STRATEGIC REPORT

The Strategic Report contains certain forward-looking statements and these statements are made by the Directors in good faith, based on the information available to them up to the time of their approval of this report. These statements should be treated with caution due to the inherent uncertainties, including both economic and business risk factors, underlying any such forward-looking information. The Strategic Report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to Irish Continental Group and its subsidiaries when viewed as a whole.

Our Group at a Glance

Irish Continental Group is a customer focused business with a pivotal position in the logistics chain facilitating international trade between Ireland, Britain and Continental Europe.

The Group operates through two divisions

Ferries Division
Principal activities include the chartering of vessels both internally and externally together with passenger and RoRo freight shipping services under the Irish Ferries brand.

Container & Terminal Division
Principal activities include LoLo shipping activities under the Eucon brand and the operation of two container terminals, Dublin Ferryport Terminals (DFT) and Belfast Container Terminal (BCT), within the two main ports on the island of Ireland, and following its opening in January 2022 the Dublin Ferryport Inland Depot.

- Irish Ferries Ropax and Cruise Ferry Services
- Irish Ferries High Speed Ferry
- Ports Served By Ferries: Dublin, Rosslare, Holyhead, Pembroke, Cherbourg, Dover, Calais
- Group Geographical Coverage
- Eucon Routes
- Dublin Ferryport Terminals
- Dublin Ferryport Inland Depot
- Belfast Container Terminal
- Ports Served By Container Ships: Belfast, Dublin, Cork, Antwerp, Rotterdam

Strategic short sea RoRo routes operated by Irish Ferries providing seamless connections between Ireland, Britain and Continental Europe for the 696,600 RoRo units carried in 2022.

Reliability underpinned by major investment in tonnage and maintenance of quality assets ensuring the high levels of schedule integrity demanded by our customers.

Connected container transport services provided by Eucon, transporting 322,600 teu (twenty foot equivalent) in 2022 between Ireland and 20 countries throughout Europe by sea, road, rail and barge.

Strategically located container terminals which handled 319,600 container units during 2022 in Ireland's main ports of Dublin and Belfast for shipping operators providing services to key continental hub ports and onwards access to global markets.

Fastest crossing on the Irish sea on board the Irish Ferries Dublin Swift fastcraft service with a sailing time of two hours between Dublin and Holyhead at speeds of up to 65 kph.

Key contributor to regional tourism in all countries we offer services, Irish Ferries carried 2,315,000 passengers and 573,400 cars during 2022 with research indicating that car tourists stay longer and travel outside the main urban centres.

Always on, always in touch, our shipping and terminal services operate 24/7, assisted by investment in modern booking and tracking systems to ensure our customers can keep in touch over a variety of platforms.

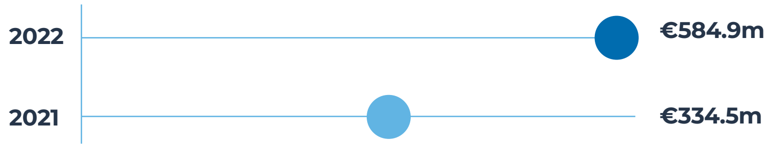
High standard on-board experience enjoyed by our Irish Ferries customers encompasses quality food, beverage, entertainment and accommodation services. Duty free shopping for passengers travelling to and from Britain. Passengers are never out of touch with free satellite wi-fi services.

Financial Highlights

Revenue

€584.9m +74.9%

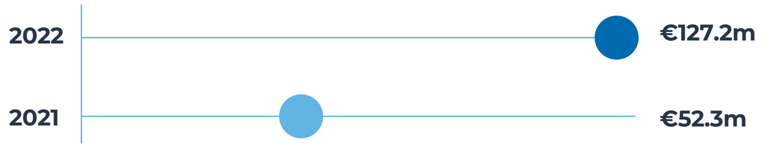
2021: €334.5m



EBITDA*

€127.2m +143.2%

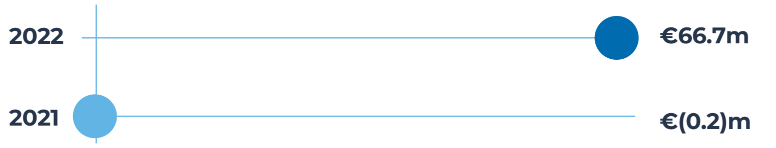
2021: €52.3m



Operating profit

€66.7m

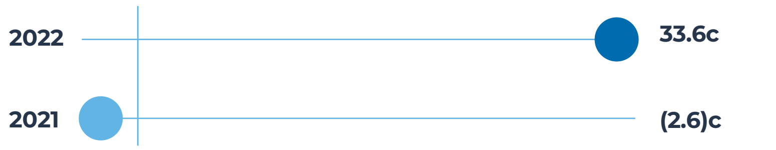
2021: €(0.2)m



Basic earnings per share

33.6c

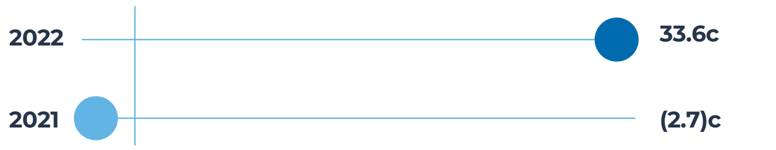
2021: (2.6)c



Adjusted basic earnings per share*

33.6c

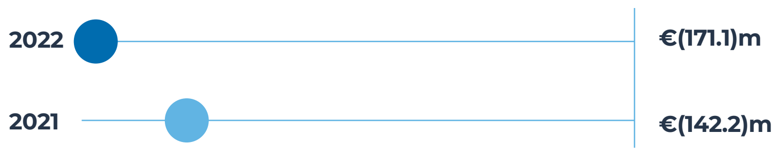
2021: (2.7)c



Net debt*

€(171.1)m (20.3%)

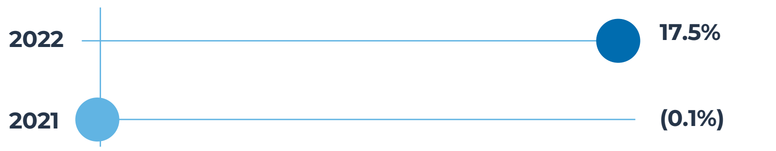
2021: €(142.2)m



Return on average capital employed*

17.5%

2021: (0.1)%



* The Group uses alternative performance measures "APMs" which are non-IFRS measures to monitor Group performance. Definitions and reconciliation to IFRS measures are set out on pages 18 to 20.

Five Year Summary

	2022 €m	2021 €m	2020 €m	2019[3] €m	2018 €m
Summary extract of Income Statement					
Revenue	584.9	334.5	277.1	357.4	330.2
Operating expenses and employee benefits expense	(457.7)	(282.2)	(235.0)	(270.6)	(261.8)
Depreciation and amortisation	(60.5)	(52.5)	(41.3)	(36.8)	(22.1)
	66.7	(0.2)	0.8	50.0	46.3
Non-trading items [1]	-	-	(11.2)	14.9	13.7
Interest (net)	(4.2)	(3.9)	(7.6)	(3.4)	(0.8)
Profit / (loss) before taxation	62.5	(4.1)	(18.0)	61.5	59.2
Taxation	(2.7)	(0.8)	(1.0)	(1.3)	(1.4)
Profit / (loss) for the year	59.8	(4.9)	(19.0)	60.2	57.8
EBITDA	127.2	52.3	42.1	86.8	68.4
Per share information:	€cent	€cent	€cent	€cent	€cent
Earnings per share					
-Basic	33.6	(2.6)	(10.2)	31.7	30.4
-Adjusted basic [2]	33.6	(2.7)	(4.3)	23.8	23.1
Dividend per share (declared)	14.09	9.00	-	4.42	12.77
Shares in issue at year end:	m	m	m	m	m
-At year end	170.8	182.8	187.0	187.4	190.3
-Average during the year	177.8	186.7	187.0	189.8	190.0
Summary extract of Statement of Financial Position	€m	€m	€m	€m	€m
Property, plant and equipment, right-of-use and intangible assets	405.6	387.3	353.0	353.5	308.1
Retirement benefit surplus	33.6	6.7	1.0	12.5	2.5
Other assets	134.7	117.9	224.9	225.8	203.7
Total assets	573.9	511.9	578.9	591.8	514.3
Equity capital and reserves	260.8	249.7	265.9	287.9	252.9
Retirement benefit obligation	0.4	1.4	2.2	3.7	4.2
Other non-current liabilities	195.8	154.8	141.6	229.3	205.7
Current liabilities	116.9	106.0	169.2	70.9	51.5
Total equity and liabilities	573.9	511.9	578.9	591.8	514.3
Summary extract of Consolidated Statement of Cash Flows					
Net cash inflow from operating activities	126.3	57.8	46.1	84.8	61.5
Net cash (outflow) / inflow from investing activities	(72.7)	(52.7)	7.8	(52.3)	(158.8)
Net cash (outflow) / inflow from financing activities	(52.8)	(117.4)	(14.4)	(46.5)	131.4
Cash and cash equivalents at the beginning of the year	38.5	150.4	110.9	124.7	90.3
Effect of foreign exchange rate changes	(0.3)	0.4	-	0.2	0.3
Closing cash and cash equivalents	39.0	38.5	150.4	110.9	124.7
	€m	€m	€m	€m	€m
Net debt	(171.1)	(142.2)	(88.5)	(129.0)	(80.3)
	Times	Times	Times	Times	Times
Net debt / EBITDA	1.2x	2.6x	2.1x	1.5x	1.2x
Gearing (net debt as a percentage of shareholders' funds)	66%	57%	33%	45%	32%

1. Non-trading items are material non-recurring items that derive from events or transactions that fall outside the ordinary activities of the Group and which individually, or, if of a similar type, in aggregate, are separately disclosed by virtue of their size or incidence.
2. Adjusted basic earnings per share exclude pension interest and non-trading items.
3 The figures for years prior to 2019 have not been restated for the effects of IFRS 16 which was adopted with effect 1 January 2019. The effect on the Consolidated Income Statement for financial year 2019 was to decrease operating expenses by €9.4 million, increase depreciation charges by €8.6 million, increase interest expenses by €1.0 million and a net reduction in profit after tax of €0.2 million. The effect on the Consolidated Statement of Financial Position was to increase assets by €35.3 million and liabilities by €35.5 million and reduce retained earnings by €0.2 million.

Chairman's Statement

INVESTING FOR GROWTH AND A SUSTAINABLE FUTURE

2022 has been a year not just of recovery, but of building for long-term growth. With the Covid-19 pandemic now behind us, we have turned our full attention to maximising the opportunities that have arisen for the Group over the last two years. We come out of the pandemic operations larger than we had at its commencement, and with a balance sheet that is as strong as ever.

2022 saw the completion of our planned fleet investment for the Dover – Calais route. The entry to this route has been a long-term objective for the Group and the expansion to a three ship operation in the first half of this year allows us to compete effectively on this route. The ending of pandemic related travel restrictions alongside the continued support of our freight customers have driven revenues to a record level.

