

C&C Group ESG Reporting Metrics – Reporting Methodology and Boundaries

1. Reporting Period

Our 2024 reporting period covers C&C Group's financial year from 01 March 2023 – 29 February 2024.

2. Reporting Boundary

C&C Group apply a financial control boundary. All C&C Group's direct, financially controllable operations, including manufacturing sites, distribution network and business unit head offices, are included in our reporting scope unless otherwise stated. Areas where we do not have financial control are excluded from our reporting scope unless otherwise stated. Note that where C&C Group has a minority shareholding in a third-party business, we report emissions relating to these shareholdings within Scope 3 Category 15 (Investments).

3. Reporting scope

C&C Group's GHG emissions is reported annually within the Group's Sustainability Report section of the Annual Report (pg. 59-89 of C&C Group Annual Report 2024). Our baseline data is taken from financial year 2020. Progress against our KPIs is measured against these baselines. Direct and indirect (energy) emissions data is captured monthly throughout the financial year. Other data relating to emissions is captured on an annual basis, using a combination of data provided by suppliers, data extracted from C&C Group procurement systems, and data held in other Group systems (e.g. financial data on capital investments).

In the case of divestments and acquisitions, emissions are included up to divestment date and from date of acquisition (i.e. part-year emissions are included in the relevant reporting year where necessary).

4. Data collection and monitoring process

The principal emissions sources for each Scope within the C&C Group total footprint are as follows:

Scope 1:

- Fuels used to heat, light, operate buildings and run manufacturing processes.
- Fuels used to operate company owned transport fleets (including vehicles on long term leases), plant and machinery.
- Fuels used in relation to other company owned vehicles (e.g. pool cars, sales fleet).
- Emissions from small-scale agricultural production (owned orchards).
- Energy generated by on-site owned renewables (solar) is reported in terms of energy usage but is recorded as a zero-emission source.
- Fugitive emissions from refrigerants are excluded in the reporting year due to its immaterial contribution to the total Scope 1 emissions.

Scope 2:

- Electricity consumed in each part of C&C Group’s operations, including manufacturing and storage. This is split by renewable and non-renewable sources according to the relevant supply contracts.
- Electricity consumed by electric vehicles (where C&C Group does not control the point of recharging, e.g. employee home addresses, this electricity is assumed to come from non-renewable sources).

Scope 3:

- Emissions relating to all purchased goods and services, including:
 - Raw material inputs for manufacturing
 - Packaging for products including transport packing
 - Purchased third party products for onward distribution
- Capital Goods (e.g. investments in manufacturing plant, transportation equipment, buildings and equipment)
- Indirect emissions from Scope 1 and 2 fuel and energy consumption
- Upstream distribution relating to all inbound materials, packaging and third-party products
- Waste generated within C&C Group Operations, including transport to point of disposal
- Business travel
- Employee commuting to all C&C Group sites
- Downstream distribution of all products
- Use of sold products, including estimates of emissions for wholesale and retail customer supply chain activities prior to final point of purchase
- End of life treatment / disposal of products
- Emissions relating to minority shareholdings in third parties.

Data from all the above emissions sources is compiled into a model for each business unit within C&C Group. Each model uses emissions factors from a range of sources to convert the usage data into tonnes of CO₂e. In order of preference, the emissions factors used are:

- Factors published by a relevant government or national body (e.g. DEFRA for U.K. and SEAI for Ireland)
- Factors published by other reputable organisations (e.g. Carbon Footprint)
- Factors provided by suppliers who have conducted their own product-level footprint analysis (e.g. Pelliconi metal crowns)
- Factors derived from other publicly available research and documents, e.g. industry footprint studies, academic research papers.

For consistency, where we have adopted factors from publicly available data, we use the same factors year-on-year to prevent unnecessary fluctuations in emissions (i.e. the factor is kept as a constant and the emissions therefore only change with volume).

