of dividends and we are determined to resume returning capital to Shareholders as and when the operating environment and resulting financial and cash flow performance of the Group permit us to do so.

Board

The past year has seen considerable evolution of the Board. I had the pleasure to work as interim Executive Chair for most of the year, stepping aside and back to my current role as Non-Executive Chair on 2 November 2020, when David Forde joined as Chief Executive Officer. In addition, Patrick McMahon was appointed to the role of Chief Financial Officer on 23 July 2020 following Jonathan Solesbury's decision to step down. These key appointments to our senior leadership team represent an exciting new era for C&C and which we believe will deliver long-term value for all our stakeholders. We also announced that Vineet Bhalla would be joining the Board as Independent Non-Executive Director on 26 April 2021. The result is a strengthened Board, with broader and more diverse skills and ethnicity.

In response to the impact of COVID-19 and the evolving situation, the Board put in place additional meetings to ensure the safe stewardship of the business and to support the management teams in navigating our responses. I would like to thank the Board for their additional time and commitment during FY2021.

We remain committed to maintaining the highest standards of governance principles and practice, an overview is included on pages 76 to 77.

Rights Issue

With approximately 80% of C&C's pre-COVID-19 net revenues derived from the on-trade, the prolonged and continued impact of lockdowns and on-trade trading restrictions has been considerable. To ensure the business is equipped with sufficient liquidity to manage further near term trading uncertainty and deleveraging of the balance sheet to ensure it is in a position to execute its proven long term strategy, we announced on 26 May 2021, a rights issue fundraising. The Board considered various alternative methods of optimising the Group's capital structure, however with the continued impact from COVID-19 expected through H1 FY2022, it concluded that the most appropriate course of action is to raise equity.

Conclusion

As we manage the economic and operational challenges presented by COVID-19 and position our business for the future, I am encouraged by the agility and resilience of our business and the responses we have put in place to protect all our stakeholders. The Group's business model has proven that it supports a strong return to profit and underlying cash generation, once trading restrictions in the on-trade are eased. There is continued momentum in the vaccine programmes within our core markets and a roadmap has been communicated by the respective governments for the easing of trade restrictions. With that in mind, and the rights issue announced on 26 May 2021, I look to FY2022 with optimism and believe C&C will emerge from the pandemic a stronger business and positioned well for the long-term to capitalise on the prospects that present themselves as trade resumes across the hospitality sector.

Stewart Gilliland
Chair


C&C GROUP
C&C Group plc
GROUP

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 as part of the fabric of the company.

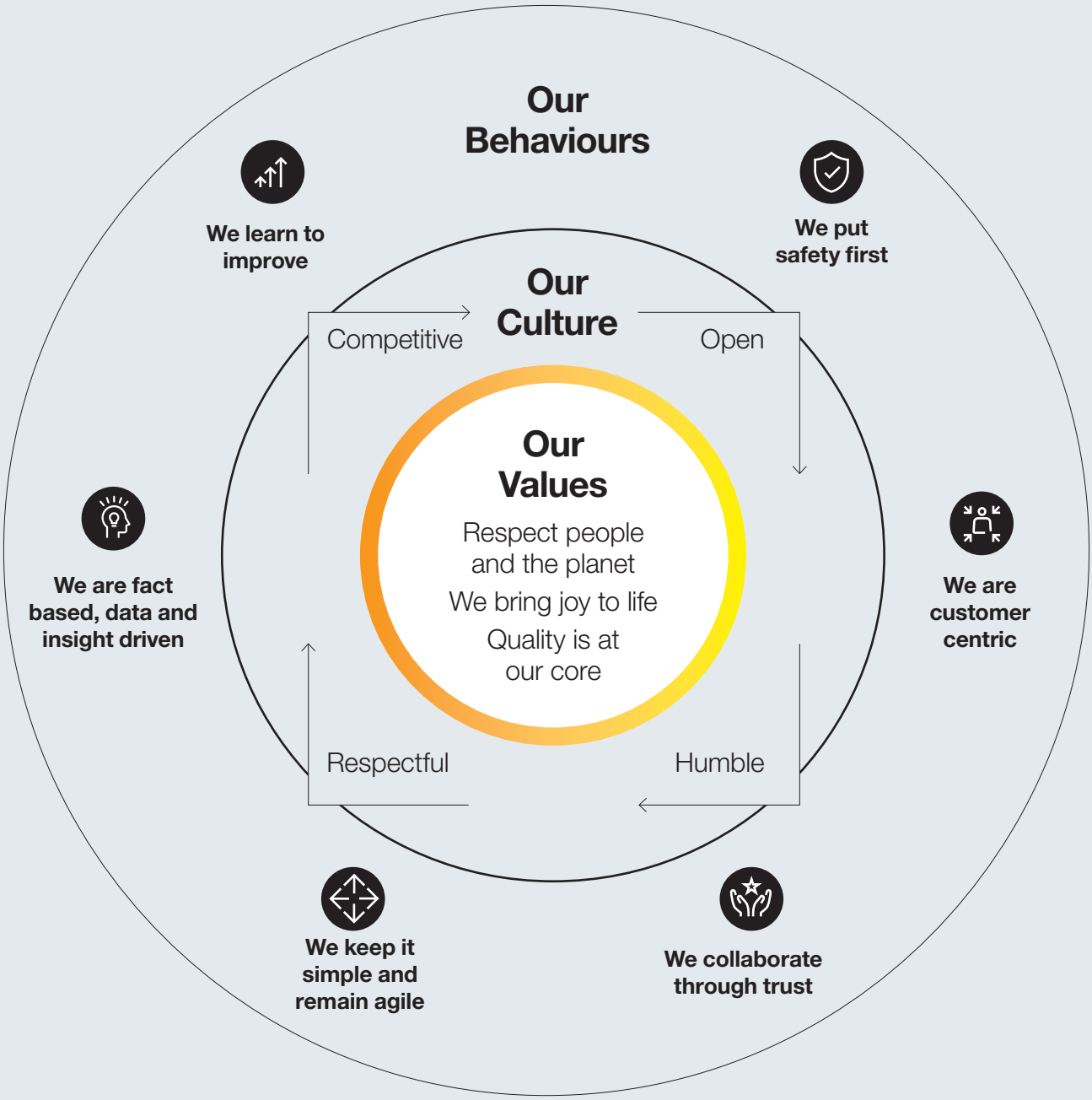
With our Bulmers, Tennent's and Magners brands, C&C has a long and rich history at the core of the company, augmented by continually evolving our offer to meet the demand of our consumers and customers.

Vision

To be the preeminent 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.

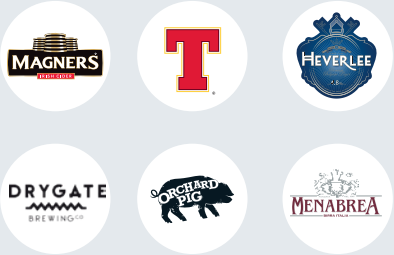


Divisional Structure

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 beer brands across the Island of Ireland. As of July 2020, the Group also distributes the Budweiser brand 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



C&C's GB division includes the 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.

Matthew Clark and Bibendum

The Group operates, as a separate division, the distribution businesses of Matthew Clark and Bibendum across the UK and Ireland. In aggregate, Matthew Clark and Bibendum form the UK's No. 1 independent drinks distribution business to the UK licensed on-trade.

International

C&C's International division manages 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, Asia and Australia. The Group operates mainly through local distributors in these markets and regions. This division includes the sale of the Group's cider and beer products in the US and Canada

Our Engagement with Stakeholders

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. 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 79.

	Employees	Communities	Consumers
Key Stakeholders	**Our colleagues who work in our business**	**The people who live in the local communities around our sites and operations**	**The people who drink our products**
Area of Focus	• Health, safety and wellbeing • Investment in learning • Promotion of diversity and inclusion • Recognition and careers	• Fair employment and equal opportunities • Local causes and issues • Health, safety and wellbeing	• 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
Why we engage	Our people are at the heart of our businesses and key to our ongoing success. We want our people to thrive in a fair and inclusive work environment.	To build trust by operating responsibly and sustainably, and addressing issues that are material to our communities. To provide training opportunities and support to local people currently not in education, training or employment.	On occasions when consumers choose alcohol, we want them to “drink better, not more”.
How we engage	There are many ways we engage, including employee engagement surveys, employee forums with Non-Executive Directors, whistleblowing reports, online learning and informative and up-to-date employee communications.	We operate local employment training programmes including, in Wellpark, the Tennent’s training academy, to develop local people to work in our sites and also to work in the local Community. We partner with local charities and organisations to raise awareness and funds to help local causes.	Responsible advertising and marketing, active engagement and education to promote moderation and reduce the harmful use of alcohol.

Suppliers	Shareholders and Lenders	Customers	Governments and Regulators
Our partners who supply products and services	**Individuals or institutions that own shares in C&C Group plc or provide financing**	**Our customers, who are experts in the products they buy and sell, as well as in the experience they create and deliver**	**Regional and national government bodies and agencies which implement and enforce applicable laws across our industry**
• Product quality and authenticity • Workplace health and safety • Sustainable supply chain reducing our environmental impact and making positive contributions to society • Innovation in creation of new brands	• Financial performance • Strategic priorities • Corporate governance • Leadership and succession planning • Executive remuneration policy • Shareholder returns • Environmental and social commitments and progress	• Identification of opportunities that offer profitable growth, insights into consumer behaviour and trends, innovation, promotional support and merchandising and technical expertise	• Positive drinking programmes and impacts • Wider sustainability agenda including human rights, environmental impacts • Legal and regulatory compliance
Working collaboratively to ensure our customers receive the best possible service and value for money. Identification of opportunities that offer profitable growth.	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.	Our passion is to ensure we nurture mutually beneficial relationships that deliver joint value and the best outcome for all our consumers.	To communicate our views to those who have responsibility for implementing policy, laws and regulations relevant to our businesses.
We regularly communicate with our suppliers, and conduct formal supplier surveys, reviews and audits; Investments in third party innovative and new brands.	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 though Group Finance and the Group CFO.	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.	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

"Our ambition is to be the preeminent brand led drinks distribution platform in the UK and Irish markets."

David Forde
Chief Executive Officer

I had the pleasure of joining C&C Group in November 2020, and since then, I have been impressed by the dedication and adaptability of my colleagues, their passion for our brands and their continued commitment to protecting our stakeholders while delivering leading customer service during these challenging times.

The last twelve months have been unlike any other I have experienced in my career. The COVID-19 pandemic has created disruption on a global scale and presented unprecedented challenges and uncertainty for our industry. It has asked questions of us which we have never had to consider before and challenged us individually and collectively to look at what matters and find innovative responses. The pandemic has changed the way we work and communicate with each other and has rapidly accelerated trends in our sector, notably the adoption of technology by our customers and our business; with the majority of our colleagues, myself included, working remotely from home.

Despite the challenges, C&C has an inherently strong business model, with admired brands that embody provenance and have a real affinity with their markets, coupled with a leading distribution infrastructure of scale and reach. The strength of the Group's brand-led distribution model, and the fundamental role we occupy in the infrastructure of the UK and Irish drinks market, were evident with a return to profitability and underlying cash generation once trade restrictions were eased in July, August and September 2020. Despite the on-trade restrictions, our core brands have performed strongly in the off-trade, with all of them taking volume share during FY2021.

We have developed and implemented our strategy during FY2021 in pursuit of becoming the preeminent brand-led drinks distribution platform serving the UK and Irish drinks market: evolving our core brand offering; enhancing our wider portfolio; accelerating the adoption of technology and driving efficiencies into our distribution network and support functions. Core to this has been maintaining a customer centric view on delivering leading service, executed by our dedicated colleagues and supported by our suppliers and wider stakeholders. We are pleased with the progress we have made on our sustainability and social

responsibility objectives in FY2021, which form part of the fabric of our business model and daily decision making.

Response to COVID-19

Throughout the pandemic the Group's key priorities have been to protect all stakeholders and support our customers. We have ensured a safe, compliant and supportive working environment for those essential employees who cannot work from home, complying with the advice of national and devolved governments, in addition to health authorities. We supported our customers with various initiatives including: picking up excess stock in outlets; replacing old kegs for new; credit terms; loan moratoriums; ranging advice and promotions for the restart of trade; and order and delivery options in preparation for the eventual reopening of the hospitality sector.

Thanks to the collective dedication of all our team, the Group's supply chain and production facilities remained fully operational through the year and we continued to work with our partners to serve our off-trade customers.

We implemented a series of measures to streamline the business to create a more efficient cost base, maximise available cash flow, and maintain and strengthen the Group's liquidity position. These measures included maintaining constructive dialogue with lenders throughout the period and obtaining waivers of the existing financial covenants as outlined in detail in Note 20. In addition, we issued approximately €140 million of US private placement notes (the "USPP") in March 2020 to diversify, strengthen and extend the maturity of the Group's capital structure and sources of debt finance.

We also took action to address our fixed cost base by implementing a streamlining programme which is expected to deliver annualised savings of €18 million against the pre COVID-19 cost base. This included the acceleration of the optimisation of the English and Scottish distribution networks which is scheduled to be completed by June 2021, which will consolidate volumes from three separate networks into two, bringing all our final mile English distribution in house, driving ongoing efficiencies and, in turn, enhance future margins.

Focused on reducing discretionary expenditure, the Group has postponed the majority of non-committed capital expenditure and temporary salary reductions for the Senior Management team and the Board were implemented in the first half of the financial year. We also implemented various working capital initiatives, including the negotiation of temporary extensions to supplier payments terms and agreeing payment deferrals with the UK and Irish tax authorities, and paused the payment of dividends.

In addition, we have availed of various government support initiatives which have also helped to mitigate the impact of the pandemic. This included furlough schemes to support 2,000 colleagues' jobs that were directly and adversely impacted by the pandemic and restrictions on the hospitality sector.

Reflective of the focus on our core brand-led distribution model and to rationalise the Group structure, we disposed of certain non-core assets, including the disposal of the Tipperary Water Cooler business in October 2020 for a consideration of €7.4 million and Vermont Hard Cider Company in April 2021 for a consideration of USD 20 million.

Strategic development

Our ambition is to be the preeminent brand-led drinks distribution platform in the UK and Irish markets. Despite the unprecedented market environment since the end of February 2020, the Group has continued to take decisive steps to progress our ambition, focused on: strengthening our owned brand portfolio, complimenting this with agencies and 'equity for growth' investments; driving efficiencies into our network which will enhance margins; and developing our ecommerce offering.

We implemented a series of measures to streamline the business to create a more efficient cost base, maximise available cash flow, and maintain and strengthen the Group's liquidity position.

Group Chief Executive Officer's Review (continued)

Addressing the growing consumer demand for 'no and low' alcohol alternatives, C&C launched the Tennent's Zero and Tennent's Light brand extensions which despite restrictions in the on-trade have outperformed expectations in the off-trade. In addition, our own hard seltzer brands have been launched in Ireland through Seven Summits and Shard in Scotland which is the UK's only draught seltzer. The strength of our final mile distribution continues to be reflected through the exclusive distribution deals completed during FY2021, including: extending our partnership with Budweiser Brewing Group in Ireland to include exclusive distribution of Budweiser; Tito's Handmade Vodka in the UK, the No.1 selling spirit brand in the USA[i]; and most recently exclusive distribution of Innis & Gunn, Scotland's No.1 craft beer[ii], into the IFT ('Independent Free Trade') across the on-trade in the UK and Ireland. As part of the Innis & Gunn deal we secured a long term manufacturing contract for our Wellpark Brewery and received an 8% equity stake at only the cost of nominal share capital along with a long-term incentive scheme which will make a number of additional shares available to the Group based on performance targets .

We accelerated the optimisation of the English and Scottish distribution networks by consolidating the volumes from three separate networks currently into two. This will rationalise our depot footprint and improve our service offering, bringing all final-mile distribution in house in England and, in turn, drive ongoing efficiencies and enhance future margins. Further, the optimisation work supports the Group's sustainability agenda by eliminating transport inefficiencies and reducing product miles travelled and CO_2 emissions. The network consolidation is due to be completed by June 2021.

The pandemic has accelerated the adoption of technology across business and wider society. We have witnessed increased momentum in pre COVID-19 trends within our business including ecommerce, where our customers' order preference has accelerated towards online rather than via our contact centres. We have accelerated development of our platforms, creating

new features to further enhance the customer journey including: real time stock information; guest checkout and automated online account setup. We will continue to leverage technology and its corresponding benefits to the advantage of our customer experience and service levels whilst driving the efficiencies throughout our organisation.