We continued our investment in future growth and sustainability throughout 2022. We acquired a further ferry, the Isle of Inisheer, for the Dover – Calais route bringing the total number of vessels on the route to three. We also added a further container vessel, the CT Pachuca in March 2022. As summarised below and detailed later on in the Annual Report, we continued to invest in a sustainable future for the Group. Continued investment in

John B. McGuckian,
Chairman

the electrification of Dublin Ferryport Terminal (DFT) took place, which will lead to an achievable and material reduction in emissions from the container terminal based in Dublin Port.

Alongside the recovery in our passenger business during the year, both our RoRo freight operations and container and terminal operations enjoyed another strong year of growth. The Container and Terminal Division had another exceptionally strong year, with growth in both revenues and profitability. Ferries Division RoRo and Tourism revenues both grew to record levels driven primarily from the new operation on the English Channel.

As in prior years, I would like to take this opportunity to thank all our colleagues who made these results possible. Our colleagues, particularly those on the front line, have ensured operations continued throughout the Covid-19 pandemic. Those same colleagues are essential to the strong recovery in our business during the year and our planned growth in the future.

Financial Outcome

The overall financial outcome for the Group was a profit before tax of €62.5 million (2021: loss of €4.1 million) while operating profit was €66.7 million (2021: loss of €0.2 million). EBITDA generated was €127.2 million (2021: €52.3 million) from total revenues of €584.9 million (2021: €334.5 million).

EBITDA grew strongly versus the prior year in our Ferries Division where EBITDA was €95.7 million (2021: €23.2 million). The division saw increased revenues from the recovery in our tourism markets, continued growth in the freight market, increased charter revenue and the introduction of a third vessel on the Dover – Calais service which allowed us to compete effectively on the route.

Performance in our Container and Terminal Division improved with an EBITDA of €31.5 million (2021: €29.1 million) through a continued focus on cost optimisation and increases in revenue.

In the prior year, our diversified revenue streams and cost containment measures protected our strong balance sheet and allowed us to begin 2022 from a position of strength. The ending of travel restrictions and strong growth in our markets allowed us to build on that strength in the current year allowing us to both further invest in the business and make material returns to shareholders. Cash generated from operations of €132.0 million (2021: €67.0 million) together with net debt increase of €28.9 million was used to fund strategic capital expenditure of €57.4 million and returns to shareholders of €73.4 million via a combination of dividends and share buybacks. Net debt at year end was €171.1 million (2021 €142.2 million).

Strategic Development

The Group has continued to progress a number of key strategic developments during the year.

In keeping with our progress over the last number of years, we have placed a significant focus on enhancing our approach to ESG and sustainability. We have rolled out a number of further initiatives across the Group and continued initiatives that commenced in prior years. These are discussed later in the Sustainability and ESG Report at pages 36 to 59, highlights of which include the significant progress we have made in reducing the emissions of our container terminal operations. Continuing our expansion and modernisation programme at Dublin Port, 2022 was a year of further material investment in this business. With the investment we have made and continue to make in more environmentally friendly terminal equipment, we are on course to achieve a reduction in the emissions from our container terminal operations of 70 per cent by 2025 over the course of the programme. With the progress made to date and the expected future investment, we expect to achieve our target of net zero emissions in our container terminal operations by 2030. We also continue to develop our environmental reporting processes in co-ordinating the collection of relevant data and considering how

Chairman's Statement
Continued

best this can be harnessed to affect behaviours in order to drive further improvement. This also provides the basis for increasing transparency over our sustainability credentials as set out in the Sustainability and ESG Report. We continue to engage with our stakeholders to understand their key pressing and material issues which we will evaluate and implement in our day to day business when appropriate.

We continued the expansion of our Dover – Calais service with the addition of a third vessel, the Isle of Inisheer, during April 2022. This service commenced by Irish Ferries in June 2021 has been well received by both passengers and freight customers. The introduction of the third vessel is the culmination of our planned investment for the route. With Irish Ferries now offering up to 30 sailings per day on the Dover – Calais service, we now offer a genuine alternative for all customers on the Channel route.

During 2022, the Group continued its investment in the modernisation and expansion at DFT. It took delivery of and commissioned a further five remote control semi-automated electric rubber-tyred gantry cranes (RTGs) bringing the total of electrically powered units at DFT to nine. Six of these RTG's have been commissioned and are in use, with a further three due to be commissioned in 2023. This will increase the total number of electric gantries in our Dublin Terminal from six to nine by the end of 2023, continuing our transition to this more environmentally efficient mode of operation. Following the successful deployment of these environmentally friendly electric rubber-tyred gantries the Group has also ordered one new electrically powered ship-to-shore crane (STS) for delivery in 2023. The deployment of these electric cranes puts us on track to meet our emissions reduction target of net zero emissions by 2030. Furthermore, the delivery of these cranes and the relocation of our empty depot facility to the Dublin Ferryport Inland Depot will increase the capacity of DFT to meet the need of the market.

Belfast Container Terminal (BCT) operates the sole container terminal at Belfast under a services concession agreement with Belfast Harbour Commissioners (BHC) at a 27 acre site in Belfast Harbour. The £40 million re-investment project by BHC commenced in 2020 and continued into 2022. The project included extensive civil works and the delivery of two new ship-to-shore gantry cranes along with eight new electrically operated RTGs. As per the investment in DFT, this investment is essential to reducing emissions in our terminal operations. The project is now completed following the deployment of the final three RTGs in 2022.

The Group commenced operations at the new Dublin Inland Port in January 2022, under a 20 year lease agreement awarded following a public tender process. Trading as Dublin Ferryport Inland Depot (DFID), this facility will be used for the remote storage, maintenance and upgrade of empty container boxes, releasing valuable capacity for the handling of containers in the port area. The Dublin Inland Port is located adjacent to Dublin Airport with direct access to the M50 Motorway (Dublin Ring Road) and Dublin Port via the Port Tunnel.

Corporate Governance
The Board acknowledges the importance of good corporate governance practices. We have developed a corporate governance framework based on the application of the principles and compliance with the provisions of the UK Corporate Governance Code (2018) and the Irish Corporate Governance Annex. I report on this framework in the Corporate Governance Report on pages 78 to 90.

During the year, I led the annual evaluation of Board performance of which further details are set out in the Corporate Governance Report on page 86. As Chairman, I am satisfied that the Board operates effectively to ensure the long-term success of the Group and that each Director is contributing effectively and demonstrating commitment to their role.

Dividend and share buyback
Following the easing of travel restrictions and the subsequent increase in our tourism carryings, the Directors declared and paid during 2022 a final dividend of 9.00 cent per ordinary share for 2021 and an interim dividend of 4.64 cent per ordinary share for 2022. Dividends paid during the year totalled €24.2 million. Payment of dividends had been suspended during 2020 and 2021 due to the effects of the Covid-19 travel restrictions on the financial performance of the Group.

During the year, the Company bought back a total of 12.0 million shares which were cancelled. The total consideration paid for these shares was €49.2 million (2021: €19.8 million). The Directors are proposing a final dividend in respect of 2022 of 9.45 cent per share subject to shareholder approval at the AGM on 11 May 2023, which will be paid on 9 June 2023 to shareholders on the register at close of business on 19 May 2023.

Outlook
We have experienced strong growth in car and RoRo freight volumes in 2022, due partly to the unwinding of Covid-19 restrictions and also due to the expansion of our services on the Dover – Calais route. Container volumes were down slightly as they are more impacted by the slowdown in world growth and international trade volumes.

In the period from 1 January 2023 to 4 March 2023, Irish Ferries carried 50,000 cars, an increase of 42.0% over the same period in the prior year. While these increases are encouraging, it is over a seasonally less significant time of the year for passenger travel. We do see an opportunity for material growth in our passenger business with the expected return to pre-pandemic levels.

RoRo volumes in the Ferries Division have also started strongly in 2023. Overall, Irish Ferries RoRo volumes are up 21.1% on the same period in the prior year to 111,900 RoRo units. We expect that 2023 sees a continuation of the trend of freight customers returning to the landbridge and we are hopeful that the Windsor Framework will remove the distortion from the non-implementation of the Northern Ireland Protocol. We welcome recent calls for the establishment of Green lanes on ferry routes between the UK and the Republic of Ireland, for traffic destined for Northern Ireland. This will ensure freight moves on and off the island of Ireland in the most efficient, timely and environmentally friendly manner.

The Container and Terminal Division has seen a reduction in containers shipped in the period from 1 January 2023 to 4 March 2023 of 4.4%. The number of terminal lifts has seen a similar drop of 5.6% in the same period. This is indicative of a slowdown in the global economy and is not unexpected. However, the recent and ongoing investment in capacity expansion and plant modernisation at our container terminals will provide a platform for both growth and more efficient operations at our Dublin terminal. This will be further aided by the operations at our new Dublin Inland Port facility which commenced during 2022.

We note the ever-increasing expectations and regulatory requirements to reduce the effects of our operations on the environment.

While the Group acknowledges that its operations have an inevitable impact on the environment it does so in the knowledge that it operates essential services from the island of Ireland, which was clearly evident during the worst of the Covid-19 lockdowns. Our operations remain the most environmentally sustainable form of transport for facilitating trade and movement of people on and off the island. Nevertheless, reducing our impact on the environment is embedded in the Group's DNA through maximising the effectiveness and efficiency in our operations while continuing to invest in appropriate technologies to reduce our impact on the environment. We remain committed to our decarbonisation targets set out in the Sustainability and ESG Report.

While there is some uncertainty around economic growth rates, we look forward to continued growth during 2023 through the leveraging of our recent investments and the continued support of all customers.

John B. McGuckian,
Chairman
8 March 2023

Chief Executive's Review

A YEAR OF PROGRESS AND RECORD GROWTH

Key Financial Highlights

EBITDA

€127.2m +143.2%

2021: €52.3m

Operating profit

€66.7m

2021: €(0.2)m

Return on average capital employed

17.5% +17.6pts

2021: (0.1)%

Adjusted basic earnings per share

33.6c

2021: (2.7)c

Free cash flow before strategic capital expenditure

€108.0m +143.8%

2021: €44.3m

Eamonn Rothwell,
Chief Executive Officer

2022 Performance

2022 was a year of strong recovery in our business and record growth. As we exited the restrictions of the Covid-19 pandemic, we have benefited from the investment decisions made over the last two years. The investment in the new Dover – Calais route have allowed us to materially grow our ferries business. Our investment in container ships allowed us to benefit from the strong container ship market during 2022. We also continued the modernisation and expansion programme in our container terminals which has allowed us to offer our customers a more efficient and sustainable service.

The Group made a profit before tax of €62.5 million (2021: loss of €4.1 million). Operations were cash generative at €126.3 million (2021: €57.8 million) and the Group maintained a strong balance sheet.

The performance in the Ferries Division saw a significant increase in EBITDA to €95.7 million (2021: €23.2 million). Partially reflective of returning passenger volumes following removal of travel restrictions, the level of underlying growth is encouraging and justifies the decisions and investment we have made to grow both our ferry and chartering operations.