5. Assumptions, estimations and restatements

Wherever possible, data is drawn from primary sources (e.g. energy meters, actual purchase volumes, recorded mileages and fuel purchases). In the event of missing data, previous year data will be used as a proxy – instances of this are minor and normally equate to significantly less than 1% of total emissions in any of the Scopes.

For elements of the Scope 3 supply chain which are significantly outside of C&C Group control (e.g. customer and consumer activities) we use standard assumptions to drive the calculations. These include assumptions about dwell times in customer warehouses and point of sale locations, and consumer behaviours in terms of refrigeration and packaging disposal.

Assumptions are also used in relation to emissions factors where the only available sources are publicly available sources. For example, there are multiple available footprint studies of wine suppliers, which cover a multitude of formats, product types, packaging formats and physical supply chain models. We have reviewed relevant studies and use an emissions factor which we derive as a mean average of the studies which we believe most closely represent our global supply chain.

Baseline year data is reset following any major divestment or acquisition activity, as removal or addition of a whole business unit clearly has a material impact on the overall size of the footprint.

6. Non-financial KPIs and Calculation Methods

Relevant KPI	Definition of Target	Calculation
KPI 1	C&C Group is committed to reducing its Scope 1 and Scope 2 Green House Gas ('GHG') emissions 35% by 2030 from a 2020 baseline year.	<p>FY2024 Target Reduction: 34,508 – 33,000 = 1,508 tonnes CO2e (scopes 1 & 2 location based). FY2024 Actual Reduction: 31,595 – 27,955 = 3,640. tonnes CO2e (scopes 1 & 2 location based);</p> <p>Methodology: Environmental data is captured from manufacturing sites, distribution network depots and Group head offices monthly. Distribution fuel data is collected via fuel reports and business travel fuel is collated through expenses reports.</p> <p>Calculation: Location-based emissions intensity ratio = Total Scope 1 and location-based Scope 2 (t) / Thousand tonnes production</p>

KPI 2	C&C Group's suppliers and customers, making up 67% of the Group's Scope 3 emissions (based on spend), will have science-based targets by 2026	<p>In FY2024, 39% of Group's targeted suppliers and customers have science-based targets in place.</p> <p>Methodology: Data on suppliers and customers with science-based targets publicly available via Science-Based Targets initiative database.</p> <p>Scope 3 emissions (based on spend) calculated as cash payments and receipts only, excluding accruals/GRNI that were made between 1st March 2023 and 29th February 2024.</p> <p>Calculation:</p> <p>Commitment to targets is assessed for suppliers and customers which comprise at least 67% of total payments and receipts in for the relevant year.</p> <p>Total cash receipts from customers and payments to suppliers with SBTi target/total cash receipts and cash payments.</p> <p>Data extracted from SBTi dashboard on 31st July 2024.</p>
KPI 3	C&C Group has a water efficiency target of 3:4:1	<p>In FY2024, the Group achieved a water-efficiency ratio of 3.2:1.</p> <p>Methodology: Metered water readings are taken from production sites and are confirmed against invoices or from our own boreholes. Site production figures are obtained from production finance and this data provides reported ratio figures.</p> <p>Calculation: Water Efficiency Ratio - (hectolitres extracted / hectolitres produced)</p>

7. Reporting and Governance

Progress against non-financial KPIs is reporting monthly to the ESG Management Committee.

The Board established an ESG Committee in 2020 to reflect C&C Group's ongoing commitment to operating a sustainable business and provide the Company with rigour, support and challenge on ESG matters. Progress against non-financial KPIs is reported to the Group's ESG Committee. In FY2024, the ESG Committee met five times. At each committee meeting, there is a standing item to review C&C Group's ESG KPIs Dashboard, checking progress against carbon emission reduction targets, water targets, and fuel and energy usage targets.

C&C's Board of Directors has the ultimate responsibility for overseeing the Group's climate-related risks and opportunities and for ensuring that there is progress against non-financial KPIs.