Financial Performance

C&C's reported net revenue for FY2021 of €736.9 million represents a decrease of 56.1% versus last year on a constant currency basis[iii]. With our Matthew Clark and Bibendum businesses almost exclusively exposed to the on-trade, the majority of the decline has been reflected in this division with FY2021 net revenue of €337.8 million, -69.0% versus last year on a constant currency basis[iii].

Our operating loss before exceptional items in the year was €59.6 million and our overall loss before interest, tax depreciation and amortisation was €28.8 million, this excluded an exceptional operating charge in the year of €25.2 million. The Group displayed robust liquidity and net debt management during FY2021, reporting €314.6 million and €441.9 million respectively. This represents a movement in liquidity and net debt of -€20.7 million and -€115.0 million respectively versus last year.

Our receivables purchase programme has contributed €45.0 million to closing cash, an outflow of €84.0 million on a constant currency basis[iii], driven by reduced revenues as a result of trading restrictions. Close management of working capital, supported by tax deferrals, has reduced working capital outflow in FY2021 to €44.7 million.

During FY2021, the Group secured covenant waivers from its lenders, this primarily resulted in the increase in net finance costs in the year by 38.4% to €27.4 million.

Capital Allocation

In strengthening the Group's liquidity position we have taken a number of actions to reduce the level of capital investment during FY2021, with total investment into the existing business standing at €10.0 million focused primarily on achieving our environmental targets and on optimising our operational footprint.

The Group has invested €7.8 million (£7.0 million) into the Wellpark Brewery which will remove the use of single use plastic at the site during calendar 2021, removing 150 tonnes of plastic annually. In addition, we have invested into an innovative carbon capture facility, the largest in Scotland, which will allow the brewery to store and

The Group has invested €7.8 million (£7.0 million) into the Wellpark Brewery which will remove the use of single use plastic at the site during calendar 2021, removing 150 tonnes of plastic annually.

utilise over 4,200 tonnes of CO_2 per year. These investments fit with a wider Tennent's brand campaign, "Life is bigger than beer" and the sustainability pledges that have been made as part of this.

We support the IFT with a customer loan book of €42.1 million, down from €44.7 million in the prior year, which is primarily secured by freehold assets and is conditional on the outlet procuring our products over the tenure of the agreement.

The Group provided liquidity support of €6.7 million into Admiral Taverns to support their tenants and the on-trade. Admiral Taverns now has sufficient liquidity to manage the near term challenges and deliver their strategy as trading resumes.

We remain committed to a clear and disciplined approach to capital allocation, focusing on the appropriate capital structure to deliver our strategy. Following trading re-establishing and when Group cash flow permits, we will reinstate our dividend.

Our Brands

Over the last twelve months we saw a significant and temporary shift in consumption dynamics from the on-trade to the off-trade, with the hospitality sector either locked down or under restrictions. Our net revenue derived in the on-trade shifted from approximately 80% in FY2020 to approximately 40% in FY2021. I am pleased to report that despite the obvious challenges in the on-trade, our brands have performed strongly in the off-trade where their provenance and affinity with consumers, preferencing the brands they know and trust, has driven volume share gains in all of our three core brands[iv],[v],[vi]. In the off-trade, and in line with consumers' purchasing habits, we have seen changes in pack mix with larger packs playing a more prominent role as consumers shop less frequently. This has also resulted in retailers rationalising their ranges. The trading challenges from the cancellation of key sporting events including the 2020 European Football Championships has been, in part, offset by the sustained period of warm weather we enjoyed through H1 FY2021.

In Scotland, our Tennent's brand has performed strongly with the underlying brand health reflected in Tennent's gaining both volume and value share in the off-trade[iv]. Tennent's off-trade volume and value share of 26.5% and 21.6% respectively as at 21 February 2021 represents growth of 1.1% and 0.7%[iv] with net revenue growth in the off-trade of 22.0% versus FY2020. We have continued to invest behind our 'Life is bigger than beer' campaign and deliver against the sustainability pledges which were made as part of this. In addition, there has been successful new product development in the year with the launch of Tennent's Zero and Tennent's Light, reflecting the commitment of the brand to the continuing changes in consumer preferences. The Zero and Light variants have secured over 1,500 listings in the off-trade during FY2021, with Tennent's Zero voted as the Scottish Local Retailer Product of the Year 2020, an award that is chosen by the retailers themselves. Our direct to convenience business in Scotland, which supplies our own portfolio and a range of third party products, has continued to establish itself with year on year volume growth of 70%.

In Great Britain, Magners has grown volume share of apple cider in the off-trade to 9.7% as at 21 February 2021 representing growth of +0.4%[vi]. Overall volumes in the cider category were aided by the sustained period of warm weather through spring and summer in 2020.

In Ireland, Bulmers' off-trade volume and value share of cider of 50.5% and 50.8% respectively as at February 2021 represents growth of 3.7% and 4.3%[vi] which in part was supported by the exceptionally good weather during spring and summer 2020. The introduction of Budweiser into our Irish portfolio, strengthens our position as the third biggest supplier of LAD to the off-trade[vi]. Lastly, as part of the 'no and low' trend emerging, we launched a hard seltzer brand in Ireland, Seven Summits, which is resonating well with consumers.

Group Chief Executive Officer's Review (continued)

Performance of our brands outside the key markets of the UK and Ireland has been understandably challenging with these markets experiencing the same trading restrictions as the UK and Ireland, with volumes weighted to the on-trade, and significantly reduced tourism in our key European markets. As a consequence Magners and Tennent's reported volume declines versus FY2020 of -46.1% and -32.6% respectively.

Premiumisation remains a strategic focus for our business, however the performance of our super premium and craft brands during FY2021 has been disappointing, with it significantly impacted by the closure of the on-trade. Our super premium and craft portfolio has limited exposure in the off-trade unlike our local and core brands. With the lifting of restrictions in the on-trade we anticipate that our super premium and craft portfolio will recover quickly.

The capability and effectiveness of our final mile distribution was reflected in the distribution deals we have secured and our ability to react to the easing of restrictions.

Distribution

With the on-trade either locked down or under restrictions throughout FY2021, trading in our distribution businesses has been significantly impacted. However, the capability and effectiveness of our final mile distribution was reflected in the distribution deals we have secured and our ability to react to the easing of restrictions, notably in July, August and September 2020. Central to this is the strength of our relationships, quality of our service and value of our proposition. During the period, we maintained market leading service levels, as reflected in our customer satisfaction index scores and On Time In Full ('OTIF') deliveries, and despite the global supply chain challenges presented by the pandemic we have minimised product range issues.

Our leading 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. We continued our development of our proprietary data assets during FY2021 and in addition we signed an agreement with SalesOut, a leading data company, to augment our in-house assets. Our data and insight capability provide a valuable advantage in driving the performance of our own brands. We will continue to leverage this asset to drive revenue and profit growth across our product range and attract complimentary agency brands or "equity for growth" brand partnerships.

Environmental, Social and Governance

The Group recognises its responsibility to society and the importance of our Environment, Social and Governance ("ESG") strategy and commitments, and the increasingly important role this plays in the decision making of our stakeholders. We are pleased with the progress made during FY2021 on our sustainability agenda including trialling electric vehicles and optimising our distribution network which will result in reducing fleet mileage. In addition, we developed our portfolio with the introduction of 'no and low' alcohol variants, and put in place health and wellbeing external support systems for our colleagues. Lastly, we have continued to develop our strategy and enhance transparency across all levels of the business, with an ESG board committee formed during FY2021 and the launch of an ESG strategy. We have created six pillars through which we will execute our ESG strategy: Reduce our Carbon Footprint; Sustainably Source our Products and Services; Ensure Alcohol is Consumed Responsibly; Enhance Health, Wellbeing and Capability of Colleagues; Build a more Inclusive, Diverse and Engaged C&C; and Collaborate with government and NGOs. Together these will support C&C in delivering to a better world.

Our ESG commitments and achievements have been discussed in more detail on pages 50 – 67.


reflex

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 four distinct divisions which are focused on the local markets they serve with their proposition tailored to meet our customers' needs. This structure harnesses the economies of scale in the back office, namely: procurement, finance and IT whilst remaining agile to adapt and react to market conditions and customer requirements.

Great Britain

€m Great Britain Constant currency[iii]	FY2021	FY2020	Change %
Net revenue	**206.8**	325.2	(36.4%)
- Price / mix impact			(12.8%)
- Volume impact			(23.6%)
Operating (loss)/profit[vii]	**(8.4)**	43.8	(119.2%)
Operating margin	**NM**	13.5%	
Volume – (kHL)	**2,007**	2,626	(23.6%)
- of which Tennent's	**690**	977	(29.4%)
- of which Magners	**480**	530	(9.4%)

Our Great Britain division's net revenue decreased 36.4% to €206.8 million in the year driven by the closure of the on-trade and volume moving into the lower margin off-trade channel. As a result, operating profit has reduced by €52.2 million[iii] to a loss of €8.4 million. Despite the trading challenges the division has made considerable steps towards strengthening its portfolio; optimising its cost base and positioning itself for emerging trends.

Wellpark Brewery remained open with minimal levels of disruption from COVID-19. We responded to the immediate switch in consumption dynamics to the off-trade and met the exceptional demand for our off-trade SKUs, which outperformed the market, whilst also maintaining the demand for our contract brewing and private label partners. We have continued our commitment to ESG with £7 million capital investment to remove single use plastic in our products, which will be completed in 2021. In addition we have installed CO_2 capture and storage facilities, significantly reducing the need to purchase CO_2. Further, we are a founding member of Circularity Scotland, affirming our commitment to the creation of an efficient and well-designed Deposit Return Scheme for Scotland that delivers the recycling and litter objectives and supports the country's ambitions for a more circular economy.

We ensured support for our on-trade customers putting in place measures that included: flexibility on credit terms; collection of old kegs and replacing them with new kegs; back to trade planning including, ranging, promotions and moratoriums on capital loan book repayments. As a response to the trend in customers moving towards ordering online, we continued the

development of our ecommerce offering for the Tennent's business in Scotland, enhancing our customer experience with the introduction of a new ordering platform. This platform provides improved functionality including an optimised ordering journey, a direct link to online support via web chat and the ability for the customer to self-manage their trading account, including the option to pay open invoices and apply credit notes. We believe orders will continue to move online as we further enhance our ecommerce offering. We forecast by the end of FY2022 that on-trade online orders will make up 70% of the revenue for the business in Scotland.

Significant work has been completed on the secondary distribution network in Scotland, rationalising its footprint and associated cost base. As a result, a new 50,000 square foot depot has been established in Edinburgh, Scotland's second largest city where Tennent's had no presence before. On the opening of the Edinburgh depot, we will close four existing depots in Scotland, including Matthew Clark's Glasgow depot, creating one final-mile logistics solution which will be fully operational by June 2021. This will yield ongoing efficiencies, improve customer service and optimise working capital by lowering overall stock levels. Our convenience direct to store model utilises this network, established in part following minimum unit pricing, and has performed strongly with overall volume growth of 70% versus FY2020. The growth has been aided by the development of an online platform and retailer loyalty scheme which also provides trade information, point of sale and incentives.

Ireland

€m Ireland Constant currency[iii]	FY2021	FY2020	Change %
Net revenue	**166.1**	226.3	(26.6%)
- Price / mix impact			(15.4%)
- Volume impact			(11.2%)
Operating (loss)/profit[vii]	**(4.9)**	40.2	(112.2%)
Operating margin	**NM**	17.8%	
Volume – (kHL)	**1,257**	1,416	(11.2%)
- of which Bulmers	**300**	366	(18.0%)

Our Ireland division's net revenue decreased 26.6% to €166.1 million[iii] in the year driven by the continued lockdowns with Ireland experiencing one of the longest hospitality sector lockdowns in the world. There was a shift in consumption dynamics with off-trade volumes +21.2% versus FY2020. While this provided a welcome revenue stream, the lower margin and pack mix pressures were not sufficient to offset the impact of the on-trade closures. As a result, operating profit has reduced by €45.1 million to a loss of €4.9 million[iii].

The Bulmers brand, despite sustained competitive pressure over the last few years, has performed strongly, aided by an exceptionally warm spring and early summer weather and consumers' desire for brands with provenance which they know and trust. As a consequence Bulmers off-trade volumes were +37.7% versus FY2020, with the brand taking both volume and value share in off-trade long alcoholic drinks ("LAD")[vi]. During the year we extended our partnership

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

with Budweiser Brewing Group in Ireland to include exclusive distribution of Budweiser. Budweiser Brewing Group and Bulmers Ireland have committed to investment in the brand, notably with new branding, packaging and a TV campaign with the new branding trialled in Ireland as one of the first worldwide territories. The introduction of Budweiser into our portfolio, strengthens our position as the third biggest supplier of LAD to the off-trade[vi].

Our Clonmel manufacturing site and distribution network remained fully operational over the last twelve months with minimal impact to our supply chain. We quickly established a safe and compliant environment for our colleagues who did not have the ability to work from home.

The business has ensured support for our customer base with measures including; providing flexibility with delivery days and order sizes; a 'new for old keg' replacement process; and C&C Hygiene, an initiative providing funding for pre-opening / start-up costs for our customers which is helping 500 on-trade customers. C&C Hygiene offers a central hub with safety standards and certification for the hospitality sector. The initiative also offers items to facilitate the safe opening and continuing operation including divider screens, hand sanitisers, signage and foot handles for doors.

We have continued to enhance our customer proposition and service by launching a new online ordering platform and customer portal system, 'Bulmers Direct'.

During the year we rebranded our Irish wine business Gilbeys to Bibendum Ireland. Bibendum Ireland which is the largest independent wine business in Ireland performed strongly, capitalising on a change in consumption dynamics, with total volumes up 7.9% in FY2021 versus 878k cases sold in FY2020.

Matthew Clark and Bibendum

Matthew Clark and Bibendum Constant currency[iii]	FY2021	FY2020	Change %
Net revenue	**337.8**	1,089.9	(69.0%)
- Price / mix impact			(5.7%)
- Volume impact			(63.3%)
Operating (loss)/profit[vii]	**(44.5)**	28.2	(257.8%)
Operating margin	**NM**	2.6%	
Volume – (cases k 9L)	**11,122**	30,344	
-Volume – (kHL)	**1,001**	2,731	(63.3%)

Net revenues for the combined Matthew Clark and Bibendum Division in FY2021 were €337.8m, a decrease of 69.0%[iii] versus FY2020 with the business almost exclusively an on-trade business. Operational gearing has generated a loss of €44.5 million[vii] in FY2021, however action has been taken on cost reduction during FY2021 and network optimisation due to complete by the end of June 2021, both of which will deliver ongoing savings against the pre-COVID cost base.

Matthew Clark and Bibendum demonstrated that, on the easing of restrictions in July to September, it was able to respond quickly and capitalise on customer and consumer demand with distribution points in the on-trade peaking at 82% of FY2020 levels for the equivalent period. In addition, we have been encouraged by our levels of new business and the value and security that customers place in us.

Our depot network has remained fully operational throughout the pandemic, servicing the increased demand of the off-trade and ensuring that we are positioned to react quickly as and when restrictions ease. The business generated alternative revenue streams during on-trade restrictions, deploying some of its fleet to support brand owners with delivery into the convenience channel.

We accelerated our network optimisation, transitioning the Bibendum's supply chain operations from a third-party logistics provider into the Matthew Clark network. We also closed the Matthew Clark depots in Scotland, transitioning this volume into the Tennent's depot network in Scotland. These initiatives will drive ongoing efficiencies through a lower cost to serve, delivering enhanced margins.

During FY2021, our Bibendum off-trade business performed strongly with net revenue growth of 19.3% versus FY2020. Walker and Wodehouse, our business which supplies independent wine retailers, also performed strongly with sales and gross profit increasing 25% and 43% respectively versus last year.

Matthew Clark and Bibendum have continued to support the hospitality industry through the lockdowns and trading restrictions with increased flexibility in delivery days and times; 'new for old keg' replacement process; availability of key lines secured with supply partners; new 'guest checkout' facility on our ecommerce platform and a simplified online process for new account openings.