Performance in the Container and Terminal Division again grew at an impressive rate during the year. EBITDA in this division increased by 8.2% to €31.5 million (2021: €29.1 million). This was achieved despite a reduction in volumes in both Eucon and the Terminals. Revenue grew by 27.2% to €221.5 million (2021: €174.0 million).

Financial Position

The Group ended the year in a strong position with equity attributable to shareholders increasing by €11.1 million to €260.8 million, which was after total returns made to shareholders of €73.4 million. The strong recovery against the previous two financial years saw the resumption of dividend payments, with €24.2 million paid. In addition, the Group bought back 12.0 million shares which were cancelled, for a total consideration of €49.2 million.

Net debt at year end was €171.1 million compared to net debt of €142.2 million in the prior year. This represents a net debt / EBITDA leverage of 1.2 times under banking covenant definitions. The increase in net debt together with cash generated from operations, was used to fund strategic capital expenditure of €57.4 million, dividends paid of €24.2 million and share buybacks of €49.2 million during the year. Year end net debt of €171.1 million comprised gross borrowings of €167.7 million (2021: €123.1 million), lease obligations of €42.4 million (2021: €57.6 million) less gross cash balances of €39.0 million (2021: €38.5 million). Right-of-use lease obligations are excluded for banking covenant purposes.

Strategic Performance

As Chief Executive, a key responsibility is to drive future profitable and sustainable growth of the Group. I'm happy to report that on a strategic level significant progress was made during 2022 in building on the progress made in 2021 and preparing the Group for future long term growth opportunities.

The Group continued its investment in the Dover – Calais service, which had commenced in June 2021. The Isle of Inisheer was introduced as the third vessel on the route during April 2022. The addition of a third ship onto the route for Irish Ferries has strengthened our position on the route and ensures we are a viable alternative to the other operators on the route.

Chief Executive's Review
Continued

Operations at our new inland container depot commenced in January 2022. This is an important development for the Group as we look to expand our container operations in Dublin in the knowledge of the scarcity of space to expand in the core Dublin Port area. This allows for increased utilisation at our terminal at Dublin Port facilitating efficient imports and exports.

The Group's management continually seeks investment opportunities which meet the Group's stringent return hurdles both in terms of return and risk appetite, a policy which is promoted at all levels within the organisation. These investments are funded through a combination of debt and cash generation from existing activities.

Strategy and the Environment

The Group is conscious that its activities have an environmental impact but is happy to note that reducing that impact aligns with our overall strategy. The Group has continued with the significant investments in installing exhaust gas cleaning systems (EGCS). A further EGCS unit was installed on one of our container vessels while an EGCS was also installed on the Isle of Inishmore in early 2023. The programme for the electrification of heavy plant at our container terminals continued in 2022, including the commissioning of two additional electric cranes at Dublin Ferryport Terminal. Three further electric cranes were also delivered during 2022 and will be commissioned during 2023. Both of these investments, while reducing harmful emissions, also bring health and safety benefits to our operatives and align with the strategic objective of delivering sustained and profitable growth. Further details of our work in this space during the year are detailed in our Sustainability and ESG Report at pages 36 to 59.

The Group currently collects various data related to its environmental impact of its operations for external reporting purposes. In recognition of the powerful effect that data can have on creating awareness of individual actions, the Group collates and harnesses this data as a tool to promote environmental responsibility within the workforce. While we recognise there is and always will be additional work to do in this space, we consider the ongoing improvement and progress together with the firm foundation established from prior years will enable the further development of our approach to sustainability, ESG and strong reporting in the years ahead.

However, for certain aspects the Group will require the shipping sector as a whole to work together. This particularly relates to global regulation under the auspices of the International Maritime Organisation setting common standards and key

equipment suppliers adopting the latest technologies. As a small operator in a global market, the Group will only apply proven technologies and we will recover the costs of same, either by increased efficiencies or by passing associated costs through to customers. The International Maritime Organisation and the European Union decarbonisation goals for the Maritime industry are set out and discussed in our Sustainability and ESG Report on pages 36 to 59.

The Group is aware that our stakeholders require us to be environmentally focused and the Group is committed to continuous improvement in both the big and small things that we do. Freight remains the backbone of the local Irish and European economies. Our efforts in greening the maritime industry is a vital part of moving the wider European economy to a sustainable footing in the face of the rising challenge from climate change.

Stakeholders

The Group's performance is dependent on the support of our customers, suppliers and employees. I would like to thank all our customers for their support during the year. We will continue to work with our customers to meet their expectations into the future.

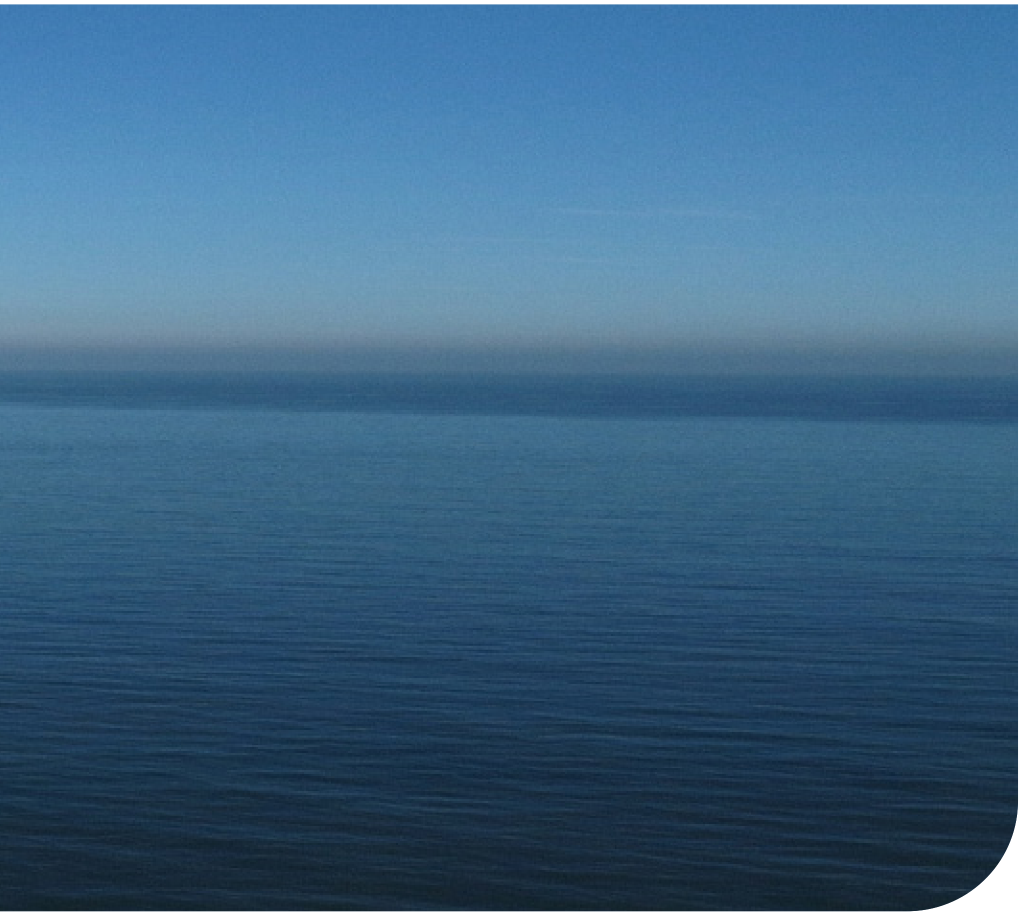
Our suppliers are key to our ability to deliver quality services to our customers. We continually work with our suppliers whether they be port operators, contracted service providers or product suppliers to improve efficiencies and quality. We appreciate the co-operation and flexibility achieved in delivering our 24/7 services.

As in prior years, I would like to take this opportunity to thank our employees for their continued dedication to the operation of our services that are essential to the island of Ireland. It is their knowledge and dedication to customer service that drives the future success of the Group.

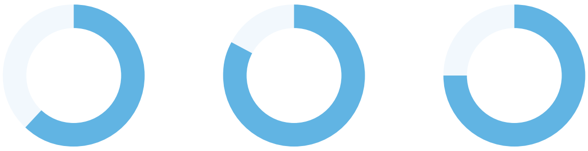
Outlook

I look forward in 2023 to a continuation of the positive trends we saw throughout the Group in 2022 that saw both operational and financial progress across all the divisions in the Group. The work and the investment over the last number of years gives us an exciting platform for long-term sustainable growth in all of our divisions. As always, we will continue to seek out improvement and investment opportunities for our longer-term success.

Eamonn Rothwell,
Chief Executive Officer
8 March 2023



How We Create Value



Revenue
€399.9m
64% of Group *

Capital Employed
€317.7m
83% of Group

EBITDA
€95.7m
75% of Group

*inclusive of inter-segment revenue

OUR PURPOSE

Ferries Division

Multipurpose ferry services carrying both passengers and RoRo freight on strategic short sea routes.

IRISH FERRIES

Ireland ⟷	**Britain**
Britain ⟷	**France**
Ireland ⟷	**France**

Operating a fleet of eight ferries (including two chartered-in)

Capacity to operate up to **47 sailings daily**

8 LoLo chartered-out vessels

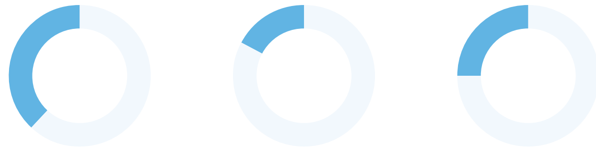
Customer type

Freight + Haulage **Leisure Breaks**

Key strategic developments over the last 5 years

W.B. Yeats
The introduction of the WB Yeats in 2018 has met our expectations both operationally and financially. The flexibility, reliability and capacity of the vessel has been critical in allowing the Ferries Division to successfully navigate constantly changing trade flows due to the twin effects of the UK exit from the European Union and the Covid-19 pandemic.

We will create value for our stakeholders by anticipating our customers' needs and matching their requirements with superior services through constant innovation and the rapid application of technology.



Revenue	Capital Employed	EBITDA
€221.5m	**€66.9m**	**€31.5m**
36% of Group *	17% of Group	25% of Group

*inclusive of inter-segment revenue

Container & Terminal Division

Direct container shipping services between Ireland and Continental Europe together with the operation of container terminals at both Dublin and Belfast.

Container fleet capacity
8,900 TEU

Strategically located container terminals

Customer type

Freight + Haulage

Dover to Calais route

Commencement of the Irish Ferries service on the Dover – Calais route in 2021. Introduction of a third ship onto the route in during 2022 allowing us to offer 30 sailings per day to our customers.

Dublin Ferryport Inland Depot (DFID)

Opening of our new terminal in the Dublin Ferryport Inland Depot in January 2022. The inland depot is strategically located to allow easy access to Ireland's motorway system. This will allow ancillary services to be provided outside of the Dublin Port area, therefore increasing capacity in the Dublin Ferryport Terminal.

Terminals Investment

Continued investment in decarbonisation of Dublin and Belfast Terminals. During 2022, the Group took delivery of a further five electric RTGs, Of the total of nine electric RTG's, six are fully commissioned and in use, with a further three to be commissioned in 2023. The Group has also ordered one new electrically powered ship-to-shore crane for delivery in 2023.

Key Performance Indicators and Summary of 2022 Results

The Group uses a set of headline Key Performance Indicators (KPIs) to measure the performance of its operations and of the Group as a whole which are set out and defined below.

Certain financial measures used are not defined under International Financial Reporting Standards (IFRS). Presentation of these Alternative Performance Measures (APMs) provides useful supplementary information which, when viewed in conjunction with the Group's IFRS financial information, allows for a more meaningful understanding of the underlying financial and operating performance of the Group. These non-IFRS measures should not be considered as an alternative to financial measures as defined under IFRS. Descriptions of the APMs included in this report are disclosed below.

APM	Description	Benefit of APM
EBITDA	EBITDA represents earnings before interest, tax, depreciation, impairment, amortisation and non-trading items.	Eliminates the effects of financing and accounting decisions to allow assessment of the profitability and performance of the Group.
EBIT	EBIT represents earnings before interest, tax and non-trading items.	Measures the Group's earnings from ongoing operations.
Free cash flow before strategic capital expenditure	Free cash flow comprises operating cash flow less capital expenditure before strategic capital expenditure which comprises expenditure on vessels excluding annual overhaul and repairs, and other assets with an expected economic life of over 10 years which increases capacity or efficiency of operations.	Assesses the availability to the Group of funds for reinvestment or for return to shareholders.
Net debt	Net debt comprises total borrowings plus lease liabilities less cash and cash equivalents.	Measures the Group's ability to repay its debts if they were to fall due immediately.
Leverage	The debt leverage ratio is calculated per the terms of our lending agreement and is calculated as bank debt, excluding lease liabilities, expressed as times EBITDA. The calculation is set out at note 21 to the Financial Statements.	Provides an indication of the Group's borrowing capacity.
Adjusted Basic Earnings Per Share (EPS)	EPS is adjusted to exclude the non- trading items and net interest (income) / cost on defined benefit obligations.	Directors consider Adjusted Basic EPS to be a key indicator of long-term financial performance and value creation of a public listed company.
ROACE	ROACE represents return on average capital employed. Operating profit (before non-trading items) expressed as a percentage of average capital employed (consolidated net assets, excluding net (debt) / cash, retirement benefit surplus / (obligation) and asset under construction net of related liabilities.	Measures the Group's profitability and the efficiency with which its capital is employed.
Pre-IFRS 16	Use of the term Pre-IFRS 16 denotes that the APM or IFRS measure has been adjusted to remove the effects of the application of IFRS 16: Leases.	Measurement of covenants for bank facility purposes

Non-Financial KPI	Description	Benefit of non-financial KPI
Schedule integrity	Schedule integrity (the number of sailings completed versus scheduled sailings).	Schedule integrity is an important measure for Irish Ferries' vessels as it reflects the reliability and punctuality of our service. This measure is meaningful to both our passenger and freight customers alike in facilitating them and their cargo to arrive on time at their final destination.

The following table sets forth the reconciliation from the Group's operating profit (EBIT) for the financial year to EBITDA, free cash flow and net debt. See note 11 to the Consolidated Financial Statements for the calculation of Basic and Adjusted Basic EPS.

Cash Flow	2022 €m	2021 €m
Operating profit / (loss) (EBIT)	66.7	(0.2)
Depreciation and amortisation (note 9)	60.5	52.5
EBITDA	**127.2**	**52.3**
Working capital movements (note 33)	1.2	11.7
Retirement benefit scheme movements (note 33)	1.1	0.6
Share-based payments expense (note 30)	3.0	1.3
Other	(0.5)	1.1
Cash generated from operations	**132.0**	**67.0**
Interest paid	(4.0)	(8.4)
Tax paid	(1.7)	(0.8)
Maintenance capital expenditure	(18.3)	(13.5)
Free cash flow before strategic capital expenditure	**108.0**	**44.3**
Strategic capital expenditure	(57.4)	(41.7)
Free cash flow after strategic capital expenditure	**50.6**	**2.6**
Proceeds on disposal of property, plant and equipment	3.0	2.8
Share buybacks	(49.2)	(19.8)
Dividends paid	(24.2)	-
Settlement of employee equity plans through market purchases	(2.9)	(1.0)
Proceeds on issue of ordinary share capital	0.1	0.7
Net cash flows	**(22.6)**	**(14.7)**
Opening net debt	(142.2)	(88.5)
Recognition of right-of-use asset lease obligations	(6.2)	(38.5)
Translation / other	(0.1)	(0.5)
Closing net debt	**(171.1)**	**(142.2)**

The following table sets forth the reconciliation from the Group's ROACE calculation:

ROACE	2022 €m	2021 €m
Equity	260.8	249.7
Net debt	171.1	142.2
Asset under construction (including prepayment deposits)	(14.1)	(9.2)
Retirement benefit obligations	0.4	1.4
	418.2	**384.1**
Retirement benefit surplus	(33.6)	(6.7)
Capital employed	**384.6**	**377.4**
Average capital employed	381.0	364.9
Operating profit / (loss)	66.7	(0.2)
ROACE	**17.5%**	**(0.1%)**

Key Performance Indicators and Summary of 2022 Results
Continued

The following table provides a reconciliation of the Group's net debt position:

Net debt	2022 €m	2021 €m
Cash and cash equivalents (note 18)	39.0	38.5
Non-current borrowings (note 21)	(160.4)	(115.8)
Current borrowings (note 21)	(7.3)	(7.3)
Non-current lease obligations (note 22)	(30.7)	(37.5)
Current lease obligations (note 22)	(11.7)	(20.1)
Net debt	**(171.1)**	**(142.2)**

The calculation and performance of KPIs and a summary of the key financial results for the year is set out in the table below. A detailed review of the divisional operations is set out in the Strategic Report on pages 22 to 30.

		Ferries		Container & Terminal		Inter- Segment		Group	
		2022	2021	2022	2021	2022	2021	2022	2021
	Comment	€m	€m	€m	€m	€m	€m	€m	€m
Revenue		399.9	175.5	221.5	174.0	(36.5)	(15.0)	584.9	334.5
EBITDA	1	95.7	23.2	31.5	29.1	-	-	127.2	52.3
Depreciation and amortisation		(49.3)	(40.6)	(11.2)	(11.9)	-	-	(60.5)	(52.5)
Operating profit / (loss) (EBIT)	2	46.4	(17.4)	20.3	17.2	-	-	66.7	(0.2)
Finance costs (note 7)		(3.1)	(2.0)	(1.2)	(2.0)	-	-	(4.3)	(4.0)
Finance income (note 6)		0.1	-	-	0.1	-	-	0.1	0.1
Profit / (loss) before tax		43.4	(19.4)	19.1	15.3	-	-	62.5	(4.1)
ROACE	3	14.9%	(5.9)%	29.3%	25.5%			17.5%	(0.1)%
EPS: (note 11)									
EPS Basic	4							33.6	(2.6)c
EPS Adjusted Basic	4							33.6	(2.7)c
Free cash flow	5							108.0	44.3

Comment:

Financial KPIs

1. **EBITDA:** Group EBITDA for the year increased by 143.2%, to €127.2 million (2021: €52.3 million). The increase in underlying EBITDA was primarily due to due to increased revenues and a continued focus on cost optimisation. EBITDA in the Ferries Division increased by 312.5%, to €95.7 million, while the Container and Terminal Division increased by 8.2%, to €31.5 million.
2. **EBIT:** Group EBIT for the year increased to €66.7 million (2021: €(0.2) million). The Ferries Division increase in underlying EBIT was €63.8 million, primarily due to a full year of trading without Covid-19 restrictions, while the Container and Terminal Division was €3.1 million higher, as a result of higher revenues.
3. **ROACE:** The Group achieved a return on average capital employed of 17.5% (2021: (0.1)%). The Ferries Division achieved a return on average capital employed of 14.9% (2021: (5.9)%) while the Container and Terminal Division achieved 29.3% (2021: 25.5%).
4. **EPS:** Basic EPS was 33.6 cent compared with (2.6) cent in 2021. Adjusted Basic EPS (before net interest (income) / cost on defined benefit obligations) was 33.6 cent compared with (2.7) cent in 2021.
5. **Free cash flow before strategic capital expenditure:** The Group's free cash flow before strategic capital expenditure was €108.0 million (2021: €44.3 million). The increase in free cash flow is mainly due to the increase in EBITDA. Free cash flow before strategic capital expenditure is a meaningful measure of cash generated for investment or return to shareholders.

Non-Financial KPIs

Schedule integrity: The Ferries Division delivered 96% of scheduled sailings across all services during 2022 (2021: 96%).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The Ferries Division

The Ferries Division operates multipurpose ferry services carrying both passengers and RoRo freight on strategic short sea routes between Ireland and Britain, Britain and France and direct ferry services between Ireland and France. The division also engages in chartering activities.

The ferry services trade under the Irish Ferries brand. Irish Ferries operates on four routes utilising a fleet of eight vessels, six of which are owned and two of which are chartered-in.

In addition to the modern fleet, Irish Ferries retains rights to access appropriate berthing times at key ports allowing Irish Ferries to facilitate its customers' preferred sailing times.

The division also owns eight container vessels, following the purchase of the CT Pachuca during 2022, which are time chartered at year end.

– Irish Ferries Ropax and Cruise Ferry Services
– Irish Ferries High Speed Ferry

Fleet Summary

Operated by Ferries Division

Vessel	Type	Employment
Ulysses	Cruise ferry	Dublin – Holyhead
Isle of Inishmore	Cruise ferry	Dover – Calais
Isle of Innisfree	Cruise ferry	Dover – Calais
Blue Star 1 (chartered-in)	Cruise ferry	Rosslare - Pembroke
Epsilon (chartered-in)	Ropax	Dublin – Holyhead / Cherbourg
Dublin Swift	High speed ferry	Dublin – Holyhead
W.B. Yeats	Cruise ferry	Dublin – Holyhead / Cherbourg
Isle of Inisheer	Ropax	Dover – Calais

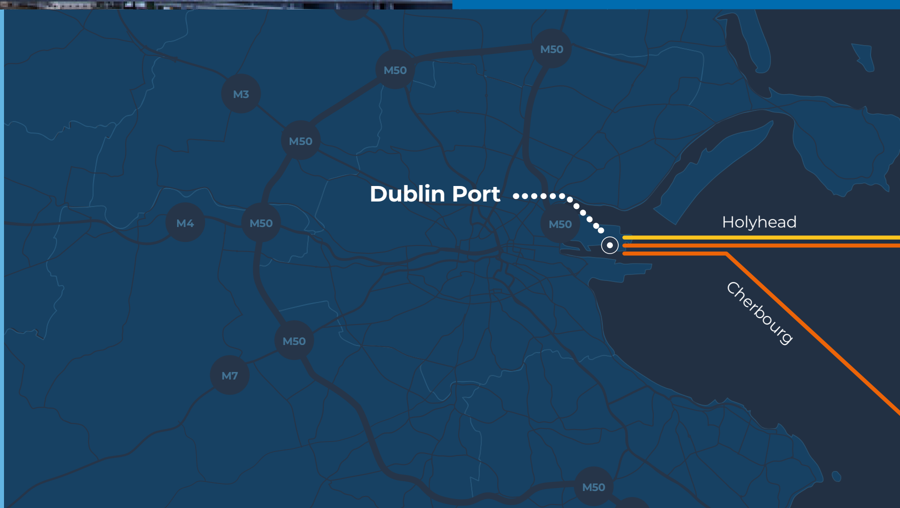
Chartered out by Ferries Division

Vessel	Type	Employment
Ranger	LoLo container vessel	Charter – 3rd Party
Elbfeeder	LoLo container vessel	Charter – Inter-Group
Elbtrader	LoLo container vessel	Charter – Inter-Group
Thetis D	LoLo container vessel	Charter – 3rd Party
CT Daniel	LoLo container vessel	Charter – 3rd Party
CT Rotterdam	LoLo container vessel	Charter – Inter-Group
Elbcarrier	LoLo container vessel	Charter – Inter-Group
CT Pachuca	LoLo container vessel	Charter – Inter-Group

Irish Ferries

Best Ferry or Fixed Link Operator
in the Group Leisure & Travel awards in the UK.