Matthew Clark has seen an increase in ecommerce activity, with Matthew Clark Live, our ecommerce platform, showing an increase in orders with 18% of total sales versus 13% in FY2020 and an increase of 73% in users versus prior year. The successful launch of 'Guest Checkout', has enabled first time customers to order and receive stock without first setting up an account, 28% of guest users have subsequently gone on to setup a trading account with Matthew Clark. The business is well placed to meet the change in customer behaviour with our Matthew Clark Live ecommerce platform awarded, 'Best Business to Business' and 'Best Food & Drinks' ecommerce sites at the UK ecommerce Awards 2020.

Our Matthew Clark and Bibendum businesses have been encouraged with the resilience of our customer base, with over 95% of March 2020 closing debtor ledger of €110 million collected from customers as of the end of FY2021.

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

International

€m International Constant currency[iii]	FY2021	FY2020	Change %
Net revenue	**26.2**	37.0	(29.2%)
- Price / mix impact			4.3%
- Volume impact			(33.5%)
Operating (loss)/profit[vii]	**(1.8)**	6.4	(128.1%)
Operating margin	**NM**	17.3%	
Volume – (kHL)	**159**	239	(33.5%)

Net revenues of €26.2 million in FY2021 have decreased by 29.2% against FY2020[iii], this has been driven by reduced volumes and has resulted in an operating loss of €1.8 million versus a profit of €6.4 million on a constant currency in the prior year.

The effect of COVID-19 was noted in almost every market in APAC and EMEA, however each market responded differently to the pandemic and the impact on the International business has been varied as a result. Overall volume has declined, driven by on-trade closures in Central Europe and the reduced levels of tourism in the peak summer trading period. This has been mitigated somewhat through growth in Asia, and solid performances in the Nordics and ANZ (Australia and New Zealand).

Europe, Middle East and Africa

In the first wave of the pandemic Central Europe recorded a drop in volume, with most markets implementing social distancing restrictions and limiting access to the on-trade where the International business is most active. Secondary to this was an increased level of uncertainty as we moved into the summer when demand would usually be highest. The biggest challenge was the reduction in the number of British and Irish tourists travelling overseas to Spain and the Mediterranean region, which directly impacted performance. The changing restrictions, often implemented at short notice, added to the uncertainty and adversely impacted on willingness to place orders, with many of the on-trade premises in this region heavily reliant on overseas tourism.

As the year progressed there was some upside in 'winter sun' destinations' such as the UAE, but not enough to offset the declines elsewhere, and in the final quarter of the year the closure of the European ski resorts further reduced demand. Lockdowns across Central and Eastern Europe, combined with the introduction of a mass vaccination programme, resulted in a level of optimism in the final month, the benefit of which will be reflected in Q1 FY2022. Overall EMEA volumes were 48.7khl, -55.6%.

Asia Pacific

Following the easing of trade restrictions during FY2021, the region performed strongly for the remainder of the year, driven by the new distribution agreement for Magners in South Korea and growth in China (Magners and Tennent's). These two markets accounted for 64% of the total APAC volume, and have recorded combined growth of 125% year on year.

Australia and New Zealand volume was robust throughout the year, largely due to the relative success in containing the spread of COVID-19, but overall is down -30% compared to the prior year. Elsewhere, volume across the rest of Asia declined but this was driven by an ongoing decision to focus on larger markets that can deliver sustainable brand growth. Overall APAC volumes were 29.5khl, -2.9%.

North America

Total volumes in FY2021 were down 18.3% as a consequence of COVID-19 restrictions which varied in degree across the region. Woodchuck volumes, which historically over-index in the off-trade, were broadly insulated from these restrictions and volumes finished the year in growth +9.3%. The Magners brand however, felt the full effect of hospitality lockdown measures with volumes finishing -42.0% versus FY2020.

In March 2021, the Group announced the sale of its wholly owned US subsidiary, Vermont Hard Cider Company, to Northeast Kingdom Drink Group LLC for a total consideration of USD 20 million. This transaction completed in April 2021.

Strengthening our Capital Position

The duration and impact of the pandemic has been greater than initially expected and the Group has demonstrated its resilience, strength and agility over this period. As the pandemic evolved, the Group took significant and decisive action to protect the business and its liquidity position, which is reflected in the resilient financial results of the Group for the year ended 28 February 2021. However, the Group continues to face uncertainty driven by the significant lockdowns and trading restrictions implemented in the Group's key markets and their ongoing impact on the hospitality sector. As a result the Board has taken the decision, in the best interests of the Group and all of its stakeholders, to launch a Rights Issue which was announced on 26 May 2021. With approximately 80% of C&C's pre-COVID-19 net revenues derived from the on-trade, the prolonged and continued impact of lockdowns and on-trade trading restrictions has been considerable. To ensure the business is equipped with sufficient liquidity to manage further near term trading uncertainty and deleveraging of the balance sheet to ensure it is in a position to execute its proven long term strategy, we announced on 26 May 2021, a rights issue fundraising. The Board considered various alternative methods of optimising the Group's capital structure, however with the continued impact from COVID-19 expected through H1 FY2022, it concluded that the most appropriate course of action is to raise equity.

Summary and Outlook

FY2021 has presented an extraordinary set of circumstances which have challenged our business, and our industry, at every level. To date, we have navigated these challenges by acting quickly and decisively, putting in place responses to the near term challenges while positioning C&C to emerge from the pandemic stronger, more streamlined and primed to deliver on our ambition to be the preeminent brand led number one "final-mile" drinks distributor across our core markets. We will remain vigilant and continue to be flexible in our approach as the hospitality sector recovers from COVID-19.

Our portfolio has demonstrated its strength with our core brands growing market share during FY2021. We will build on this as the hospitality sector opens, targeting cider share growth and building our share in premium beer which we continue to see as a market opportunity.

Development of our portfolio will remain key as we complement with new agencies or equity for growth brands. Our system strength is reflected in the evolution of our award winning ecommerce platform and offering which positions us well to fulfil the change in ordering behaviour and meet the highest levels of customer service. Further we will continue to optimise our system through cost streamlining, infrastructure consolidation and the adoption of technology and the efficiencies therein. This will be delivered by our engaged and inspired colleagues, committed to our sustainability agenda.

Our first priority will continue to be protecting our stakeholders. Their health and wellbeing are of paramount importance to the success of C&C. We are continuously monitoring the evolving government and health authority guidance to ensure we provide the safest environment we can.

We look to FY2022 with optimism as progress with the COVID-19 vaccine programme will see on-trade restrictions continue to ease. The Group continues to play an integral role in the UK and Ireland drinks market with its infrastructure being crucial for customers and brand owners. Our business model's inherent strengths, together with reduced operating costs, will support a stronger return to trading cash flows, profitability and the creation of long-term value for our shareholders.

David Forde
Chief Executive Officer

(i) Tito's number 1 spirit in USA (IRI Period Ended 04 October 2020).
(ii) I&G number Scotland's # 1 craft beer (CGA Scotland MAT week ended 21.03.20).
(iii) FY2020 comparative adjusted for constant currency (FY2020 translated at FY2021 F/X rates).
(iv) IRI, MAT to week ended 21.02.21.
(v) Nielsen, Volume Share of Cider, Off-Trade including Dunnes and Discounters, MAT February 2021.
(vi) Nielsen, Volume Share of Long Alcoholic Drinks, Off-Trade including Dunnes and Discounters, MAT February 2021.
(vii) Before exceptional items.

Strategic Report - Group Strategy

The core of the Group's strategy is driving an integrated, brand-led approach with leading route-to-market capability and having the critical strength and scale to deliver for both our on and off-trade customers.

The primary pillars of the Group's strategy are:

Strategic pillars	Medium term strategic goals	Measurement
Invest and grow our portfolio of leading local, super-premium and craft beer and cider brands.	• 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 super-premium and craft brands. • Successful brand development and launches to meet changes in consumer demand. • Build on “partnership for equity" brand relationship to provide route to market access.	• Cash generation and conversion • Revenue growth • Enhanced margins • Share growth and brand health scores
Strengthen the Group's position as the preeminent brand-led, "final-mile" drinks distribution business in the UK and Ireland.	• Continue the optimisation of the Matthew Clark and Bibendum businesses. • Deliver unrivalled portfolio strength, value and service to the UK and Irish hospitality sectors. • Commercialising the unrivalled data and insight on the hospitality sector.	• Margin expansion at Matthew Clark and Bibendum
Ensure the efficient allocation of capital to enhance growth and Shareholder returns.	• Strengthen its key capabilities across digital and technology to improve the customer journey and drive efficiencies. • Committed to delivering on its ESG objectives which form part of the integrated strategy. • Target balance sheet leverage of below 2.0 X net debt / EBITDA. • Selective acquisitions to fuel sustainable, profitable growth and/ or cash returns to shareholders.	• Net Debt/EBITDA • Balance Sheet strength • EPS growth • ROCE

With the challenges presented by COVID-19 in FY2021, the focus for the Group has been around securing the near term of the business, ensuring the health and wellbeing of our stakeholders, supporting our customers and maximising available liquidity. The Group's performance from an operational and financial perspective during the COVID-19 pandemic has demonstrated the important role the Group has to play in the success of the UK and Ireland on-trade channel and demonstrated C&C’s structural importance to the sector. Despite the challenges, we have continued to develop and execute our strategy through FY2021 to put ourselves in a position of strength as the hospitality sector returns during FY2022.

Achievements during FY2021	Strategic Goals
• Our core brands demonstrated their continuing strength in FY2021 by growing off-trade volume share. • Tennent's off-trade volume and value share of lager of 26.5% and 21.6% respectively as at 21 February 2021 represents growth of 1.1% and 0.7%. • Bulmers off-trade volume and value share of cider of 50.5% and 50.8% respectively as at 28 February 2021 represents growth of 3.7% and 4.3%. • Magners' volume share of apple cider in the off-trade has grown to 9.7% as at 21 February 2021 representing growth of +0.4%.	**Brand and product investment to build value of key brands over the long-term.**
• Demonstrated the strength of the Group's brand led distribution model, and the fundamental role it occupies in the infrastructure of the UK and Irish drinks market, with a return to profitability and underlying cash generation when trade restrictions were eased in July, August and September 2020. This was underpinned by a market leading NPS score.	**Deliver unrivalled portfolio strength, value and service to the UK and Irish hospitality sectors.**
• Exclusive distribution deals completed during FY2021, including: extending our partnership with Budweiser Brewing Group in Ireland to include exclusive distribution of Budweiser; Tito's Handmade Vodka in the UK, the #1 selling spirit brand in the USA; and most recently Innis & Gunn, Scotland's #1 craft beer, where C&C received an 8% equity stake at only the cost of nominal share capital, in return for supplying Innis & Gunn with access to the independent free trade in its core markets.	**Build on "partnership for equity" brand relationship to provide route to market access.**
• Meeting growing consumer demand for 'no and low' alcohol alternatives, C&C launched the Tennent's Zero and Tennent's Light brand extensions which have outperformed expectation in the off-trade. In addition, our own hard seltzer brands have been launched in Ireland through Seven Summits and Shard in Scotland which is the UK's only draught seltzer.	**Successful brand development and launches to meet changes in consumer demand.**
• Optimisation of the English and Scottish distribution delivery networks, consolidating the volumes from three separate networks into two, bringing all English final mile distribution in house. In turn, rationalising our depot footprint, improving our service offering and driving ongoing efficiencies and enhanced future margins. Further, the optimisation work supports the Group's sustainability agenda by eliminating transport inefficiencies and reducing product miles travelled and CO_2 emissions.	**Continue the optimisation of the Matthew Clark and Bibendum businesses.**
• As a response to COVID-19, taking action to address our fixed cost base with a cost streamlining programme to deliver annualised savings of €18 million against the pre COVID-19 cost base.	**Strengthen key capabilities across digital and technology to improve the customer journey and drive efficiencies.**
• Diversified and strengthened the Group's capital structure and sources of debt finance by issuing approximately €140 million of US private placement notes in March 2020.	**Target balance sheet leverage of less than 2.0 X net debt / EBITDA.**
• Improving the customer experience with our Tennent's Direct and Matthew Clark Live ecommerce platform as customers accelerate their use of technology, developing: real time stock information; guest checkout and automated online account setup. With the Matthew Clark Live platform awarded, 'Best Business to Business' and 'Best Food & Drinks' ecommerce sites at the UK eCommerce Awards 2020. In addition, we continued to develop our proprietary data assets during FY2021, signing an agreement with SalesOut, a leading data company, to augment our in-house assets.	**Strengthen key capabilities across digital and technology to improve the customer journey and drive efficiencies.**
• Invested €7.8 (£7.0) million into our Wellpark Brewery which will eliminate the use of the single use plastic at the site during 2021, removing 150 tonnes of plastic annually. A further €3.0 (£2.7) million has been invested into an innovative carbon capture facility, the largest in Scotland, which will allow the brewery to store and utilise over 4,200 tonnes of CO_2 per year.	**Committed to delivering on ESG objectives which form part of the integrated strategy.**
• Divestment of non-core assets including the Tipperary Water Coolers business in Ireland. Post year-end we completed the disposal of Vermont Hard Cider Company in the USA for a total consideration of USD 20 million which has been applied to reduce net debt.	**Selective acquisitions to fuel sustainable, profitable growth and/or cash returns to shareholders.**

Strategic Report - Business Model

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 are highly cash generative and form part of the fabric of the respective drinks markets, and despite the on-trade challenges, have built momentum in the off-trade.

Scotland's favourite beer

Tennent's is Scotland's favourite beer, delivering share growth in the off-trade over the last 12 months.

Ireland's No.1 Cider

Bulmers is Ireland's No.1 cider, delivering share growth in the off-trade over the last 12 months.

The lasting appeal of these brands is underpinned by continued brand and marketing investment, where they have continued to evolve as consumer preferences and consumption habits have changed notably on the emergence of no and low % variants.

No.3 Cider in the UK

Magners is the No.3 apple cider in the UK, delivering share growth in apple cider in the off-trade over the last 12 months.

Complemented by super-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 super-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

Route-to-market

C&C's route-to-market platform occupies a fundamental role in the infrastructure of the UK and Ireland hospitality sectors.

Benefits for Customers

C&C gives its on-trade customers access to an unrivalled portfolio of local, premium and third-party brands combined with intimate product expertise and insight into evolving consumer tastes.

With over 13,000 SKUs, C&C's distribution platform provides a comprehensive "one stop shop" for licensed premises owners.

Our national distribution network and economies of scale provide unparalleled coverage, service and value to the benefit of our customers.

C&C's balance sheet ensures stability, certainty of supply and access to credit.

Benefits for C&C

Route-to-market ownership broadens C&C into a multi-beverage business.

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.

Route-to-market complements C&C's portfolio of local champion brands.

Benefits for Suppliers

C&C provides a unique route-to-market platform for local and international brand owners, with unrivalled market access to over 34,000 licensed premises across the UK and Ireland.

C&C allies intimate knowledge of local and regional markets, with national coverage and economies of scale.

C&C takes approximately 1 million orders per year across 13,000 SKUs generating unrivalled insight and data for brand-owners on the ever evolving consumer and customer trends.

C&C provides an open-access, stable platform to all brand-owners, large and small.

Scale

BULMERS IRELAND | BIBENDUM | BIBENDUM | Matthew Clark | TENNENT'S

No.1
Drinks distributor on Island of Ireland

C&C has unrivalled size, scale and distribution reach across attractive on-trade drinks markets in Ireland and UK.

No.1
Drinks distributor in Scotland and GB

Our operational footprint can reach over 99% of the UK population on a next day delivery basis.

Strategic Report - How we create sustainable value

Our ambition, to be the preeminent, "final-mile" brand-led drinks distribution platform in the UK and Irish drinks markets, is supported by our sustainability agenda.

Manufacture

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. By 2025, 100% of the power across our sites will be provided by renewable sources.

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.

Improve sustainable packaging
The Group has made excellent progress on its ambitious target to be out of single-use plastics by 2022, reducing the environmental impact and ecological footprint of our products. We are the only brewer who is a member of the UK Plastics Pact, which has additional targets on plastic packaging, waste and recyclates.

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 50 - 51

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.

Responsible drinking 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.

ESG Pillars 3 6
see pages 50 - 51

C&C is the No.1 independent drinks distributor to the UK and Ireland hospitality sectors, occupying a fundamental role in the infrastructure of the UK and Irish drinks market as key route-to-market partner for local and international beverage brand owners.

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.

Distribute

With the on-trade either locked down or under restrictions throughout FY2021, trading in our distribution businesses have been significantly impacted. However, the inherent strengths of our final mile distribution were reflected in the distribution deals we have secured and our ability to react to the easing of restrictions, notably in July, August and September 2020.