Best Ferry Company
awarded by the Irish Travel Trade News Awards and Irish Travel Agents Association.



The Ferries Division
Continued

2022 Overall Ferries Division Performance

Revenue

€399.9m +127.9%

2021: €175.5m

EBITDA

€95.7m +312.5%

2021: €23.2m

Operating profit

€46.4m

2021: €(17.4)m

ROACE

14.9% +20.8pts

2021: (5.9%)

Revenue in the division was 127.9% higher than the previous year at €399.9 million (2021: €175.5 million). Revenue in the first half of the year increased by 167.0% to €167.9 million (2021: €62.9 million), while in the second half revenue increased by 106.0%, to €232.0 million (2021: €112.6 million). EBITDA increased to €95.7 million (2021: €23.2 million) while EBIT was €46.4 million compared with €(17.4) million in 2021.

Fuel costs were €104.6 million, an increase of €61.5 million on the prior year. The division achieved a return on capital employed of 14.9% (2021: (5.9%)).

In total, Irish Ferries operated 13,642 sailings in 2022 (2021: 6,331), the increase primarily due to increased sailings on the Dover – Calais route.

Car and Passenger Markets

It is estimated that the overall car market[1], on the routes that we operate (Republic of Ireland to UK/ France and the Dover Straits), grew by approximately 147.2% in 2022 to 4,131,000 cars. While encouraging, this level of car carryings is still 23.9% behind 2019 levels.

Irish Ferries' car carryings during the year were increased over the previous year by 181.6% to 573,400 cars (2021: 203,600 cars). The increase in carryings versus 2021 levels is primarily due to the lifting of Covid-19 travel restrictions and the expansion to a three ship service on the Dover – Calais route.

The total sea passenger market (i.e. comprising car, coach and foot passengers on the Republic of Ireland to UK/France and the Dover Straits)

increased by 95.5% on 2021 to a total of 16.6 million passengers. Irish Ferries' passenger numbers carried increased by 246.7% at 2,315,000 (2021: 667,800).

The Ferries Division delivered 96% of scheduled sailings in 2022 compared with 96% in the previous year across all services.

In 2022, with a return to more normal travel patterns, Irish Ferries focused its passenger messaging on its brand platform "Sea Travel Differently" which not only highlighted the service and hospitality Irish Ferries offers, but also the benefits of sea travel versus air travel, in a year in which many airports suffered significant security delays and airline operators had high levels of cancellations. The new Dover-Calais route continued to be a key focus for marketing and promotions activity in 2022, alongside support for our legacy routes. There was increased use of digital channels for our promotional communication including paid search, digital audio-visual and digital audio including podcasts, in line with consumer media consumption evolution. In October 2022, market research indicated that (in addition to our ongoing brand strength in the Irish market), for the British market 53% of people were aware of Irish Ferries services, and 14% would consider using our Dover – Calais service in the coming year[2].

There was strong growth in the number of visits to our website, as well as in the corresponding number of bookings transacted in the year. Our social following increased across all the main platforms including Twitter, Facebook, and Instagram, with fans and followers engaging with our content and offers. AI enabled automated web chat was maximised to handle routine passenger enquiries more efficiently, and towards the end of the year was blended with live chat for optimum customer service.

Irish Ferries continued to work throughout the year with state tourism agencies in Ireland (Tourism Ireland and Fáilte Ireland) as well as in our tourism source markets for Wales (Visit Wales) and France (Normandy Tourism and Cotentin Tourism). After a two-year absence, Irish Ferries returned as a headline sponsor of the four-day programme for the St. Patrick's festival and the return of the parade to the streets of Dublin was important both in marking the kick-off of the tourism season and the return generally to routine tourism activities. We participated in a collaborative "press the green button" campaign with Tourism Ireland in the British and French markets as part of ongoing efforts to encourage tourists to return to Ireland, following the very restrictive Covid-19 conditions in 2021.

1. (Market figures source: Passenger Shipping Association and Cruise & Ferry)
2. (Inclusion in an online nationally representative omnibus survey carried out amongst all adults 16+ by a third-party market research company)

The Ferries Division
Continued

Irish Ferries is proud to be selected to receive multiple awards from travel trade professionals in our key Irish and UK markets. Our numerous consecutive wins reflect our focus on delivering excellence in customer service and our warm welcome and wonderful hospitality on-board. We constantly build on this and actively seek feedback from our customers via social media and surveys to continuously improve our service offering and facilities on-board our vessels. This commitment to outstanding service was once again recognised in 2022 with the following awards which were a welcome acknowledgement of the quality experience we offer:

- Ireland:
  - 'Best Ferry Company' awarded by the Irish Travel Trade News Awards for the 15th consecutive time.
  - 'Best Ferry Company' awarded by the Irish Travel Agents Association for the 11th consecutive time.
- United Kingdom:
  - 'Best Ferry or Fixed Link Operator' in the Group Leisure & Travel awards for the 4th consecutive year. This accolade was particularly important as we extended our Dover-Calais service to groups for the first time in 2022.

Duty Free Sales

With the introduction of duty-free sales for services to/from the UK since 2021, expanding and promoting our duty-free offering has been a key focus on three routes (Dublin-Holyhead, Rosslare-Pembroke and Dover-Calais), as we returned to promoting travel. For all on-board sales, passengers were able to shop online and reserve items for "click and collect" once on-board. Our duty-free prices were competitive at around 50% lower than high street prices, and duty-free stores and their ranges continue to be improved.

RoRo Freight

The RoRo freight market* between the Republic of Ireland to the UK and France and the Dover Straits fell slightly in 2022. The total number of trucks and trailers decreased by 1.1%, to approximately 4,389,700 units.

Irish Ferries' freight carryings, at 696,600 freight units (2021: 290,000 freight units), increased by 140.2% versus the prior year. The increased carryings over market performance was enabled through the additional capacity of the three vessel service on the Dover – Calais route.

* (Market figures source: Passenger Shipping Association and Cruise & Ferry)

Irish Ferries has also been proactive in the online environment for freight customers. In recent years high-quality mobile options have been developed, alongside the traditional desktop, whereby customers can access our freight reservations systems with ease. This has facilitated an increasing proportion of our business being booked via our website, www.irishferriesfreight.com.

Chartering

The Group continued to charter a number of vessels to third parties during 2022. Overall external charter revenues were €17.2 million in 2022 (2021: €8.1 million). Of our eight owned LoLo container vessels, five are currently on year-long charters to the Group's container shipping subsidiary Eucon on routes between Ireland and the Continent whilst three are chartered to third parties. The Oscar Wilde continues on a bareboat hire purchase agreement with MSC Mediterranean Shipping Company SA.

Outlook

We look forward to further growth on all of our routes and taking advantage of the operational expansion undetaken over the last number of years. We are confident that the trends seen in tourism markets in 2022 will continue in the current year and allow us to reach and eventually overtake pre-pandemic levels. With a full year well established three ship operation on our Dover – Calais route, we expect continued growth in our freight carryings on this route.

We are planning for a continued return of traffic from the direct continental routes to the landbridge and are hopeful this will be helped with the implementation of the Windsor Framework.

The Container and Terminal Division

The Container and Terminal division provides direct container shipping services between Ireland and continental Europe together with the operation of container terminals at both Dublin and Belfast.

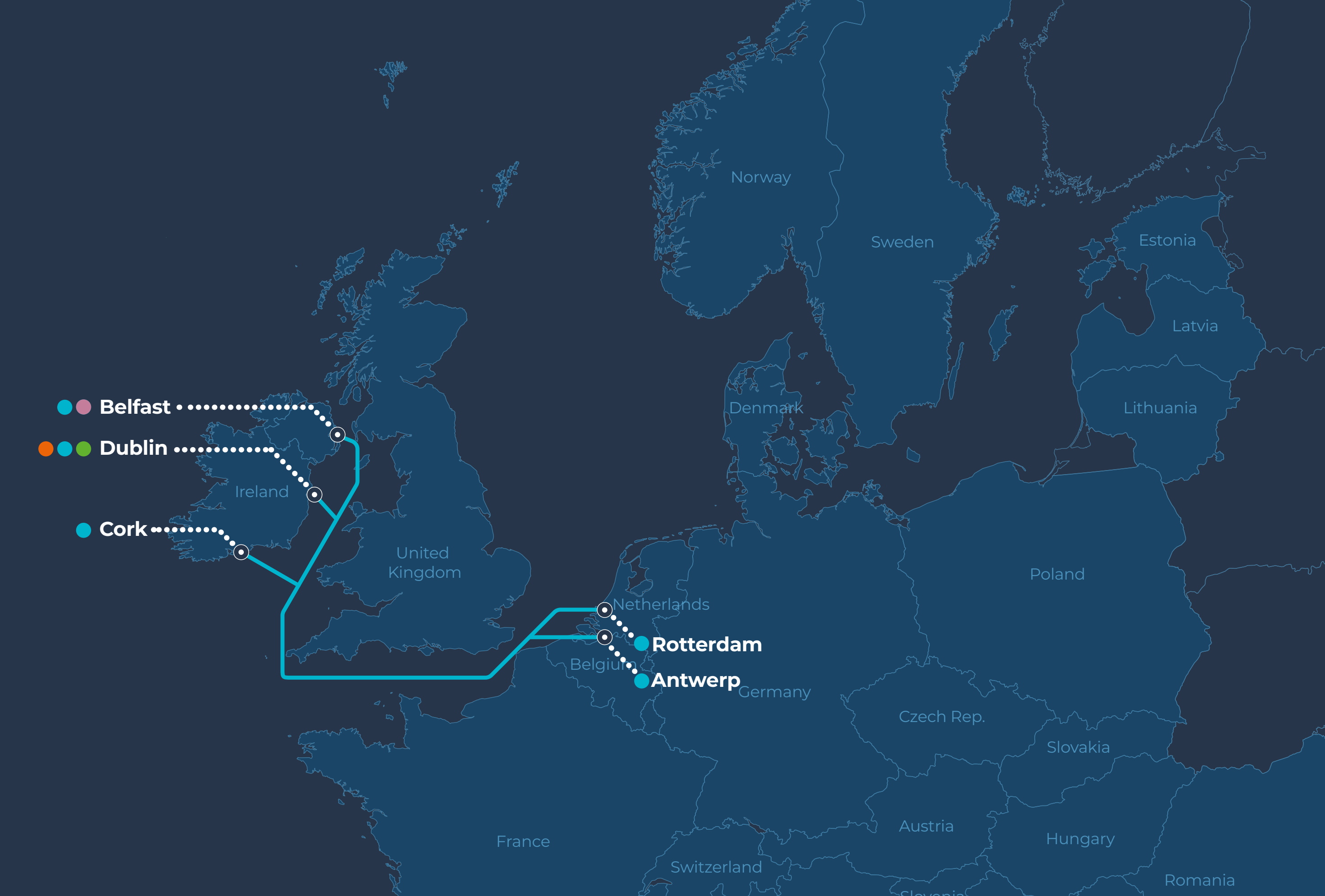
The division's intermodal shipping line Eucon is the market leader in the sector, operating a core fleet of six chartered container vessels ranging in size from 750 – 1,000 teu capacity, connecting the Irish ports of Dublin, Cork and Belfast with the continental ports of Rotterdam and Antwerp. Eucon is offering feeder services to the Deep Sea Lines and a full intermodal service where Eucon deploys 4,600 owned and leased containers (equivalent to 8,900 teu) of varying types thereby offering a full range of services from palletised, project and temperature controlled cargo to Irish and European importers and exporters from all points on the island of Ireland to destinations across 20 European countries. Door to door services are contracted to third parties utilising a variety of transport modes including road, rail and barge.

Dublin Ferryport Terminals (DFT) operates its Dublin Port container facility from a leasehold facility with remaining lease terms of between 73 and 99 years, covering over 34 acres. The facilities comprise 480 metres of berths for container ships, with a depth of nine to eleven metres and is equipped with three modern Liebherr gantry cranes (40 tonne capacity) and eleven rubber-tyred gantries (40 tonne capacity) on a strategically located site within three kilometres of Dublin city centre and within one kilometre of the Dublin Port Tunnel, providing direct access to Ireland's motorway network.

DFT now operates six electrically operated rubber-tyred gantries incorporating latest technologies to allow for remote operation. Three more of these cranes have been delivered and will be commissioned in 2023. The delivery of these cranes and the relocation of our empty depot facility in January 2022 to our new Dublin Ferryport Inland Depot located at the new Dublin Inland Port will increase the capacity of DFT to meet the needs of the market.

Belfast Container Terminal (BCT) operates the sole container terminal at Belfast under a services concession agreement with Belfast Harbour Commissioners (BHC) at a 27 acre site in Belfast Harbour. This services concession agreement currently extends to 2026. BHC are currently completing a £40 million re-investment project which includes extensive civil works and the delivery of two new Liebherr gantry cranes and eight new electrically operated RTGs incorporating the latest technologies to allow for remote operation similar to the RTGs operated at DFT. Civil works have continued on the building of two new RTG stacks and a further three RTGs are scheduled to be commissioned in the second half of 2023.

- Eucon Geographical Coverage
- Eucon Routes
- Dublin Ferryport Terminals
- Dublin Ferryport Inland Depot
- Belfast Container Terminal
- Ports Served by Container Ships: Belfast, Dublin, Cork, Antwerp, Rotterdam

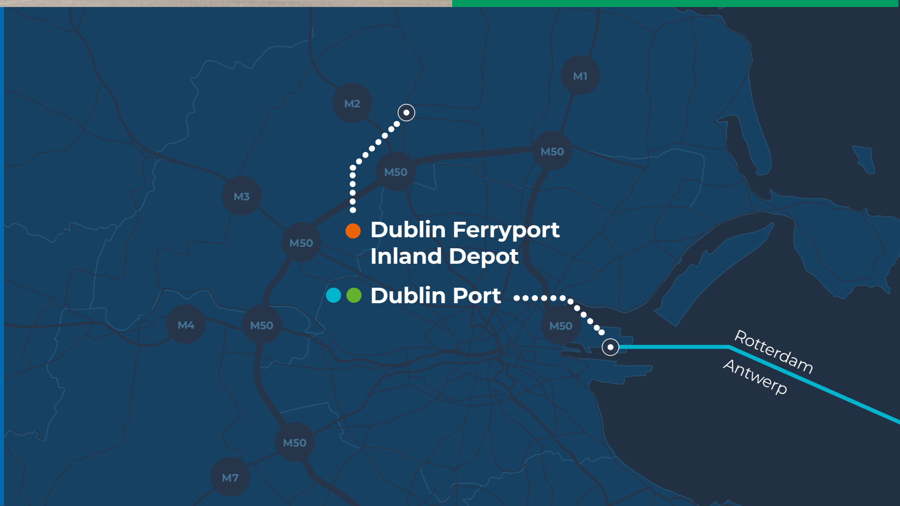


Capex project €21m (2022/23) including the delivery of five new electric environmentally friendly semi-automated RTGs

and the order of one new ship-to-shore (STS) crane to be delivered in 2023.

Dublin Ferryport Inland Depot became operational in January 2022

It is located in North Dublin City with direct access to the M50 Motorway (Dublin Ring Road) and 15 minutes from Dublin Port via the Port Tunnel.



The Container and Terminal Division
Continued

2022 Overall Container and Terminal Performance

Revenue

€221.5m +27.3%

2021: €174.0m

EBITDA

€31.5m +8.2%

2021: €29.1m

Operating profit

€20.3m +18.0%

2021: €17.2m

ROACE

29.3% +3.8pts

2021: 25.5%

Revenue in the division increased to €221.5 million (2021: €174.0 million). The revenue is derived from container handling and related ancillary revenues at our terminals and in Eucon from a mix of domestic door-to-door, quay-to-quay and feeder services with 74% (2021: 72%) of shipping revenue generated from imports into Ireland. With a flexible chartered fleet and slot charter arrangements, Eucon was able to adjust capacity and thereby continue to meet the requirements of customers in a cost effective and efficient manner.

EBITDA in the division increased by 8.2% to €31.5 million (2021: €29.1 million) while EBIT grew 18.0% to €20.3 million (2021: €17.2 million).

In Eucon, overall container volumes shipped were down 6.9% compared with the previous year at 322,600 teu (2021: 346,600 teu). Despite the reduction in volumes in Eucon and strong increases in the cost base, revenue and profitability increased due to recovery from our customers by increasing rates and the continued application of the flexible bunker and fuel surcharges.

Containers handled at the Group's terminals in Dublin Ferryport Terminals (DFT) and Belfast Container Terminal (BCT) were down 4.7% at 319,600 lifts (2021: 335,500 lifts). DFT's volumes were down 4.5%, while BCT's volumes were down 5.1%. While the reduction in volumes is disappointing, we are encouraged by the continued revenue growth in the terminals offsetting the additional costs.

Outlook

In Eucon, we have seen a reduction in containers shipped of 4.4% in the first 2 months of 2023 compared with the prior year. This is indicative of the slowdown in the global economy that is not unexpected. In our container business, we will continue with our approach of matching capacity to the demand requirements of our customers. Port lifts in our container terminals decreased by 5.6% in the first 2 months of 2023 compared with the prior year and again is indicative of the market situation.

We will commission a further three electric rubber-tyred gantries capable of remote operation during 2023 along with the delivery of a new ship-to-shore crane. These investments will continue to deliver operational efficiency, increased capacity and with these progressive investments in the modernisation of our terminals we are well placed when growth returns to the market.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Financial Review

CONTINUATION OF STRONG PERFORMANCE

Results

Revenue for the year amounted to €584.9 million (2021: €334.5 million) while operating profit amounted to of €66.7 million compared with a loss of €(0.2) million in 2021. Principal variations on the prior year relate to the recovery in passenger volumes, continued growth in our freight volumes and revenue and an increase in container charter ship rates.

Taxation

The tax charge is €2.7 million in 2022 compared with a charge of €0.8 million in 2021. The corporation tax charge of €2.7 million (2021: €0.7 million) comprises Irish and UK corporation tax. Certain activities qualify to be taxed under tonnage tax (which is an EU approved special tax regime for qualifying shipping activities) in Ireland. A reconciliation of the tax charge showing the effect of the tonnage tax regime on the Group's tax charge is shown at note 8 to the Financial Statements. The deferred tax charge was €nil in 2022 compared to a charge of €0.1 million in 2021.

David Ledwidge,
Chief Financial Officer

Earnings per share

Basic EPS was 33.6 cent compared with (2.6) cent in 2021. The primary reason for the increase in Group profitability versus the prior year.

Adjusted basic EPS (before the net interest (income) / cost on defined benefit obligations and non-trading items) was 33.6 cent compared with (2.7) cent in 2021.

Cash flow and investment

EBITDA for the year was €127.2 million (2021: €52.3 million). There was a net inflow of €1.2 million due to positive working capital movements, pension funding movements of €1.1 million, yielding cash generated from operations amounting to €132.0 million (2021: €67.0 million).

Interest paid was €4.0 million (2021: €8.4 million) while taxation paid was €1.7 million (2021: €0.8 million).

Capital expenditure outflows amounted to €75.7 million (2021: €55.2 million) which included €57.4 million of strategic capital expenditure. Strategic capital expenditure included the purchase of an eighth container vessel the CT Pachuca, the purchase of the Isle of Inisheer and rubber-tyred gantry cranes for Dublin Ferryport Terminal.

Total dividends of €24.2 million were paid during the year (2021: €nil) and €49.2 million (2021: €19.8 million) was expended in buying back the Group's equity.

The above cash flows resulted in a year-end net debt of €171.1 million (2021: €142.2 million) net debt, which comprised gross borrowings of €167.7 million (2021: €123.1 million), lease obligations of €42.4 million (2021: €57.6 million) offset by cash balances of €39.0 million (2021: €38.5 million). The key net debt / EBITDA (pre non-trading items) ratio was 1.2 times (2021: 2.6 times).

Dividend and share buybacks

Following the easing of travel restrictions and the consequent improvement in passenger revenues together with the continuation of strong performance in all other revenue streams, the Board considered it appropriate to recommence the payment of dividends. The Company paid a final dividend in respect of financial year 2021 of 9.00 cent per ordinary share on 7 July 2022 to shareholders on the register at the close of business on 10 June 2022. The Company paid an interim dividend in respect of financial year 2022 of 4.64c per share. The total amount paid was €24.2 million.

During the year, the Group bought back 12.0 million shares which were cancelled. The total consideration paid for these shares was €49.2 million (2021: €19.8 million).