One stop shop
With over 13,000 SKUs, C&C's distribution platform provides a comprehensive "one stop shop" for licensed premises owners.

Final Mile distribution
We have accelerated the optimisation of the English and Scottish delivery networks which is scheduled to be completed in June 2021. This will consolidate volumes from three separate networks into two, bringing all of our final mile English distribution in-house, driving on-going efficiencies and in turn enhance future margins.

Enhanced logistics
Electric vehicles 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 at the Matthew Clark Park Royal depot. In Scotland, we are investigating alternative fuel types for vehicles; electric for Wellpark-Cambuslang trips and hydrogen for longer distance inter-depot trips.

ESG Pillar 1
see page 50

Strategic Report - Key Performance Indicators

With approximately 80% of C&C's revenues derived from the hospitality sector which throughout FY2021 has either been in lockdown or trading under restrictions, the impact on the Group and results reported has been significant. As such, the key focus of the business has been on securing the near term through renegotiation of our banking covenants and a number of liquidity actions (detailed in the CEO and CFO Statements), with net debt and liquidity forming the key financial metrics during FY2021.

Despite the challenges, we remain committed to our business model and believe our core brands, critical infrastructure and relative position of strength in the market leaves C&C well positioned as the hospitality sector reopens. As such we view that the Key Performance Indicators ("KPIs") reported in FY2020 will become the focus for the Board as trading builds over FY2022 and FY2023, for completeness these have been included separately below as a comparative.

Our priority remains the health and wellbeing of our stakeholders alongside continuing to deliver against our sustainability and social responsibility objectives.

Strategic Priority	KPI	Definition (see also financial definitions on pages 236 and 237)	Performance		FY2021 Focus	Links to other Disclosures
To ensure the appropriate level of financial gearing	Net debt	Net debt (net debt comprises borrowings (net of issue costs) less cash and excluding lease liabilities) as part of renegotiated covenants	FY19	€301.6m		Group CFO Review page 43
			FY20	€233.6m		
			FY21	€362.3m		
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	FY19	€322.9m		Group CFO Review page 43
			FY20	€335.3m		
			FY21	€314.6m		
To achieve the highest standards of environmental management	Reduction in CO_2 emissions	Tonnes of CO_2 emissions	FY19	38,092t[(i),(ii)]	To achieve best practice across the Group, including acquired businesses	Responsibility Report page 50
			FY20	32,729t[(i),(ii)]		
			FY21	26,865t[(ii)]		
	Waste recycling	Tonnes of waste sent to landfill	FY19	0t	To achieve best practice across the Group, including acquired businesses	Responsibility Report page 50
			FY20	0t		
			FY21	0t		
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	FY19	1.02	To achieve best practice across the Group, including acquired businesses	Responsibility Report page 50
			FY20	0.52		
			FY21	0.54		

Comparative KPIs against those reported in FY2020.

Strategic Priority	KPI	Definition (see also financial definitions on pages 236 and 237)	Performance		FY2020 Focus	Links to other Disclosures
To enhance earnings growth	Operating (loss)/profit	Operating (loss)/profit (before exceptional items)	FY19	€104.5m	To seek continuing growth, through revenue enhancement, acquisition synergies and cost control	Group CFO Review page 43
			FY20	€120.8m		
			FY21	(€59.6m)*		
	Operating Margin	Operating (loss)/profit (before exceptional items), as a percentage of net revenue	FY19	6.6%		
			FY20	7.0%		
			FY21	(8.1%)*		
To enhance earnings growth	Adjusted diluted (loss)/ earnings per share	Attributable (loss)/ earnings before exceptional items divided by the average number of shares in issue as adjusted for the dilutive impact of equity share awards	FY19	26.6c	To achieve adjusted diluted EPS growth in real terms	Group CFO Review page 43
			FY20	29.6c		
			FY21	(22.9c)*		
	Basic (loss)/ earnings per share	Attributable (loss)/ earnings divided by the average number of shares in issue as adjusted for the dilutive impact of equity share awards	FY19	23.4c	To achieve EPS growth in real terms	Group CFO Review page 43
			FY20	2.9c**		
			FY21	(33.8c)*		
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)	FY19	€96.9m	To generate improved operating cash flows	Group CFO Review page 43
			FY20	€155.1m		
			FY21	(€91.2m)*		
	Free Cash Flow Conversion Ratio	The conversion ratio is the ratio of free cash flow as a percentage of EBITDA (before exceptional items)	FY19	80.8%		
			FY20	101.0%		
			FY21	NM		
To ensure the appropriate level of financial gearing and profits to service debt	Net debt: EBITDA	The ratio of net debt (net debt comprises borrowings (net of issue costs) less cash less IFRS 16 Leases) to Adjusted EBITDA (excluding IFRS 16 Leases)	FY19	2.51x	Move towards medium term target of 2.0 times Net Debt/EBITDA (excluding IFRS 16 leases)	Group CFO Review page Page 43
			FY20	1.77x		
			FY21	NM		
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	FY19	15.31c	The Group will continue to seek to enhance shareholder returns	
			FY20	5.5c		
			FY21	-*		
	Dividend Payout Ratio	Dividend cover is Dividend/ Adjusted diluted EPS	FY19	57.6%		
			FY20	18.6%		
			FY21	-*		

* COVID-19 is having a material impact on current year KPIs.
** Basic earnings per share was impacted by exceptional items in the prior financial year.

Reference - Strategic Report - Key Performance Indicators
(i) FY19 and FY20 figures have been restated to include emissions for the wider C&C, previously only core C&C (pre Matthew Clark and Bibendum acquisition) was disclosed to allow year-on-year comparison.
(ii) 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. Specific annual reviews of the risks and fundamental controls of each business unit are undertaken on an ongoing basis, the results and recommendations of which are reported to and analysed by the Audit Committee with a programme for action agreed by the business units.

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 34 to 40 represent the principal uncertainties that the Board believes may impact the Group's ability to effectively deliver its strategy and future performance. The register of risks includes the impact of COVID-19 which is addressed in greater detail on page 34. 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 41 to 42.

COVID-19

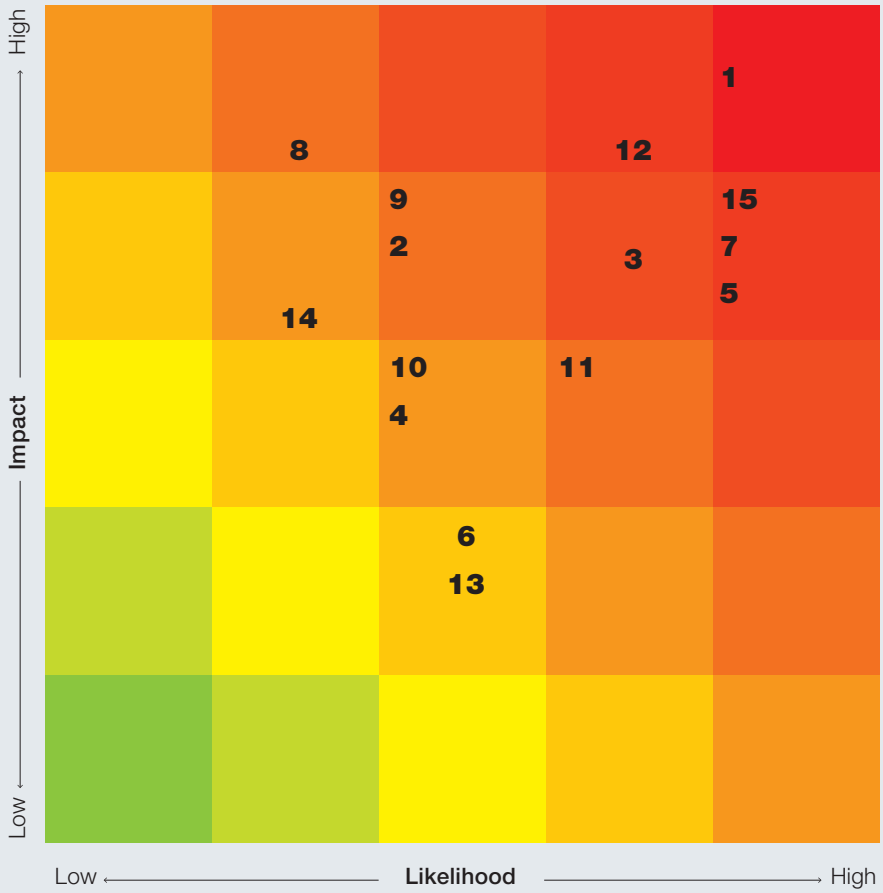
Prior to the start of FY2021 on 1 March 2020, COVID-19 began to have an impact on global economies and on businesses generally. This impact has increased significantly since then. Similar to businesses across many sectors and specifically the drinks industry, government imposed restrictions, while necessary to slow the spread of COVID-19, have had a significant impact on many of the Group's outcomes, principally the on-trade, as well as the Group's employees, many of whom have been furloughed. Our primary concern is for the welfare of our people, their families and the communities in which we operate. To that end, we have followed the advice from the respective governments at all times and will continue to do so to protect our people and our operations.

The Audit Committee and the Board have assessed the potential impact of COVID-19 on the business and worked closely with the executive team to put in place measures to protect the business and its prospects, in the best interests of all stakeholders. The Board continues to closely monitor the impact of, and developments in respect of, COVID-19 and the guidance of governments and health authorities; and is overseeing all business continuity actions being undertaken by the Group's management team.

As the pandemic continues into FY2022, it drives increasing risk trends which are detailed below.

One principal risk category was split into two standalone principal risks – Information Technology; and Cyber Security and Data Protection – reflecting the increase in online trade and increased frequency of cyber-attacks in the sector.

Principal Risk Matrix



Risks

1. COVID-19
2. Regulatory / Social Attitude Changes to Alcohol
3. Economic & Political
4. Sustainability & Climate Change
5. Change in Customer Dynamics &Group Performance
6. People & Culture
7. Health & Safety
8. Product Quality & Safety
9. Supply Chain Operations & Costs
10. Information Technology
11. Cyber Security & Data Protection
12. Business Growth, Integration and Change Management
13. Compliance with Laws &Regulations
14. Brand & Reputation
15. Financial & Credit

Strategic Report - Management of Risks and Uncertainties (continued)

Risk Movement New | No change | Increasing | Decreased

Risk & Uncertainties

Impact	Mitigation	Risk Trend
COVID-19		▲
The Group is exposed both to the immediate impact of the COVID-19 pandemic and the uncertainty created by the continuing measures taken by governments to minimise the spread and mitigate the impact of coronavirus on society. The Group's business units have been significantly disrupted by the Irish and UK governments passing legislation to close pubs, bars, restaurants and clubs, there is a significant risk to our on-trade business and the overall viability of the hospitality industry. Operations may be impacted as staff self-isolate if they or anyone within their homes develop symptoms. In addition, employees may be required to be temporarily or permanently furloughed during the period. Where there is a COVID-19 impact on the other principal risks contained within this table, we have provided an explanation of what the impact is and the mitigations.	The Group acted quickly to respond to the emergence of the COVID-19 virus to protect the health and wellbeing of employees and the interests of all stakeholders; and ensure, as a minimum, it is in compliance with local government and health authority guidelines. The Group has implemented its business continuity planning and restricted all unnecessary access to its operations in line with government and health service guidelines and consistent with industry best-practice. All travel has been suspended unless business critical, gatherings (such as customer tastings) are suspended and visitors are no longer allowed on site. Staff are also not allowed to move between production facilities to minimise exposure risk. The Group is ensuring that all employees who can work from home are doing so safely. The Group is also offering support to employees who have children in school and has put in place additional measures to aid personal wellbeing. The Group has strengthened its financial position through renegotiating the timing of term loan repayment, securing covenant waivers from lenders and diversifying our sources of funding through the successful issue of approximately €140 million of US private placement notes. In May 2021, the Group announced an equity raise to strengthen the balance sheet and reduce leverage to deal with the challenging environment and ensure the Group remains resilient in the event of further negative developments in the pandemic. The Group has suspended all unnecessary capital expenditure, reduced marketing spend, reduced other operating costs and implemented a range of working capital controls to protect liquidity including furloughing all non-essential employees. The Group has put in place measures to help affected customers including in the course of the pandemic, a three month 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 have been introduced and how to access them, as well as assistance and advice in relation to hygiene measures. The Group will continue to monitor guidance from governments and health authorities and implement measures in line with best practice.	

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 Political		▲
Our business, financial results and operations may be adversely affected by economic or political instability and/or uncertainty, in particular relating to the impact of the COVID-19 pandemic. The Group may also be impacted by the UK's exit from the European Union. The Group's performance is also impacted by potential recessions, inflation, exchange rates, taxation rates and social unrest. The full extent of the financial impacts of COVID-19 on economies is as yet unknown. The stress placed on political systems to combat the social and economic impacts of COVID-19 may result in increased political instability in some countries.	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. The Group took a number of immediate measures to respond to the impact of the emergence of COVID-19, some of which continue to be in operation to mitigate its ongoing impact. 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.	

Strategic Report - Management of Risks and Uncertainties (continued)

Risk Movement: New | No change | Increasing | Decreased

Impact	Mitigation	Risk Trend
Sustainability and Climate Change		▲
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 seeks to operate as efficiently and sustainably as possible. There are objectives in place to continually reduce emissions in line with the Paris Agreement. The Group is seeking to continually reduce waste levels and also the use of single use plastics. The Group continues to be proactive in conserving water usage and minimising energy usage. Both Clonmel and Wellpark sites continue to be ISO 14001 accredited for an effective environmental management system. 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.	
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 has given 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 have been introduced and how to access them as well and assistance and advice in relation to hygiene measures.	
People and Culture		■
The Group's performance is dependent on the skills and experience of its high-performing colleagues throughout the business, which could be affected by their loss or the inability to recruit or retain them. Failure to continue to evolve our culture, diversity and inclusion could impact our reputation and delivery of our strategy. The closure of the on-trade and substantial parts of the business during the year has had a significant impact on the Company's workforce.	The Group seeks to mitigate this risk through appropriate training, remuneration policies and succession planning. The Group also seeks to ensure good employee relations through engagement and dialogue. In respect of the impact of COVID-19 on employees, the Group has implemented an extensive range of measures to provide the safest working environment possible for our people. These measures include reducing all unnecessary access to the Group's operating facilities and ensuring that all employees who can work from home are doing so. The Group is also offering support to employees who have children in school and has put in place additional measures to aid personal wellbeing. The Group employed a number of measures to retain as many members of the workforce as possible including through the use of government furlough schemes.	

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 are responsible for ensuring that the Group complies with all health, safety and environmental y 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. The Group has specific business continuity plans and a range of measures to protect the business and the health and wellbeing of employees including strict safety, hygiene and two metre social distancing measures. The safety and wellbeing of our employees has been, and continues to be, our overriding priority. Executive Management are monitoring events closely with regular Board oversight evaluating the impact and designing appropriate response strategies.	
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.	
Supply Chain Operations and Costs		■
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. COVID-19 also poses the risk of an interruption to the supply of raw materials or to the effective operation of the Group's manufacturing facilities. Also, there is a risk of increased input costs due to poor harvests and price of inputs.	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. 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. The Group seeks to minimise input risks through long-term or fixed price supply agreements. The Group does not seek to hedge its exposure to commodity prices by entering into derivative financial instruments.	

Strategic Report - Management of Risks and Uncertainties (continued)

Risk Movement: New | No change | Increasing | Decreased

Impact	Mitigation	Risk Trend
Information Technology		■
The Group relies on 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 coronavirus 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.	
Cyber and Information Security and Data Protection		▲
Failure of our IT infrastructure or key IT systems may result in 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 cybersecurity) 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. COVID-19 also poses specific IT risks including the potential for key personnel to contract the virus, the Group's IT support services being unable to discharge their obligations due to the impact of the virus on their own operations or an increase in the number of malicious emails sent to colleagues working from home. The risk level continues to rise as more employees work from home and this has led to an increase in the risk of malware and phishing attacks across all organisations.	The Group's IT security controls including gateway firewalls, intrusion prevention systems, security incident monitoring and virus scanning have, where appropriate, been reviewed, tested and updated during the year. Regular communications are sent out to colleagues containing advice on IT security particularly in relation to home working and phishing emails. The Group's approach is one of ongoing enhancement of controls as threats evolve with the target being to align controls, and in particular to implement any new services or changes to the environment. The Group also has a suite of information security policies in place including data protection (GDPR) and electronic information and communications. The Group has enacted specific business continuity plans including co-ordination with key third party IT suppliers and consideration of keyman risk for the Group's IT personnel. We have implemented configuration changes to block phishing emails, increased awareness campaigns to help our people identify these types of attacks, and increased frequency of penetration testing. The recent incident affecting Matthew Clark and Bibendum IT systems has emphasised the need for continued focus on information security. The Group has commenced a detailed review of its information security and cyber preparedness policies and processes.	

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 Group has in place permanent legal and compliance functions that ensure the Group is aware of all new regulations and legislation, providing updated documentation, training and communication across the Group. The Group has a code of conduct, which is approved by the Board and supported by a wide range of policies, including modern slavery, anti-bribery and corruption and diversity. The Group maintains appropriate internal controls and procedures to guard against economic crime and imposes appropriate monitoring and controls on subsidiary management. As part of our ongoing process of continuous improvement, we have expanded our web-based learning platform to provide increased engagement on key regulatory and compliance topics for our employees and to communicate our standards and expectations clearly. Internal Audit regularly reviews internal controls and analyses financial transactions to mitigate the risk of error or fraud.	

Strategic Report - Management of Risks and Uncertainties (continued)

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, attract key associates and sponsorships for our brands and 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

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least twelve months from the date of this report. That expectation factors in the current and expected impact of COVID-19 on the financial performance and cash flows of the Group. Please refer to the "Going Concern" section of the Audit Committee Report on pages 87 to 88 of this Annual Report for further detail. The going concern assessment indicated that even in a reasonable worst case scenario the Group, absent the impact of the potential rights issue, has sufficient access to liquidity to operate over this assessment period and to satisfy the Group's minimum liquidity and gross debt covenant requirements. Accordingly, we continue to adopt the going concern basis in preparing the Group's and Company's financial statements.

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 two-year period to February 2023. The assessment period has been adjusted to reflect the unique aspects of on-trade reopening within the Group's core markets in England, Scotland and Ireland over the coming months and to align with the working capital statement prepared in contemplation of the proposed rights issue. The Directors intend to return to a three-year assessment period next year. 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 two-year period to February 2023 .

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 2021 and subsequently updated in April 2021 in the light of the recent partial re-openings of hospitality in UK nations. The Directors acknowledge the heightened uncertainty of the Group's strategic plans in the current environment and as a result have considered a range of different scenarios. 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

The Directors have determined that the two year period to February 2023 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 two year period;
- Two years is the reporting period applicable to the launch of the rights issue announced on 26 May 2021;
- For major investment projects two years is considered by the Board to be a reasonable time horizon for an assessment of the outcome; and
- Furthermore, beyond this period, performance is impacted by global macroeconomic and other considerations, which become increasingly difficult to predict, a good example of which is the impact of the current COVID-19 pandemic.

Viability Assessment and COVID-19

In assessing the impact of COVID-19 pandemic the Directors considered a base case scenario and a reasonable worst case scenario, both of which exclude any upside from the potential rights issue. Key metrics such as cash flow, including working capital and the restoration of working capital improvements following the expected outflows in FY2022, interest cover, liquidity, covenant compliance and headroom in covenants, were subject to sensitivity testing by flexing a number of the key financial assumptions in order to assess the impact 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.

The Group's scenarios assume:

- The base case projection assumes on-trade recovery in England and Scotland continuing from April and May 2021 respectively, Ireland's on-trade recovery commencing from June 2021,
- The pace of recovery is assumed to be similar across each territory once on-trade restrictions are eased, with gradual improvement to volumes,
- The reasonable worst case projection assumes the same timeline for re-opening of the on-trade as the base case; however volumes are projected to hold flat at modest levels for the remainder of the summer as many on-trade restrictions are assumed to remain in place over that period and then build more gradually from that point,
- The reasonable worst case projection contains linked working capital assumptions reflecting a more challenged supplier credit environment,

Strategic Report - Management of Risks and Uncertainties (continued)

- An assumption that after an extended lock-down, the on-trade reopens with volumes that do not recover above 90% in the base case scenario and 80% in the reasonable worse case scenario of the comparable FY2020 period for the rest of the two year period.

The base case and reasonable worst case scenarios also consider:

- Taking action in addressing its fixed cost base with a cost reduction programme expected to deliver annualised savings of €18 million.
- Accelerated the optimisation of the English and Scottish delivery networks which is scheduled to be completed in June 2021. This will consolidate volumes from three separate networks into two, bringing all of our final mile English distribution in house, driving ongoing efficiencies and in turn enhanced future margins.
- Postponing non-committed capital expenditure; temporary management salary reductions and prioritising any discretionary spending.
- Renegotiating the timing of term loan repayment, securing covenant waivers from lenders and the issuing of approximately €140 million of US private placement notes.
- Implementing various working capital initiatives, including the negotiation of temporary extensions to supplier payments terms and agreeing deferrals with the UK and Irish tax authorities.
- Availing of government furlough schemes to support 2,000 colleagues' jobs that were directly and adversely impacted by the pandemic and restrictions on the hospitality sector over the past 12 months; and,
- Pausing the payment of dividends.

Based on the facts available at the time of reporting, the Directors believe the conclusions reached in the viability testing remain appropriate.

As the pandemic emerged, in order to strengthen the Group's financial position at March 2020, the Group increased funding sources through issuing of approximately €140 million US private placement notes. As at 28 February 2021, the Group had total undrawn committed credit facilities of €206.9 million, and €107.7 million cash net of overdrafts.

In May 2021, the Group announced a rights issue raise to strengthen the balance sheet and reduce leverage to deal with the challenging environment and ensure the Group remains resilient in the event of further negative developments in the pandemic.

The Audit Committee reviews the output of the viability assessment in advance of final evaluation by the Board. Having reviewed the 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.

Strategic Report Approval

The Strategic Report, outlined on pages 2 to 67, (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 26 May 2021.

Mark Chilton
Company Secretary

Group Chief Financial Officer's Review

Results For The Year

COVID-19 and related restrictions have had an unprecedented impact on the drinks and hospitality sector, impacting all of the Group's stakeholders and it has had a material impact on our results for the year ended 28 February 2021.

C&C is reporting net revenue of €736.9 million, operating loss[i] of €59.6 million, liquidity[ii] of €314.6 million and net debt[iii] excluding IFRS 16 *Leases,* of €362.3 million. Net debt[iii] including IFRS 16 *Leases* was €441.9 million. The Group returned to profitability and underlying cash generation once trade restrictions were eased in July, August and September 2020. Our core brands performed strongly in FY2021, with Bulmers, Magners and Tennent's each gaining market share[vii] in the off-trade channel.

Patrick McMahon
Group Chief Financial Officer

The Group's performance in FY2021 has been profoundly 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 €736.9 million was down 56.1%.

Our core brands performed strongly in the off-trade channel with Bulmers, Magners and Tennent's all gaining market share[vii] however, the impact of the lockdowns and restrictions in the on-trade resulted in the Group reporting an operating loss for the year of €59.6 million[i], down from a profit of €118.6 million in the prior year[i][iv]. The Group returned to profitability and underlying cash generation once trade restrictions were eased in July, August and September 2020.

Cash and liquidity have been a key focus for the Group throughout FY2021. In March 2020, the Group announced the successful issue of approximately €140 million of US Private Placement notes ("USPP"). The unsecured notes have maturities of 10 and 12 years and diversify the Group's sources of debt finance. Post year end, the Group announced a rights issue, as outlined in further detail below, thus ensuring the business has the optimum capital structure and financing to emerge from COVID-19 in a position of strength to pursue its strategy.

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 as outlined in detail below.

During the current financial year, the Group extended the repayment period of its term loan and implemented various working capital initiatives, including the negotiation of temporary extensions to suppliers, and UK and Irish tax authorities' payments terms. Payment of dividends were paused and the Group availed of Government furlough schemes across the UK and Ireland to support 2,000 colleagues' jobs that were directly and adversely impacted by the pandemic and restrictions on the hospitality sector.

Post year end, the Group has also announced that the outcome of a cost reduction programme it had undertaken would deliver annualised savings of €18 million against its pre COVID-19 cost base.

Group Chief Financial Officer's Review (continued)

Accounting Policies

As required by European Union ('EU') law, the Group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) 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 151 to 166.

Finance Costs, Income Tax and Shareholder Returns

Net finance costs before exceptional items of €19.5 million were incurred in the financial year (FY2020: €19.8 million). The Group successfully negotiated financial covenant waivers as a consequence of the impact of COVID-19 with its lenders. Exceptional finance costs of €7.9 million were incurred directly associated with these waivers including waiver fees, increased margins payable and other professional fees associated with the covenant waivers.

Income tax credit for the year was €14.4 million (FY2020: charge €12.3 million) excluding exceptional items and equity accounted investments' tax credit/charge. The credit primarily arises due to the recognition of a deferred tax asset on the losses incurred by the Group in the financial year.

Due to the emergence of COVID-19, no final dividend is being declared and no interim dividend was paid. In the current financial year, a payment of €0.4 million was made to recipients of dividend accruing share-based payment awards. A credit of €0.2 million 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. In the prior financial year, total dividends to ordinary shareholders amounted to €48.1 million, of which €29.7 million was paid in cash, €18.1 million or 37.6% was settled by the issue of new shares and €0.3 million was accrued with respect to LTIP dividend entitlements.

Exceptional items

Total exceptional items, before the impact of taxation, of €36.1 million 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 charge of €4.6 million from operating activities at 28 February 2021 in this regard. The Group reviewed the recoverability of its debtor book and advances to customers and booked a credit of €6.1 million with respect to its provision against trade debtors and a charge of €1.2 million with respect to its provision for advances to customers. The Group incurred exceptional charges of €5.8 million with respect to inventory, this related to inventory that became obsolete, all as a consequence of the COVID-19 restrictions. The Group incurred costs of €1.7 million with respect to a provision for lost kegs, €0.3 million with respect to the write off of an IT intangible asset where the project will now not be completed, due to COVID-19 and a net credit of €0.6 million with respect to the release of a trade provision. Other costs of €2.3 million were incurred, which included site improvement costs, impairment of brand dispense equipment and an excess holiday accrual all directly linked to the pandemic.

Restructuring costs

Restructuring costs of €8.1 million were incurred in the current financial year. These included severance costs of €6.8 million, of which €4.9 million was incurred with respect to the restructuring of the Group as a consequence of the COVID-19 pandemic and €1.9 million arose as a consequence of the optimisation of the delivery networks in England and Scotland. The Group also incurred additional costs of €2.0 million with respect to the optimisation of the delivery networks in England and Scotland which was offset by a credit of €0.7 million relating to the profit on disposal of a property as a direct consequence of the optimisation project.

Equity accounted investments' exceptional items

The hospitality and pub industry in the United Kingdom have been significantly curtailed by lockdowns and trading restrictions since March 2020. The Group assessed the carrying value of its equity accounted investments at 28 February 2021, in light of the underutilisation of their pub assets as a direct consequence of such lockdowns, and recorded an impairment charge of €8.9 million with respect to its carrying value of its investment in Admiral Taverns and €0.2 million with respect to the carrying value of its investment in Drygate Brewing Company Limited.

The Group also incurred €8.8 million with respect to its share of Admiral Taverns' exceptional items. These included a charge of €7.0 million with respect to the Group's share of the revaluation loss arising from the fair value exercise to value Admiral's property assets at 28 February 2021. As a result of the same valuation exercise, a loss of €0.4 million with respect to the Group's share of the revaluation was recognised in Other Comprehensive Income. The Group also recognised €1.8 million with respect to its share of Admiral's other exceptional items for the year, including €0.8 million with respect to a provision against trade debtors as a consequence of COVID-19, €0.5 million with respect to an Asbestos provision and €0.5 million in relation to other charges directly attributable to COVID-19.

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 loss of €1.2 million accounted for in the Consolidated Income Statement and a gain of €0.9 million accounted for within Other Comprehensive Income.

Other

Other exceptional costs of €2.2 million were incurred by the Group in the year with respect to provision against legal disputes.

Profit on disposal

During the current financial year, as outlined in further detail in note 10, the Group disposed of its Tipperary Water Cooler business for an initial consideration of €7.4 million, realising a profit of €5.8 million on disposal.

Exceptional finance charges

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 €7.9 million were incurred in the year directly associated with these waivers including waiver fees, increased margins payable and other professional fees associated with covenant waivers.

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 is equipped with the optimum capital structure and financing to emerge from the COVID-19 pandemic in a position of strength, we announced on 26 May 2021 a rights issue as outlined in more detail below.

The Group manages its borrowing requirements by entering into committed loan facility agreements. In July 2018, the Group amended and updated its committed €450 million 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 current 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 whether or not the rights issue is achieved. Conditional on a Minimum Equity Raise[viii] being achieved, the debt covenants for 31 August 2022 were also 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.

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. Where the Minimum Equity Raise[viii] is not achieved, the minimum liquidity requirement and a gross debt restriction will remain in place until the Group is able to show compliance with its original debt covenant levels at the 31 August 2022 or any subsequent test date, and, with respect to the minimum liquidity requirement, the Group must maintain liquidity of at least €150 million each month (except for July 2021 and December 2021 when the minimum amount of liquidity is €120 million, June 2022 when the minimum amount of liquidity is €80 million and July 2022 when the minimum amount of liquidity is €100 million). A monthly gross debt cap of €750 million in the current financial year applied which will continue during FY2022.

Where the Minimum Equity Raise[viii] is achieved, the minimum liquidity requirement and a 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, and, with respect to the minimum liquidity requirement, the Group must maintain liquidity of at least €150 million each month. A monthly gross debt cap of €750 million in the current financial year also applied which will continue during FY2022 but will reduce to €700 million post a Minimum Equity Raise[viii] being achieved. The minimum liquidity requirement and a gross debt restriction can be lifted earlier in certain circumstances.

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

The Group maintains a £200 million receivables purchase facility.

Cash generation

Summary cash flow for the year ended 28 February 2021 is set out in the table below. Overall liquidity remains robust. The reduction in the Group's receivables purchase programme, as a direct consequence of reduced trading, is a primary driver of the working capital outflow in the year. The contribution to year end Group cash from the receivables purchase programme was €45.0 million compared to €131.4 million (€129.0 million on a constant currency basis[iv]) at 29 February 2020 - a cash outflow of €84.0 million[iv]. Partly offsetting the impact of the receivables purchase programme, during the year the Group engaged with the UK and Irish tax authorities to secure deferrals on certain tax payments due, and as at 28 February 2021 this amounted to €77.4 million.

Group Chief Financial Officer's Review (continued)

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

	2021 €m	2020 €m
Operating (loss)/profit	**(84.8)**	29.8
Exceptional items	**25.2**	91.0
Operating (loss)/profit before exceptional items	**(59.6)**	120.8
Amortisation and depreciation charge	**30.8**	32.8
Adjusted EBITDA[v]	**(28.8)**	153.6

Table 2 – Cash flow summary

	2021 €m	2020 €m
Adjusted EBITDA[v]	**(28.8)**	153.6
Working capital	**(44.7)**	47.9
Advances to customers	**1.2**	(4.2)
Net finance costs excluding exceptional finance costs	**(18.0)**	(17.4)
Tax refunded/(paid)	**7.2**	(8.0)
Pension contributions paid	**(0.4)**	(0.4)
Tangible/intangible expenditure	**(10.0)**	(19.8)
Net proceeds on disposal of property plant & equipment	**1.0**	0.4
Exceptional items paid	**(12.4)**	(9.5)
Other*	**1.3**	3.0
Free cash flow[vi]	**(103.6)**	145.6
Free cash flow[vi]	**(103.6)**	145.6
Exceptional cash outflow	**12.4**	9.5
Free cash flow[vi] excluding exceptional cash outflow	**(91.2)**	155.1
Reconciliation to Group Condensed Cash Flow Statement		
Free cash flow[vi]	**(103.6)**	145.6
Net proceeds from exercise of share options/equity interests	**0.3**	0.4
Shares purchased under share buyback programme	**-**	(23.0)
Drawdown of debt	**570.9**	192.6
Repayment of debt	**(464.0)**	(280.7)
Payment of lease liabilities	**(19.0)**	(18.6)
Payment of issue costs	**(1.4)**	(0.5)
Disposal of subsidiary/equity investment	**6.7**	5.1
Cash outflow re acquisition of equity accounted investments/financial assets	**(6.9)**	(11.2)
Dividends paid	**(0.4)**	(29.7)
Net decrease in cash	**(17.4)**	(20.0)

* Other relates to share options add back, pension contributions: adjustment from charge to payment and net profit on disposal of property, plant & equipment.