Pensions

The Group has four, separately funded, company-sponsored defined benefit obligations covering employees in Ireland, the UK and the Netherlands. The Group also participates in the UK based industry-wide scheme, the Merchant Navy Officers Pension Fund (MNOPF) in which participating employers share joint and several liability. Aggregate pension assets in the four company-sponsored schemes at year end were €124.8 million (2021: €145.8 million), while combined pension liabilities were €91.6 million (2021: €140.5 million). The total net surplus of all defined benefit pension schemes at 31 December 2022 was €33.2 million in comparison to a €5.3 million surplus at 31 December 2021.

Financial risk management

The principal objective of the Group's treasury policy is the minimisation of financial risk at reasonable cost. To minimise risk the Group may use interest rate swaps and forward foreign currency contracts. The Group does not trade in financial instruments for speculative purposes.

Financial Review
Continued

Interest rate management
The interest rates on Group borrowings at 31 December 2022, comprising loan notes and finance lease obligations have been fixed at a contracted rate at the date of drawdown with the relevant lender, eliminating exposure to interest rate risk on borrowings. The average effective interest rate at 31 December 2022 was 2.40% (2021: 1.60%). Debt interest cover as defined under our banking covenants to operating cash flows for the year was 36.0 times (2021: 12.6 times).

Currency management
The Group has determined that the euro is the presenting currency in which it reports its results. The Group also has significant sterling and US dollar cash flows. The Group's principal policy is to minimise currency risk by matching foreign currency assets and liabilities and to match cash flows of like currencies as far as possible. Exposure to the US dollar relates mainly to fuel costs. The Group has in place fuel surcharge arrangements with its commercial customers which recovers a portion of movements in euro fuel costs above a base level which partially mitigates the exposure to US dollar currency movements.

Commodity price management
Bunker oil costs constitute a separate and significant operational risk, partly as a result of historically significant price fluctuations. In the Container and Terminal Division, bunker costs above a base level are offset to a large extent by the application of prearranged price adjustments with our customers. Similar arrangements are in place with freight customers in the Ferries Division. In the passenger sector, changes in bunker costs are included in the ticket price to the extent that market conditions will allow. Bunker consumption was 161,900 tonnes in 2022 (2021: 129,400 tonnes). The increase in consumption was primarily due to increased activity levels on the Ferries Division's new service on the English Channel following the introduction of a third vessel. The average cost per tonne of heavy fuel oil (HFO) fuel in 2022 was 47% higher than in 2021 while marine gas oil (MGO) was 107% higher than in 2021.

Credit risk
The Group's credit risk arising on its financial assets is principally attributable to its trade and other receivables. The concentration of credit risk in relation to trade is limited due to the exposure being spread over a large number of counterparties and customers. The Group also has a significant long term receivable relating to a bareboat hire purchase arrangement which is secured by retention of title to the vessel.

Liquidity
It is Group policy to maintain available facilities which allow the Group to conduct its business in an orderly manner. The target level is reviewed from time to time in line with the Group's future requirements over the medium term and will comprise cash deposits and committed banking facilities. Total available facilities at 31 December 2022 amounted to €67.4 million, comprising cash balances of €39.0 million together with undrawn committed facilities of €28.4 million with average maturity of 1.4 years (2021: 2.4 years). Total drawn facilities of €168.2 million had a weighted average maturity of 2.5 years (2021: 3.6 years) over remaining terms of up to 8 years (2021: 9 years).

David Ledwidge,
Chief Financial Officer
8 March 2023


BROMMA
Eucon
45
Martin Ryan & Sons

Sustainability and ESG

CREATING VALUE IN A SUSTAINABLE MANNER

€18.6m programme for the electrification of our terminals

Single use **plastic free** on our ships

Solar panels are now online in our DFT building

€1.8m investment in Ballast Water systems

Introduction

As a business, we recognise the importance of providing transparency over our efforts to create value in a sustainable manner. Operating sustainably remains one of our strategic pillars as we execute on our business model and strategy in a manner that minimises our impact on the planet while achieving sustainable growth and returns over time.

At ICG, stakeholder and environmental focus have been key elements within our longstanding mission statement. ICG activities positively impact society as a key transport provider of goods and essential supplies and as a significant contributor, under the Irish Ferries brand, to the tourism industries of Ireland, the UK and France. We have driven changes in our activities through alignment of our reporting with emerging frameworks as a means of maximising our positive impact on society. We are embedding best in practice procedures and policies to drive our focus and commitment going forward. This puts ICG on the path to achieve our shared commitments to the IMO CO_2 reduction targets of 40 percent carbon intensity by 2030 from a 2008 baseline and towards helping to achieve the UN SDGs for 2030.

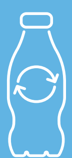
Our approach is informed by a review of best practice sustainability reporting standards and frameworks including guidelines and recommendations by the:

- Global Reporting Initiative (GRI),
- the Sustainability Accounting Standards Boards (SASB) Marine Transportation
- the UN Sustainable Development Goals (SDGs)

Our purpose is to achieve continued success in our chosen markets, delivering a safe, reliable, timely, good value and high-quality experience to our customers in a way that minimises our impact on the environment.

16% decrease in our LTIF statistics

Gender balance on our board **now 33%**



1,000 new crew garments incorporating recycled plastics equating to 42250 plastic bottles

Sustainability and ESG
Continued

In December 2022, the Science based targets initiative issued its guidance for the maritime industry. We are carefully considering the recommendations and will look to see where we can align our targets in line with the guidance issued. We continue to integrate the requirements of the Task Force on Climate-related Financial Disclosures (TCFD) within our report.

Transport of goods remains the backbone of the local Irish and European economies. Our efforts in greening the maritime industry are a vital part of moving the wider European economy to a sustainable footing in the face of the rising challenge from climate change.

2022 – A year of extremes

The recent report from the EU's Copernicus notes 2022 was a year of climate extremes, with record high temperatures and rising concentrations of greenhouse gases. The trends are stark. **Climate.copernicus.eu**

Regulators are acting, whether it is European union led, globally at the IMO level or local governments, there continues to be a deluge of additional legislation in the pipelines with progressively stricter standards for emissions and reporting requirements for our industry.

2008

2008 is our IMO set base year for shipping GHG emmission reductions targets.

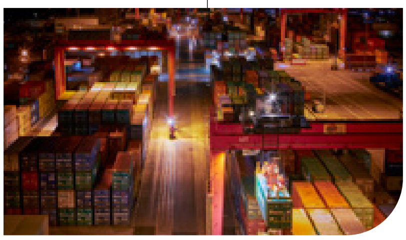
2011

Marpol legislation Annex IV - Adoption of energy efficient legislation.

2013

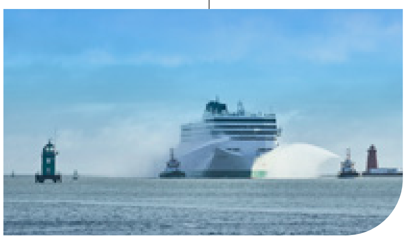
EEDI energy efficient standards for new builds.

2017



Start of our Terminal electrification programme.

2018



Delivery of the Yeats- estimated 35% more capacity than its predecessor.

2020

Innovative Green Voyage Programme.

IMO2020

Action and New Solutions

At ICG we understand this need for action. We are actively working to achieve and surpass all standards for emissions where-ever possible while maintaining an economic return on investment.

Our ambition is to have a **50 percent reduction of all GHG from shipping operations by 2050** versus 2008 in line with our IMO obligations.

We set out below our industry's challenges on decarbonisation of the of industry, primarily the reliance on marine diesel fuel to power our ships engines. Alternative fuel technologies are in the process of being deployed but these technologies are not sufficiently mature to currently replace diesel fuel engines as a power source at a commercially viable cost. When these technologies are optimised, we will deploy them across our network.

In the meantime, we are making the changes to achieve optimisation of operations. We are looking at alternative sources of fuels, e.g. bio fuels trials for our Fast Craft Dublin Swift, and we will commit when sufficient reliable volumes become available from suppliers at a cost effective price. We are working with our partner ports to ensure that the necessary infrastructure, e.g. deployment of shore power, is available to support the maritime industry road to decarbonisation.

2021

Our first integregated Sustainability report published.

Voluntary inclusion of EU Taxonomy reporting.

2023

CII - New Legislation from the IMO, on a Carbon Intensity Inidcator to promote efficiencies. Vessels to have in place an 'Enhanced' Ship Energy Efficiency Management Plan (SEEMP), with the integration of a Carbon Intensity Indicator (CII) .

EEXI (Energy Efficiency Existing Ship Index) is a measure introduced by the IMO to reduce the greenhouse gas emissions of ships. The EEXI is a measure related to the technical design of a ship.

2023/2024
Finalisation of Terminal Electrification programme.

Alternatively fueled Vessels are becoming "ready for order" to the market.

Expected uptake in the next years with maturation of the technilogies and the supporting infrastructure.

2024

Expansion of the EU Emmissons Trading Systems (ETS) to include Maritime- will be phased in from 2024.

2026

CSRD regulations - We will formally report under the CSRD regulations.

2030

Achieve - 2030 GHG Targets

40% reduction carbon intensity reduction from our 2008 baseline.

FuelEU - From 1 January 2030 Passenger ships and Container ships at berth in a Member State shall connect to onshore power supply and use it for all energy needs while at berth. Alternatively, make use of zero-emission technology.

UN SDG

SUSTAINABLE DEVELOPMENT GOALS

2050

2050 IMO Targets - 50% reduction from our 2008 baseline

Sustainability and ESG
Continued

Sustainable Development Goals

Aligning operations with our contribution

ICG support the Sustainable Development Goals by minimising our effect on the environment. This contributes to our customers efforts, to transport and deliver their products in a manner that is Sustainable into the future.

The UN SDG's and their respective targets form the backbone of the 2030 agenda for Sustainable development. The SDG's define global priorities that will put the world on a more sustainable path, free of poverty, environmental degradation and inequalities.

As highlighted within the pages of this report, the activities we believe best support the Group's core SDGs are:

Employee engagement practices

Striving for greater diversity and inclusion, including through policies and initiatives

Implementing effective waste management systems throughout our vessels

Being a leader in health and safety, utilising a data driven approach

Flexible working policies as well as a range of employment benefits

Adoption of clean and environmentally sound technologies and processes

Expanding reporting and engagement with external stakeholders

Upgrade of infrastructure and retrofit projects with increased resource-use efficiency

Enhancing pollution prevention systems

Novel and market leading circular economy programmes preventing plastics from reaching the oceans

Engagement with our stakeholders

We regularly engage with our significant stakeholders, to understand their key pressing issues and material topics. We incorporate these topics into the planning and execution of our day-to-day business and output of the reporting of these issues. Our constant engagement process provides a self-feeding loop of improvement and helps us to adapt to emerging trends in real time.