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 2018 while the date of the most recent actuarial valuation of the NI defined benefit pension scheme was 31 December 2017. 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 52 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 2021, the retirement benefits computed in accordance with IAS 19 *Employee Benefits* amounted to a net surplus of €4.9 million gross of deferred tax (€5.5 million deficit with respect to the Group's staff defined benefit pension scheme, €5.1 million surplus with respect to the Group's executive defined benefit pension scheme and a €5.3 million surplus with respect to the Group's NI defined benefit pension scheme) and a net surplus of €3.1 million 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 deficit at 1 March 2020	**(7.9)**
Translation adjustment	**(0.1)**
Employer contributions paid	**0.4**
Credit to Other Comprehensive Income	**13.4**
Charge to Income Statement	**(0.9)**
Net surplus at 28 February 2021	**4.9**

The decrease in the deficit from €7.9 million at 29 February 2020 to a surplus of €4.9 million at 28 February 2021 is primarily due to an actuarial gain of €13.4 million 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 foreign currency exchange rate risk, commodity price fluctuations, interest rate risk, creditworthiness and liquidity risk in relation to its counterparties.

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 Matthew Clark and Bibendum 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 exposure is material, we manage it by hedging an appropriate portion for a period of up to two years ahead. 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 hedged a portion of its Euro payables exposure in Matthew Clark and Bibendum however the Group had no hedges in place at 28 February 2021.

The average rate for the translation of results from Sterling currency operations was €1:£0.8959 (year ended 29 February 2020: €1:£0.8721) and from US Dollar operations was €1:$1.1602 (year ended 29 February 2020: €1:$1.1132).

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.

Applying the realised FY2021 foreign currency rates to the reported FY2020 revenue, net revenue and operating profit[i] is shown in the table below:

Table 3 – Constant currency comparatives

	Year ended 29 February 2020 €m	FX transaction €m	FX translation €m	Year ended 29 February 2020 €m
Revenue				
Matthew Clark and Bibendum	1,262.7	-	(33.5)	1,229.2
Ireland	327.1	-	(1.8)	325.3
Great Britain	516.9	-	(13.7)	503.2
International	38.8	-	(0.9)	37.9
Total	**2,145.5**	**-**	**(49.9)**	**2,095.6**
Net revenue				
Matthew Clark and Bibendum	1,119.6	-	(29.7)	1,089.9
Ireland	227.7	-	(1.4)	226.3
Great Britain	334.1	-	(8.9)	325.2
International	37.9	-	(0.9)	37.0
Total	**1,719.3**	**-**	**(40.9)**	**1,678.4**
Operating profit[i]				
Matthew Clark and Bibendum	29.0	-	(0.8)	28.2
Ireland	40.5	-	(0.3)	40.2
Great Britain	44.9	0.1	(1.2)	43.8
International	6.4	-	-	6.4
Total	**120.8**	**0.1**	**(2.3)**	**118.6**

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. Net debt including leases comprises borrowings (net of issue costs) less cash plus lease liabilities capitalised under IFRS 16 Leases.
(iv) FY2020 comparative adjusted for constant currency (FY2020 translated at FY2021 F/X rates).
(v) Adjusted EBITDA is (loss)/earnings before exceptional items, finance income, finance expense, tax, depreciation, amortisation charges and equity accounted investments' (loss)/profit after tax. A reconciliation of the Group's operating (loss)/profit to EBITDA is set out on page 46.
(vi) 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 €45.0m (FY2020: €131.4m reported/€129.0m 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.
(vii) IRI, MAT to week ended 21.02.21. Nielsen, Volume Share of Cider, Off-Trade including Dunnes and Discounters, MAT February 2021. Nielsen, Volume Share of Long Alcoholic Drinks, Off-Trade including Dunnes and Discounters, MAT February 2021.
(viii) "Minimum Equity Raise" means the receipt by the Company of at least £125.0 million of gross cash proceeds from the issuance of new ordinary shares in the Company including in such proceeds the gross amount received by the Company upon issuance of any right to acquire any new ordinary shares in the Company.

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.

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.

Rights Issue

On 26 May 2021, the Group has announced a rights issue. The rights issue is intended, alongside the other actions that the Group has already announced and implemented, to reduce leverage and improve the Group's overall liquidity position thereby 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 as normalised trading conditions return.

The Board has considered a number of different scenarios and assumptions and the impact these might have on the Group's financial position in deciding on the appropriate quantum. These included the potential length of the current lockdown, the impact of ongoing restrictions, the unwinding of temporary working capital supports from government and tax authorities, potential economic impact on demand through the recovery and the likelihood of any further waves of lockdown. Taking these into consideration, the Board believes that a rights issue will not only reduce the Group's leverage but allow it to continue to deliver upon its strategy.

Efficient capital allocation is a central pillar of the Group's strategy. The Board continues to believe that financial strength and balance sheet flexibility is a source of competitive advantage for the Group in the long-term and that a leverage profile of less than 2.0 times Net Debt/Adjusted EBITDA is appropriate for the Group as normalised trading conditions return.

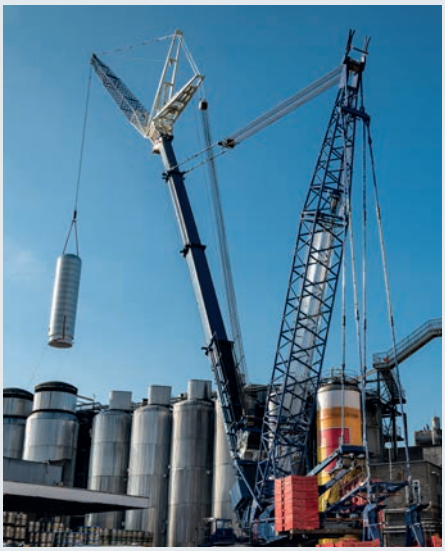
Patrick McMahon
Group Chief Financial Officer

Responsibility Report

Delivering to a better world!

In FY2021, to enhance our commitment to Sustainability, we established a Board Environmental, Social and Governance ('ESG') Committee and created a dedicated ESG team, across the Group, to champion and embed our ESG principles in everything that we do.

Following a materiality assessment and an exercise to consider stakeholders' interests, C&C has developed a Sustainability Framework, which forms part of the C&C business strategy, to guide our ESG initiatives under 6 pillars which support the UN Sustainable Development Goals ('SDGs'). Whilst the Company is fully committed to the path to progress, we recognise that we are in the early stages of our journey. We expect to give a further update on the delivery of our ESG strategy in the FY2022 Annual Report.



2

Sustainably Source our Products & Services

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

1

Reduce our Carbon Footprint

- Optimisation of our manufacturing facilitates
- Streamlining our logistics operations
- Increasing the recyclable rate for our brands
- Improve sustainable packaging
- Piloting electric vehicle distribution

3

Ensure Alcohol is Consumed Responsibly

- Introduction of 0% and low alcohol variants
- Reducing ABV and calories of our brands
- Active support for industry programmes, such as Drinkaware
- Support to relevant charities

What ESG means to C&C

Environmental: the Group's impact on the natural environment and its adaptation to climate change including greenhouse gas emissions, energy consumption, generation and use of renewable energy, biodiversity and habitat, impact on water resources and the status of water bodies, pollution, resources efficiency, the reduction and management of waste, and the environmental impact of the Group's supply chain.

Social: the Group's interactions with employees, customers, suppliers, other stakeholders and the communities in which it operates and the role of the Group in society, workplace policies, ethical procurement, any social or community projects undertaken by the Group.

Governance: the ethical conduct of the Group's business including its corporate governance framework (such as compliance with the UK Corporate Governance Code 2018), business ethics policies and codes of conduct, counterparty due diligence, onboarding policies and procedures, the management of bribery, corruption and money laundering risk, the transparency of reporting and financial and tax transparency.

4

Enhance Health, Wellbeing & Capability of colleagues

- Safety first!
- Health & Wellbeing external support systems
- Remote working
- Alcohol awareness training
- Embed key codes including anti-bribery and corruption, learning and development programmes

6

Collaborate with Government & NGOs

- Leading Deposit Return Scheme ('DRS') Implementation In Scotland
- Collaborating on Minimum Unit Pricing ('MUP') implementation in Ireland
- Portman membership
- Drinkaware support

5

Build a more Inclusive, Diverse & Engaged C&C

- Diversification of Board composition
- Establishment of ESG Committee and ESG Team
- Company-wide Inclusion and Diversity measurement
- Formal inclusion and diversity training to people managers across the Group
- Employee engagement tracking

Responsibility Report (continued)

Environmental

1

Reduce our Carbon Footprint

We will deliver continuous year on year improvements in our carbon performance.

A detailed review of our global energy consumption and GHG emissions data for the last four years can be found below within our Streamlined Energy and Carbon Reporting ('SECR') disclosure. In addition, in FY2022, we will work with the Science Based Targets Initiative to set approved science based carbon reduction targets to meet the goals of the Paris Agreement and limit global warming to well below 2°C. This entails reducing our Scope 1 and 2 emissions by 35% and our Scope 3 emissions by 25% by 2030. We have also pledged to be a carbon-neutral business by 2050. In addition to these targets, we will also include key climate change related risk indicators into our risk management processes.

In 2021, we established a working group to consider and assess the climate related risks and opportunities most pertinent to the Company. Work is now underway in order to align with the recommendations of the Taskforce for Climate-related Financial Disclosure ('TCFD') and disclose all key non-financial indicators and guidance in line with the Sustainability Accounting Standards Board ('SASB') Framework by FY2022.

Optimising our Manufacturing Sites

Conservation of Energy

Our Energy Consumption position is set out below.

kWh	FY2018	FY2019	FY2020	FY2021
Natural Gas	79,819,000	80,579,000	88,630,000	83,199,000
LPG	4,653,000	1,979,000	2,332,000	3,556,000
LNG	6,228,000	6,107,000	5,591,000	5,007,000
Diesel	4,555,000	31,137,000	33,257,000	15,329,000
Petrol	-	-	450,000	111,000
Kerosene/Fuel Oil	707,000	64,000	65,000	209,000
Wood	13,414,000	3,991,000	-	-
Biogas	1,308,000	83,000	83,000	7,735,289
Electricity	34,586,000	40,695,000	41,401,000	41,187,738
(of which, renewables)	*799,000*	*799,000*	*14,737,000*	*14,946,029*
Total Scope 1	**109,376,000**	**123,857,000**	**130,325,000**	**107,411,000**
Total Scope 2	**34,586,000**	**40,695,000**	**41,401,000**	**41,187,738**

Notes on changes in Scope:
1. FY2018 / FY2019 petrol data not available.
2. FY2018/ / FY2019 Wood utilisation at Fruitissima (Portugal).
3. FY2019 - main changes due to acquisition of Mathew Clark Bibendum, and in-housing of Tennent's distribution, with associated depots and transport fleet.
4. Plant investments / changes of fuel at plants (e.g. VHCC switch to LNG, Frutíssima (Portugal) switch away from wood to gas).
5. FY2021 now includes full Biogas for Clonmel and Wellpark.

The Group has employed various practices to conserve its use of energy. These include:

- From 1 April 2021, 100% of the electricity, used in Wellpark, Clonmel and our UK depot network is provided by renewable sources. This has been achieved four years ahead of our target.
- Biogas energy: anaerobic digestion technology at Wellpark Brewery and Clonmel generated 1,088,000M3 of biogas across both sites (7.7% of heat requirements at Wellpark and 12% at Clonmel).
- By August 2021, we will have a fully operational 2MWH mounted solar panel array on two large roof areas at Clonmel, these will contribute 5-10% of the site energy demand at a reduced and fixed rate tariff over the next 20 years.
- Pasteurisation control system: on-the-can pasteuriser at Wellpark Brewery delivered a 10% reduction in steam usage year-on-year, as well as further improving the finished product quality.
- Wellpark also benefited from the installation of Variable Speed Drives in our electric motors, where possible. It is anticipated that these will save 30,000 kwh of electricity in 2021.
- At Clonmel we are undertaking a number of initiatives, including:
  - Installation of a new boiler which increased efficiency from 78% to 92% saving 7,660 kwh.
  - Fitting thermostatic relief valves to radiators in the new manufacturing unit increased efficiency from 25% to 30% on each radiator.
  - Ammonia chilling plants energy upgrade, saving of 76,642KWh from March 2019.
  - LED lights for south tank farm and west tank farm, which will see savings of 10,900KW.

Responsibility Report (continued)

Carbon Emissions

We assess and manage climate change related risks and opportunities, including the impact on the availability and security of our sources of raw materials, such as aquifers, orchards and maltings.

We actively monitor our carbon emissions and have participated in the external, global disclosure system, Carbon Disclosure Project ('CDP') Climate Change Programme, since 2012. The Group was awarded a B rating in 2020.

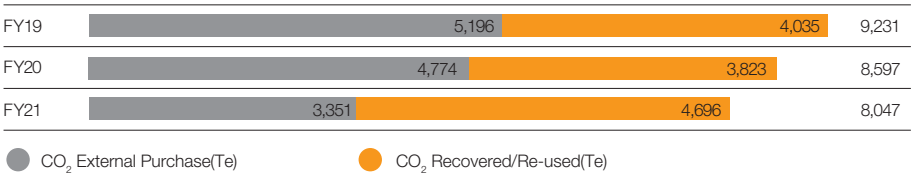
In November 2020, Tennent's Wellpark brewery in Glasgow, commissioned an innovative carbon capture facility, the largest in Scotland. Consisting of two tanks that store approximately 4,000 tonnes of CO_2 per year and remove 100,000kms of road transport emissions. A similar carbon capture facility has been operating at Clonmel since 2008. 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.

Given our sourcing of apples from orchards across the British Isles, the offset in carbon absorption means that the plant in Clonmel is effectively carbon neutral (for Scope 1 and 2 emissions).

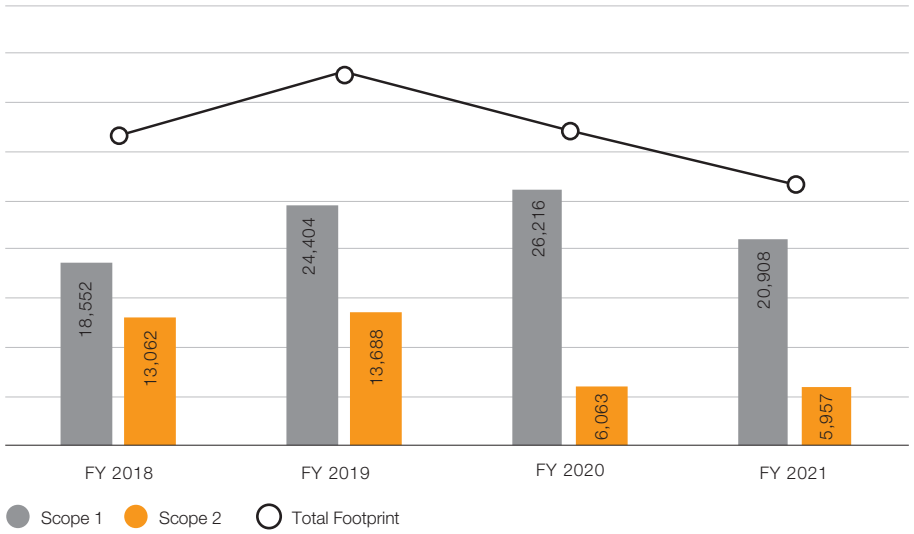
Over the last 3 years we have improved carbon dioxide capture to 60%. In FY2022, it is forecast that we will be approximately 95% self-sufficient in CO_2 at our manufacturing sites.

Our Streamlined Energy and Carbon Reporting (SECR) is detailed opposite.

Carbon Dioxide Capture and Re-Use (te)



Scope 1 and 2 Market Based Emissions (t CO_2e)



Location-Based Emissions

	Total C&C FY2018	Total C&C FY2019	Total C&C FY2020	Total C&C FY2021
Net Revenue (M Euro)	548	1,575	1,719	737
Production volume (Hectolitres)	4,296,586	4,388,761	4,396,981	3,803,970
Scope 1 (tCO_2e)	18,552	24,404	26,216	20,908
Scope 2 (tCO_2e)	13.062	13,688	12,768	10.681
Total Scope 1 & 2 (tCO_2e)	31,614	38,092	38,984	31,589
Scope 3 (tCO_2e)	205,442	221,976	718,088*	Note 1
Total Footprint (tCO_2e)	**237,056**	**260,068**	**757,072**	**Note 1**

* Main changes due to acquisition of Mathew Clark, and in-housing of Tennent's distribution, with associated depots and transport fleet

Emissions Intensity

	Total C&C FY2018	Total C&C FY2019	Total C&C FY2020	Total C&C FY2021
Scope 1 and 2 tCO_2e per M EURO	**57.69**	**24.19**	**22.68**	**42.86**
Scope 1 and 2 kgs CO_2e per HL produced	**7.36**	**8.68**	**8.87**	**8.30**

Market-Based Emissions

	Total C&C FY2018	Total C&C FY2019	Total C&C FY2020	Total C&C FY2021
Net Revenue (M Euro)	548	1,575	1,719	737
Production volume (Hectolitres)	4,296,586	4,388,761	4,396,981	3,803,970
Scope 1 (tCO_2e)	18,552	24,404	26,216	20,908
Scope 2 (tCO2e)	13062	13,688	6,063	5957
Total Scope 1 & 2 (tCO_2e)	31,614	38,092	32,279	26,865
Scope 3 (tCO_2e)	205,442	221,976	718,088*	Note 1
Total Footprint (tCO_2e)	**237,056**	**260,068**	**32,279**	**Note 1**

Emissions Intensity

	Total C&C FY2018	Total C&C FY2019	Total C&C FY2020	Total C&C FY2021
Scope 1 and 2 tCO_2e per M EURO	**57.69**	**24.19**	**18.78**	**36.45**
Scope 1 and 2 kgs CO_2e per HL produced	**7.36**	**8.68**	**7.34**	**7.06**

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.
*FY20 now includes all scope 3 emissions in our reporting.
Note 1: FY2021 Scope 3 data is made available during FY2022 and will therefore be included in next year's Annual Report and Accounts.

Given our sourcing of apples from orchards across the British Isles, the offset in carbon absorption means that the plant in Clonmel is effectively carbon neutral.

Tonnes CO2e	Clonmel *	Wellpark	Matthew Clark	VHCC **	Frutissima	Group Fleet & Offices	Total C&C 2020-21	Total C&C 2019-20	Change YoY
Scope 1	4698	10589	2542	1067	1903	109	20908	26216	-20%
Scope 2 - location based	4684	4521	782	275	405	14	10681	12768	-16%
Scope 2 - market based	0	4521	782	249	405	0	5957	6513	-9%

* Adjusted to reflect the local electricity factors from Sustainable Energy Authority Ireland SEAI (Ireland) and Environmental Protection Agency EPA (US).
** Vermont Hard Cider Company was disposed by the Group of in April 2021.
Note:
1. Location based reporting method involves using an average emission factor that relates to the grid on which energy consumption occurs (using mostly grid-average emission factor data).
2. Market-based method reflects emissions from electricity that companies have purposefully chosen (e.g. recognises the procurement of renewable power).

Waste Reduction

The Group has a long term objective of sending zero waste to landfill. In FY2021 our main manufacturing sites at Clonmel and Wellpark again both achieved this target. We will 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.
- Within the Matthew Clark business, we have been maximising the use of return journeys when the vehicles are empty and backhauling cardboard and plastic to main depots. The cardboard and plastic are baled and sent for recycling. This not only negates the need for a standalone recycling service, but it also protects the quality of the recycled materials and ensures maximum recycling rates are achieved.
- 100% of by-products are recycled for use as animal feed or organic compost. Over 15,000 tonnes of spent grain and apple pomace were used as animal feed in 2020, with the remainder of our waste either recycled or sent for energy recovery.
- In Scotland in 2021 we will introduce bailing of can waste, which should reduce associated vehicle movements by 90%.
- We continue to improve the quality of the loading on the wastewater discharged from our sites in Clonmel and Wellpark and this has improved by more than 90% in the last 2 years.

Responsibility Report (continued)

Optimising 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. During FY2021, we reported for the first full year the carbon emissions associated with our transport fleet through CDP. The Group has an "End-to-End" supply chain model in the UK and Ireland, with circa 360 vehicles in operation. This allows efficiencies to be identified across every stage of the product journey.

As mentioned in the CEO's Review, the optimisation of C&C's English and Scottish delivery networks, is scheduled to be completed in FY2022. This will consolidate volumes from three separate networks into two, bringing all of our final mile English distribution in-house, which will drive on-going efficiencies. In Scotland, this will save approximately 600,000 km/annum and 300 to 400 tonnes of CO_2 emissions, while in England this will save approximately 1.39m kms/annum and approximately 800 tonnes of CO_2 emissions.

Our Fleet

A Group-wide logistics forum has been established to discuss sustainability requirements for our fleet in order to deliver a unified approach and share learnings across the Group to reduce delivery miles and carbon footprint.

All new vehicles leased or purchased must meet the EURO 6 standard and 93% of our fleet are currently EURO 6. We are reviewing the profile of our fleet whilst also investigating opportunities to reduce its impact such as alternative fuel source vehicles (compressed natural gas/liquefied natural gas hydrogen/electric) and amending 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).

Across Tennent's and Matthew Clark we have introduced 34 solar-assisted trucks into the 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% and lowering CO_2 emissions by four tonnes per vehicle annually.

Driving efficiencies

We are eliminating the need for secondary loads, by introducing direct delivery of orders from manufacturing sites to customer premises. In FY2021, we further increased the level of direct deliveries from the Clonmel and Wellpark sites, which has seen a reduction in the number of loads delivered by over 200.

By working in collaboration with raw material and third-party drinks suppliers we are reducing empty running of trucks. Vehicles delivering to C&C's operational sites are backloaded with outbound customer deliveries.

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.

As part of tender discussions with providers and through ongoing operational initiatives we will look to first measure our carbon impact and then, through consolidation and direct routing, reduce it. An example of this is in our Clonmel manufacturing site where we measure the efficiency of container utilisation by identifying opportunities to reload import containers with export orders therefore reducing the empty running of containers to and from the port.

Increasing the Recyclable Rate for our Brands and Improve Sustainable Packaging

Our lightweight can programme at Wellpark and Clonmel, further optimising the material used, has removed 260 tonnes of aluminium from the supply chain. As an interim measure whilst moving out of plastic, we introduced a hi-cone plastic ring, which has a 50% recycled content which saw 20 tonnes less of virgin plastic used.

In Clonmel, we have adopted a number of initiatives including installation of a compactor for recyclables to increase payload and to reduce truck movements of recyclables by 75%.

The Group has made excellent progress on its ambitious programme to be out of single-use plastics (shrink and hi and

mid cone rings) on the packaging of our canned products by 2022, reducing the environmental impact and ecological footprint of our products. We are the only brewer who is a member of the UK Plastics Pact, which has additional targets on plastic packaging, waste and recyclates. The Group is committed to utilising sustainable packaging. Due to COVID-19 restrictions on the on-trade, in FY2021, 9% of the total volume produced by C&C was in 100% returnable and reusable packaging formats.

The decision to be out of plastics has required significant capital investment of €11.5 million in the Wellpark and Clonmel production sites, which focused on the canning operations. The Group's new primary packaging material will be cardboard which is fully and easily recyclable.

At Wellpark in March 2020, under Phase 1 of the out of single-use plastics initiative, Tennent's moved from shrink wrap to FEC (cardboard) packaging on 10, 12 and 15 packs. In January 2021, Tennent's announced Phase 2 of the project that brought about significant equipment and infrastructure changes at Wellpark. When the work is complete, by summer 2021, all Tennent's canned product will be in fully recyclable cardboard, removing 150 tonnes of plastic from Tennent's Lager can packs, including more than 100 million plastic rings. The investment also recognises the future market changes e.g. the Deposit Return Scheme ('DRS') introduction in Scotland, planned for July 2022.

The out of single-use plastics work in Clonmel, commenced in January 2021, is expected to complete in September this year. This work will again see plastic packaging removed from our Bulmers, Magners and our other cider branded products and replaced with recyclable cardboard, removing a further 150 tonnes of plastic.

In Clonmel, we have also reduced the amount of plastic in polyethylene terephthalate ('PET') wrap by avoiding double wrapping pallets. This reduces the amount of plastic used by 10 tonnes per annum. While reducing the amount of plastic in PET preforms sees a reduction of 72 tonnes of plastic used. Reduced polymer usage in the wastewater treatment plant, results in a 20% reduction in polymer usage per annum.

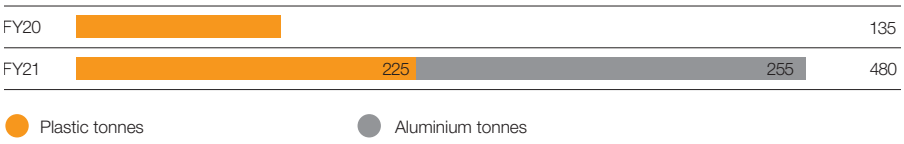
Matthew Clark is working with suppliers to rescue plastic used in packaging and ensure green initiatives are recorded. The British Retail Consortium process ensures that all suppliers are ISO14001 certified or have an environment management system that shows carbon reduction plans.

Piloting Electric Vehicle Distribution

Electric vehicles 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. 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.

During the year, two eight tonne diesel forklifts were replaced with new gas powered trucks, saving 14 tonnes of CO_2 per annum.

Reductions in Plastics and Aluminium Packaging



Responsibility Report (continued)

2

Sustainably source our Products & Services

Collaboration with our Apple and Barley Growers

The Group recognises 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 a major supplier's contract to assess the supplier's track record in environmental management, health and safety, sustainability, diversity and overall corporate social responsibility. For the second year, Matthew Clark was the headline sponsor of the 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.

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 member 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.

In FY2021, we donated circa 12,000 tonnes of surplus apples at Clonmel to Ixora Energy, who converted this to biomethane in order to supply over 300 homes with renewable gas for the next 12 months. The bio-fertiliser from these apples will also replace fossil fuel fertiliser to grow potatoes, wheat and vegetables in an area the size of 200 football pitches.

In Scotland, Tennent's lager is produced using 100% Scottish malt. We seek to support the growers of our key raw materials such as barley and wheat through entering into 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.

Achieving the highest sourcing standards

In 2020, Bibendum launched the Vivid Charter to identify and promote best practice in sustainability throughout our wine supply base. By capturing and sharing these case studies, we will look to inspire all our wine suppliers to adopt sustainable practices across their operations.

Source Water Optimisation and Water Usage Reduction

COVID-19 has impacted on our plans around water optimisation and usage reduction and we will therefore not meet our water ratio target of 2.5:1 by 2022.

We continue to strive to deliver continuous improvements in our water usage. Solutions to tackle water optimisation and water usage reduction include:

- Anaerobic Digestion (Water Treatment) plants are now fully operational at both Wellpark and Clonmel and have reduced our sites' wastewater emissions and improved the quality of our wastewater discharged by 80%.
- A new can rinsing system using de-ionised air was commissioned in Clonmel in early 2020, and reduced the water consumption by more than 17 million litres per annum.
- Pasteurisation control system at Wellpark: has reduced water consumption in the canning operation by 14 million litres per annum.
- The Clonmel site commenced a three-year groundwater protection programme in 2018 to upgrade the site drainage and wastewater network. This will protect the water sources of the surrounding Tipperary countryside.

C&C submitted a response for the CDP Water Security questionnaire for the first time in August 2020, and secured a C rating. The CDP water security questionnaire provides data users and the companies themselves with an 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 2020 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. As this is C&C's first year completing the water security questionnaire, we have begun the process of 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 are reducing the Water Ratio of hectolitres extracted versus hectolitres produced.

	FY2020	FY2021	% Change
Water Usage Ratio	3.21:1	3.27:1	1.2%
Water Usage (m cubic metres)	1.48	1.31	(11.5%)

Despite the challenges of COVID-19 and the resulting shift in SKU format to packaged product to meet demand in the off trade and an overall reduction in production volumes, we have worked at improving our total consumption of water at Clonmel, which has delivered a reduction of 41 million litres per annum. At Wellpark, the recovery and re-use of bottle rinse water reduced consumption by 7 million litres per annum.

The introduction of Anaerobic Digestion capability at both Clonmel and Wellpark has delivered a 3,120te COD improvement in the quality of wastewater generated at our sites over the last 3 years.

The Group has achieved the ISO 14001 certification for its Clonmel, Matthew Clark (Whitchurch) 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.

Social

3

Ensure Alcohol is Consumed Responsibly

Introduction of 0% and Low Alcohol 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.

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, being 3.5% ABV, based on our award-winning Gluten Free Tennent's, made from 100 per cent Scottish grown cereals and fresh highland water from Loch Katrine. Tennent's Light is only 114 calories per pint, 66 calories per bottle and is further evidence of not just our efforts to evolve our offerings with changing demand but our commitment to providing healthier alternatives to existing beers.
- Tennent's Zero is our new, 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 and reduced calorie intake.
- Magners and Bulmers Zero are the light, 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 details of our products, we voluntarily display calorie information and the Chief Medical Officer guidelines on the packaging of our major brands in the UK and Ireland.

Responsibility Report (continued)

Reducing ABV & Calories of Our Brands

In February 2021, as part of our ongoing commitment to the promotion of responsible drinking and moderate consumption of our products, to ensure they are enjoyed safely by consumers, we announced our decision to reduce the alcohol content of K Cider from 8.0% to 7.5% ABV. This measure will see the removal of c.4.8m units of alcohol and 360m kcal from the UK marketplace.

Support for Industry programmes

We are funders and active members of Drinkaware, which performs the valuable role of equipping consumers with information about responsible alcohol consumption. We also support Best Bar None ('BBN') 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 a member of the European Cider and Fruit Wine Association.

Support to Relevant Charities

In FY2022, we will review our approach to charitable giving to ensure this is aligned to the Group's purpose, vision and values. The Group is committed to the communities in which it operates and undertakes a range of initiatives that benefit our local communities. Examples of our commitment to the community are set out below.

Ireland

During FY2021, our donations and charity activity was heavily influenced by COVID-19. Those supported included local and national hospitals, charities who manufactured and distributed PPE to frontline workers and our local women's refuge 'Cuan Saor'. In recognition of the impact of the pandemic on older members of our community we made donations to Age Action and ALONE. Our sports and social site charity for 2020 in Ireland was Carrick on Suir River Rescue who provide a voluntary service on our site adjoining River Suir.

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. Bulmers Clonmel has placed over 35 long term unemployed persons in fully paid work placement positions since 2018.

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.

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

Scotland

The Group supports a diverse range of sporting, charitable and community projects across Scotland and has endeavoured to use its support of sports to generate opportunities for community engagement and charitable fundraising.

Tennent's looked to support key workers and those most in need during the COVID-19 pandemic. Working with our third party suppliers, we identified a range of products including thousands of cases of water, juice, soft drinks and crisps that we have been able to distribute amongst a range of deserving causes and groups throughout central Scotland, including 32 Trussel Trust Foodbanks and Lightburn Hospital in Glasgow.

During the first lockdown in early 2020, C&C Group's in-house marketing agency, Badaboom, supported Glasgow venue, SWG3's ViseUp campaign as the logistics and distribution partner. Over 30,000 items of PPE were produced by a network of schools including Kelvinside Academy and Caldervale High School and delivered by Badaboom team members to NHS workers in hospitals, care homes, clinics and surgeries across Scotland.

To support the Scottish and Northern Ireland hospitality sector re-opening in the summer of 2020, Tennent's offered hundreds of thousands of complimentary pints of Tennent's Lager and Tennent's Light to consumers under its "Dedicated to You" campaign, encouraging footfall in around 2,000 licenced venues across Scotland and Northern Ireland. The campaign also, promoted the safe reopening of pubs, social distancing and responsible consumption.

Tennent's also supported the Copper Rivet Distillery in Kent with the provision of high alcohol waste beer for distillation into hand sanitiser. Tennent's is providing 90,000 litres of high strength beer, (which the Distillery converted into hand sanitiser for distribution to frontline services including the British Transport Police (Scotland) and the Metropolitan Police).

Tennent's has partnered with spirit producer, Glasgow Distillery Company, to produce almost 11,000 bottles of hand sanitiser in support of the on-trade as it reopened in Spring 2021.

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.

England

In 2021, Matthew Clark, has partnered 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, whether by offering vital supplies for local residents, cooking hot meals for the elderly or keeping people connected through online quizzes or chats.

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

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 ensuring Heverlee is as bound to the Abbey's future as we are indebted to its past.

Responsibility Report (continued)

4

Enhance Health, Wellbeing & Capability of Colleagues

Supporting our colleagues has never been more important. We continue to learn from experiences during FY2021 and the global pandemic and recognise the requirement to further adapt and improve.

Our main priority continues to 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

The global COVID-19 pandemic introduced a new element into our risk management system. As a result of horizon scanning the new emerging threat; risk assessments, controls and training were introduced across all of our operations at an early stage. This enabled the Group to respond faster to the pandemic, protect its employees and deliver a COVID-19 secure manufacturing and logistics supply chain.

The business invested in new technology to help in the fight against the pandemic. We installed thermal detection systems measuring body temperatures as employees arrived at work. Door handles that automatically release sanitising gel when the user pulls the door open, were fitted across all operations. This ensured regular sanitising of hands whilst reducing the potential for contact transmission. Daily compliance audits ensured that social distancing, hygiene measures and face coverings were being fully adhered to. In addition, those staff who were capable of working from home, were deployed to do so. They were supported with homeworking risk assessments, the provision of additional equipment and routine information aimed at maintaining mental health and wellbeing. We developed an in-house mobile app for the reporting of potential symptoms and test results which provided the leadership team with real time data for the monitoring and early identification of any potential workplace transmissions. This allowed the Company to review existing controls and where necessary, implement further controls to protect our colleagues.

We have ongoing COVID-19 monitoring and reporting in place across the Group. This covers a number of parameters including; colleagues displaying symptoms, those contacted by Track and Trace, tests carried out and status, colleagues isolating and any colleague displaying symptoms who was in close proximity to fellow workers (less than 2 metres) for more than 15 minutes. Our monitoring highlighted that 63 (circa 2%) of colleagues have contracted COVID-19. All colleagues who had contracted COVID-19 *have recovered and are now back at work.*

COVID-19 continues to have a substantial impact on all of our operations. Manufacturing increased productivity across a range of lines whereas unfortunately a number of the logistics depots supplying hospitality were scaled down. Nevertheless, the management of health, safety and welfare continued and we delivered improvements where possible. Combined with the intense activity of managing COVID-19, the Group was still able to deliver

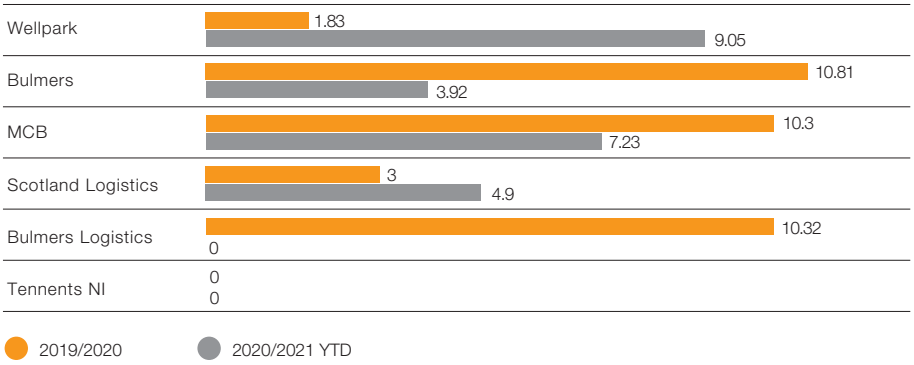
some positive results in general health and safety. Overall a 30% reduction in RIDDORs (over 7 day lost time events) was achieved. In addition, we observed a further reduction in Lost Time Accidents (1 day to 7 days absence) by 29%. This achieved an impressive 39% reduction in all accidents compared to the previous year.

The increase in FY2021 RIDDOR incidents in Wellpark and Scotland Logistics is due to higher number of contractors on site. Briefings for contractors visiting sites have been improved. Over the last year, there has also been an increase in Lost Time Accidents per 100 employees at Clonmel (FY2021: 1.76, FY2020: 0.62)

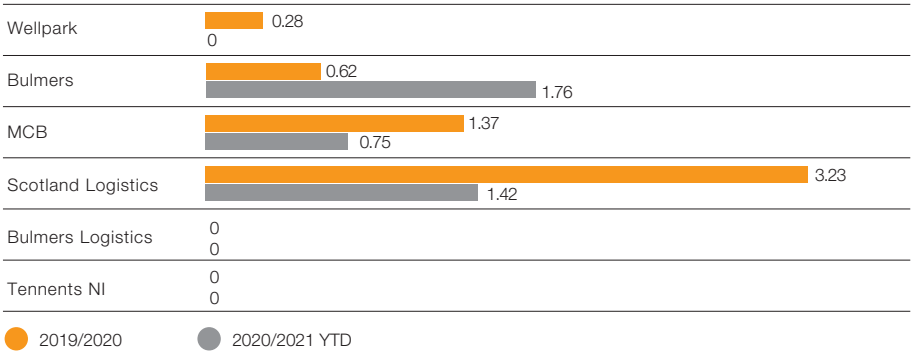
In 2021, we will launch our revised Health and Safety Strategy under our 'Vision Zero' initiative. Vision Zero assumes that all accidents and work-related ill-health are preventable. It is our ambition and commitment to create an even safer and healthier work environment by continuing to reduce all accidents, harm and work-related diseases and continually promote excellence in health, safety and wellbeing. Vision Zero is a value-based vision, implying that work should not negatively affect an employee's health, safety or wellbeing and should, if possible, help to enhance colleagues' competences and employability.

Physical health and ways to have fun and be healthy outside of work have been encouraged. Towards the end of the year, a Tennent's to Tito's social challenge involved colleagues across the Group clocking activity miles (through running, cycling or walking) with the aim of collectively contributing enough miles to travel from the Tennent's Brewery in Glasgow, via other C&C locations, to Tito's in Austin, Texas.

RIDDOR - 2020/21 Incidents x100,000 / hrs



Lost Time Accident Incident Rate - 2021/21 Incidents x 100 / employees



Responsibility Report (continued)

Emphasis on promoting mental health awareness and encouraging positive mental health increased during FY2021.

Throughout the pandemic C&C has supported colleagues' financial wellness in a variety of ways. Salaries for colleagues who are furloughed/laid-off have been maintained to a sum equivalent to 80% of monthly earnings. This has been achieved by "topping up" payment from the various government schemes as needed. Benefits, such as Life Assurance, and benefit allowances have been maintained at pre-furlough/lay off terms. C&C has provided support for longer term financial wellbeing by continuing employer pension contributions at 100% of pre-furlough/layoff levels.

While we endeavour to assist our colleagues' financial wellbeing in practical and tangible ways where possible, we also recognise the needs are unique to individual circumstances. To assist colleagues in supporting themselves in this area we have promoted awareness of financial wellbeing and made a variety of resources available, including via our new learning platforms.

Emphasis on promoting mental health awareness and encouraging positive mental health increased during FY2021, with more leaders visibly demonstrating their commitment to mental health and a greater number of colleagues coming forward in sharing their personal experiences and becoming trained mental health first aiders.

Additional awareness activities took place around World Mental Health Awareness Day, Time to Talk Day (UK), Valentine's Day (Bulmers Ireland and Tennent's Northern Ireland) and International Women's Day.

New learning resources were made available on topics such as suicide awareness, domestic abuse awareness, resilience, alcohol awareness, responsible drinking and understanding what organisational and external support was available.

All business areas launched refreshed communication channels for colleagues in and away from work due to the pandemic. These aimed to maintain connectivity and social wellbeing, keep colleagues up to date with changes and matters impacting their business area and minimise anxiety.

Remote Working

To safeguard colleague health and wellbeing and protect the integrity of our production and distribution facilities, through the year, we have maintained a policy that all colleagues who can work from home, do so. This has been supported with a series of measures, including risk assessments and provision of equipment, to help adjust to what is a new situation for most of us. We regularly communicated key resources that aid personal wellbeing. With so many schools closed during the pandemic in the UK and Ireland, we offered support to our colleagues who have children in school. To facilitate the return to work we produced short films to familiarise and educate returning staff with the increased safety measures and layouts put in place across all sites.

Primary channels of communication have varied throughout the Group, as business areas have disparate colleague groups which COVID-19 has impacted differently. Across the Group, there has been greater focus on communication channels such as e-newsletters, all-hands video meetings, departmental Zoom and MS Teams meetings than in previous years.

In February 2021, we launched 'Our Forum', an additional channel to allow colleagues to stay connected and build engagement across the Group. During these sessions, the Managing Director, a designated Non-Executive Director and representative from the ESG Team discussed how the Board and Senior Management worked together and answered questions raised in the Colleague Engagement Survey. 'Our Forum' is part of our ongoing commitment to understanding colleagues' views and covered topics including plans post COVID-19; corporate strategy; health and safety; training and development and flexible and remote working.

The sessions enable the Non-Executive Directors to have a direct understanding of topics important to colleagues and allows them to feedback to the Board on key issues and learnings. The Board is hopeful that, once COVID-19 restrictions are lifted, there will be greater in-person interaction for the 'Our Forum' sessions during FY2022.

Embed Key Codes

In June 2020, circa 450 colleagues across the Group completed online policy compliance training, created by legal specialists, DWF Advantage, on:

- The Bribery Act;
- Fraud prevention;
- Cyber security;
- Cyber crime;
- Information security at C&C;
- Modern Slavery;
- Whistleblowing with confidence; and
- Financial crime compliance.

In February 2021, two additional courses were added: Updated C&C Policies and Competition Law. During FY2022, the online compliance training will be cascaded throughout the workforce.

Learning and Development Programmes

A learning management platform was introduced across all business areas. This enabled on-demand online resources to be offered to all colleagues, including those away from work, and who do not commonly use company information technology systems. In addition to wellbeing, COVID-19, and diversity and inclusion topics, online learning content has been made available to provide development to sales teams and support organisational change programmes.

We have continued with most formal professional qualifications and training, although some apprenticeships requiring on the job learning experience have been deferred until FY2022 as work, and the associated experiences required, have not been available. Professional development has continued within central and support services functions, including Finance, Marketing and HR, as well as some sales and operational areas. Leadership and management development and the 'Raising the Bar' initiative has continued in Tennent's, which included a focus on behavioural and diversity and inclusion related topics. Similarly, in Matthew Clark, a suite of internal management training interventions was delivered across a range of behavioural and employee relations topics. In Bulmers, continued participation in Enterprise Ireland funded Lean projects has allowed many colleagues to receive Green Belt training (which entails product improvement through waste removal).

We continue to support professional development across the business and this year have supported colleagues through further education and professional exams including SVQs in Management, MBAs, CIMA, CIPD and IBD qualifications.

A learning management platform was introduced across all business areas. This enabled on-demand online resources to be offered to all colleagues, including those away from work, and who do not commonly use company information technology systems.

Governance

5

Build a more Inclusive, Diverse and Engaged C&C

Diversity and Inclusion

Global events in 2020, including the prominence of the Black Lives Matter movement, is creating an increased focus on strong diversity policies and fair employment practices. Like other organisations which consider themselves wholly equitable and equal opportunities employers, we recognise the need for greater effort in these areas. We have introduced a Diversity, Inclusion and Wellbeing Policy across C&C Group, supplemented by shared learning resources. Diversity and Inclusion are a focus for our Executive Committee, who have received external coaching to support them in leading inclusion in a more meaningful way.

To evolve our approach, we intend to understand more about the demographic and intersectional make up of our colleagues, their in-depth views on diversity and inclusion topics and evaluate the fairness of HR practices through improved insight. Understanding more about our colleagues and their views requires input from as many colleagues as possible and unfortunately plans have been delayed due to the majority of colleagues being out of work during COVID-19. This will be resumed in FY2022.

Employee Engagement Tracking

We view colleague engagement as the output of the relationship between colleagues and C&C Group, i.e. how they feel about their own experiences and interactions, as well as the culture and connection they feel with their respective business areas. We benchmark colleague

Responsibility Report (continued)

engagement against other organisations and internally over time. Overall engagement improved during FY2021 within the Group and when compared to peers.

During FY2021, despite a high number of colleagues not being at work, we increased colleague engagement surveying across the Group to understand the impact of COVID-19. This included emphasis on C&C Group's management of the situation, a greater focus on health and wellbeing, as well as support provided to colleagues.

Feedback has been used by business areas to understand what is working well, as well as where they could improve. COVID-19 has impacted different business areas in various ways and local action plans have been adopted in response to feedback received. Communication, and a desire to understand more about the Group's strategy, was a common focus across the Group. Within business areas, targeted action has included a focus on improving support for those balancing competing demands, such as home-schooling and providing the opportunity for informal learning for those working at home.

During FY2021, Non-Executive Directors increased their engagement with colleagues to better understand and represent their interests in the boardroom and extend their role in governing our corporate culture.

The approach also aimed to improve colleague experience and engagement, and the 'Our Forum' initiative (see page 64) was launched. When COVID-19 restrictions are eased, there will be greater in-person, including informal, interaction between Non-Executive Directors and colleagues across the Group.

Confidential Whistleblowing Helpline

C&C has an external, independently hosted and confidential hotline, where our people can share any concern or suspicion related to ethical or compliance related wrongdoing in the Group.

We use all our internal channels to encourage colleagues to raise their concerns on anything to do with how C&C is conducting its business and its adherence to our policies and codes. We constantly reassure colleagues that this is a safe and confidential way to raise concerns.

In FY2021, there were 35 instances of colleagues utilising our confidential whistleblowing hotline to raise concerns.

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 Sustainable and Ethical Procurement Policy, 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 including our Sustainable Ethical Procurement Policy, 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 with our Sustainable and Ethical Procurement Policy.

A copy of our Anti-Modern Slavery Statement is 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 FY2021, no incidences of bribery or corruption were uncovered across the Group.

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. The Company was grateful for the decision of the Irish Revenue and the HMRC to defer tax liabilities during the outbreak of COVID-19.

Protecting Customer and other Stakeholder Data

The Group's wholly owned subsidiary, Matthew Clark Bibendum Limited ('MCB'), became aware in April 2021 that it was the subject of a cyber-security incident, which impacted both Matthew Clark and Bibendum. MCB responded quickly, enacting its cyber-security response plan, and took steps to protect its IT systems. A

leading forensic information technology firm and legal counsel were engaged to assist MCB investigate the incident and restore its IT systems as quickly and as safely as possible. The issue did not affect the IT systems of the wider C&C Group, which continued to operate as normal.

The Group has a number of IT security controls in place including gateway firewalls, intrusion prevention systems, security incident monitoring and virus scanning. Regular communications are sent out to colleagues containing advice on IT security particularly in relation to home working. The Group's approach is one of ongoing enhancement of controls as threats evolve with the target being to align controls, and in particular to implement any new services or changes to the environment.

The Group also has a suite of information security policies in place including Data Protection ('GDPR') and Electronic Information and Communications. The Group has enacted specific business continuity plans including co-ordination with key third party IT suppliers and consideration of keyman risk for the Group's IT personnel.

We have implemented configuration changes to block phishing emails, increased awareness campaigns to help our people identify these types of attacks, and are identifying areas for further improvement in the development of our awareness campaigns.

The recent incident affecting Matthew Clark and Bibendum IT systems has emphasised the need for continued focus on information security. The Group has commenced a detailed review of its information security and cyber preparedness policies and processes.

6

Collaborate with Government & NGOs

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 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 new administrator will work collaboratively with producers, retailers, the hospitality industry and wholesalers to deliver a scheme to collect more than 90% of used drinks containers.

Collaborate on Minimum Unit Price Implementation in Ireland

We look forward to the planned 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 impact as it has had in Scotland in tackling the availability of strong, cheap alcohol and its correlation with harmful drinking. We will continue to work with the Irish Government and all relevant bodies around the implementation of minimum unit price legislation.

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.

Other

In March 2020, Tennent's worked with the Scottish Government and NHS Scotland to educate drinkers around the weekly alcohol consumption guidelines of 14 units. Support for this campaign involved advertising in our trade wholesale brochure, "One Stop" was distributed to circa 4,500 customers, a donation of advertising assets were made at Celtic Park, such as the match programme, concourse TV screens and in game perimeter LED boards. This messaging was viewed by circa 150,000 fans at matches and by TV and digital broadcast audiences of circa 2m viewers.