A summary of our engagement and key topics covered:

	How we engage?	Material items	Linkage to SDG'S
Employees	· One-to-one meetings · Team meetings · Performance review process · Training and development programmes · Succession planning	· Employee health, safety and wellbeing · Diversity, Inclusion and Belonging · Rewards and recognition · Career development and opportunities · Business performance · Strategic developments	3 GOOD HEALTH AND WELL-BEING 5 GENDER EQUALITY 8 DECENT WORK AND ECONOMIC GROWTH 13 CLIMATE ACTION
Governments	· Engagement with government and state authorities · Industry associations · Audits	· Policy updates/changes · Economic growth · Supply chain sustainability · Environment and climate · Ongoing global challenges · Compliance and engagement	8 DECENT WORK AND ECONOMIC GROWTH 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
Shareholders	· AGM · Investor meetings · Update with our analysts · Publications	· Results/ Performance and forecasts. · Our strategy · Sustainability strategy · Managing risks (including climate change)	8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
Customers	· Ongoing engagement through commercial teams · Customer and industry conferences and events · Customer surveys · Health and safety · ESG platforms · Company website · Social media	· Co-creation and innovation · Consumer trends and behaviour · Climate change and carbon footprint · Product environmental and social impact · Responsible sourcing including human rights and traceability	8 DECENT WORK AND ECONOMIC GROWTH 11 SUSTAINABLE CITIES AND COMMUNITIES 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION
Suppliers	· Commercial engagement · Trade organisations · Industry conferences · ESG supplier engagement platforms	· Contingency supply arrangements · Reliability · Health and safety · Responsible sourcing	8 DECENT WORK AND ECONOMIC GROWTH 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
Community	· Ongoing dialogue with community organisations · Charity events · Volunteer groups	· Impact of COVID-19 · Local economic development · Diversity, Inclusion and Belonging · Human Rights · Climate change and environmental matters	5 GENDER EQUALITY 11 SUSTAINABLE CITIES AND COMMUNITIES 13 CLIMATE ACTION

Sustainability and ESG
Continued

Environment

The Voyage Ahead
As an organisation, we recognise our responsibility to reduce our emissions in line with stakeholder interests and relevant targets set for the industry. ICG operates in a heavily regulated industry and one that has been conscious of its environmental footprint for a long time.

We focus on achieving these objectives in a two-fold manner, operationally doing what we can be immediately achieved in the short term and technically that which requires the development and deployment of new technologies to achieve the required reductions in GHG targets.

Decarbonising our Vessel Operations
The International Maritime Organization (IMO), a specialised agency of the United Nations responsible for regulating global shipping, and the European Union (EU) have each set decarbonisation goals for the maritime industry. Current IMO targets aim to reduce the industry's total CO_2 emissions per transport work by 40 percent by the year 2030 and overall GHG emissions by at least 50 percent by 2050 compared to 2008 levels. The EU has targeted an industry reduction in GHG intensity of 6 percent by 2030, accelerating in five-year stages to 75 percent by 2050, compared to 2020 levels. While regulatory developments at the IMO and EU are ongoing, we are aligning our decarbonisation strategy with the IMO goals and will adjust accordingly to achieve, at a minimum, all required targets. As the maritime industry has unique challenges arising from the current lack of proven, accessible alternative fuels, particularly for large vessels, our current decarbonisation strategy for our vessels is focused on achieving the above targets through a range of short-term operational measures and longer-term technical measures.

Decarbonising Maritime transport-the Challenges.

The primary power source of marine transportation is the burning of marine diesel in ship engines. The industry's reliance on heavy fuel oil ("bunker fuel") is of material concern given its impact on the environment and the volume of GHGs that it emits. It continues to be the only commercially viable source of fuel for the vast bulk of maritime transport for a number of reasons:

- Cost
- Technological feasibility
- Safety concerns & Safety regulations of alternative fuel sources
- Energy to volume density
- Sustainability of supply, (given the volumes of fuel required)
- Supporting Infrastructure

These are challenging obstacles for the industry as a whole to overcome. Andrew Sheen, Managing Director of the Ferries Division gives us insight into our strategy and the work we are doing to further overcome these challenges.

On Decarbonising our ships.

Andrew Sheen, Managing Director, Ferries Division

There are several alternative technologies/ strategies that are currently being trialled by the shipping industry. These technologies are yet to mature and become commercially viable for mass use. As an agile organisation, when the benefits outweigh the risks, we will execute on these new opportunities to refresh our fleet capacity with the latest environmentally friendly ships. In the meantime, we will:

- continue to support R&D into specific activities where we see promise like sustainable fuel trials and innovative energy systems controls;
- focus on operational measures to maximise our efficiencies and minimise our environmental impact while complying with the evermore stringent maritime regulations.

For shipping, the big leap in carbon emissions reduction will come from the maturing technology advances in low carbon fuels but these are still likely a decade away to be commercially viable for mass take up.

DNV (Maritime Classification Society) in their Maritime forecast – 2050 have estimated that it will be several years before alternative technologies are commercially available for mass market. It will then take a period of time for the existing fleet to accept and take up these new technologies.

ICG will continue to monitor the latest shipping manufacturing developments and adopt into our fleet renewal and upgrade program when these technologies move to the sphere of being economically feasible.

Operational Measures

- Operation of green voyage programme to optimise voyage factors such as; port operations, navigational routing and speed management.
- Environmental performance monitoring and advanced data analytics using fleet management software S-Insight.
- Proactive monitoring of real-time vessel performance through a live feed from the vessels' engine power management system, facilitating vessel responsiveness during different operation modes, including Eco-mode. Installation has progressed onboard the W.B. Yeats which, if successful, shall be expanded across the fleet.
- Regular drydocking of vessels to reduce hull fouling and ensure high maintenance of machinery.
- Use of experienced crews and port operations teams to increase efficiency.
- Continuous improvement of vessel performance in line with relevant Ship Energy Efficiency Management Plans (SEEMPs).

Sustainability and ESG
Continued

- Ongoing research and trialling of accessible alternative fuels, including sustainable biofuels reduce emissions. Our recent trials onboard the Dublin Swift have been successful, we are exploring options to source reliable volumes of the biofuels at commercially viable costs.

Technical Measures

- Long-term replacement of existing fleet with efficient ships incorporating latest technologies, in line with vessel life cycles. Our most recent newbuild, the W.B. Yeats vessel, delivered in 2018, is approximately 35 percent more efficient than its predecessor, the Oscar Wilde.
- Increased utilisation of onshore power within the EU enabled by FuelEU Maritime proposals. We have up graded the infrastructure of the Dublin Swift to connect to on shore electric power during winter layup.
- Compliance with ongoing design efficiency requirements under IMO energy efficiency design index for new (EEDI) and existing (EEXI) ships. All our ships are EEXI compliant for 2022 and 2023.
- Investment in exhaust gas cleaning systems on board certain vessels that minimise sulphur emissions to below levels mandated by existing regulation and significantly reducing particulate matter.
- Investment in upgraded, more efficient turbochargers on board Ulysses. This has resulted in a significantly improved fuel efficiency, lowering of exhaust temperatures, reducing overall wear and tear whilst also improving reliability to customers and achieving a greater volume of green voyages status.
- Use of innovative, non-toxic, anti-fouling hull paints to reduce resistance when moving through water.
- Use of energy efficient propeller blades to decrease resistance and improve fuel efficiency.

We continually research and assess the feasibility of retrofit projects to improve the emissions performance of our fleet, ensuring innovative technologies that are safe and proven effective can be introduced where appropriate. This includes;

- Ongoing investment and assessment of suitable technologies to improve existing fleet including; air lubrication systems, we have recently extended our ongoing collaboration with a technology provider to test the suitability of this technology for our fleet.
- Collaboration with suitable marine technology companies participating in clean energy projects and innovations.
- Ongoing assessment of adjustments to vessel structure to improve efficiency, such as assessing modifications to a vessel's hull shape.

A core element of our decarbonisation strategy is to gather consistent data that aligns with regulatory requirements. This includes ongoing emissions data verification under both the EU Monitoring, Reporting and Verification (MRV) Regulation for which Group vessels have complied with since 2018, and the IMO Fuel Oil Data Collection System (DCS) reporting which came into effect in 2019.

Strategy In Action: Green voyage program

Rob Mathieson, Irish Ferries' Operations Manager sets out the background of the Green Voyage initiative.

Background

As background, the green voyage program is set up to identify and encourage the most efficient running of our sailings. It is a simple mechanism that scores each sailing on several key criteria including timeliness, efficiency, minimised engine use etc. The goal is to provide a set of key criteria that can be benchmarked across time and specific conditions. These criteria are then reported and analysed with a feedback loop on the best in practice being fed back to our crews.

Operationally

This program is providing an extremely useful set of data points to ensure consistent improvement in our operations over time. The benefits being improved efficiencies and resource use and customer satisfaction through on-time scheduling. It is through our investment into our data analytics like individual engine output that allows us to get the data required to achieve this level of granularity into our performance on a sailing-by-sailing basis.

Impact

This program is making a real impact on the efficiency of our operations, in a manner that is simple to operate but is based on detailed analytics from our ships.

Heavy Asset Recycling

Cranes
In our terminal operations, when our cranes are at the end of their life cycle they are decommissioned by specialist contractors who recycle over 98% of materials from cranes.

Ship disposal
All our ships are EU registered which ensures that at the end of life they will be scrapped in an environmentally sustainable way in an accredited shipyard. No ships were scrapped during the year.

Decarbonising our Terminal Operations

In our Terminal operations, we continue to progress on our targets to achieve our Net Zero goal for our terminal operations by 2030. We have continued our investment programme on our electric crane gantries at our DFT terminal. Our capital investments in previous years are beginning to show reductions in GHG emissions and will show further reductions as we align our operations to fully take advantage of the investment in electrification in 2023.

Decarbonisation Investment programme
An overview of key projects contributing to the decarbonisation of our terminal operations is set out below.

- Solar Panels on DFT office buildings: commissioned in late September 2022, we have yet to see the full year benefit of this investment. We expect that in Summer 2023 our daily electric generation for our DFT building will exceed the buildings requirement and the excess electricity produced will be exported back to the grid.
- Electric RTGs: starting in 2017, we have been electrifying our RTGs. Our current investment program will finalise in 2023 with the final commissioning of three further RTGs. In total we will have invested €26.5m as part of this investment, achieving electrification of 80% of our cranes with €6.8m to be spent in 2023 which has been included in our capital commitments note 27.
- Each new electric RTG reduces our diesel fuel consumption on average by approx. 80,000 litres each year. These new cranes are powered by green electricity.
- DFT Terminal Electric network: alongside our investment in electric cranes, we have been investing in the supporting infrastructure, with a €1.1m number invested over the last number of years.
- Our Terminal in BCT uses eight completely electric RTGs following investment by Belfast port over the last number of years.
- LED lighting is installed within our terminal buildings and flood and mast lighting systems around the terminals. Since mid-2020, the electricity supply for our DFT terminal and Dublin offices is certified green, while our Belfast Terminal has been powered by 100 percent green electricity for the last several years.
- Company cars are being replaced with electric and hybrid models in line with replacement cycles. Six new electric and hybrid cars were ordered in 2022 to replace petrol and diesel cars used by sales and operations staff.
- Investment in our yard Tugs and Tractors – over the last number of years we have continued to invest in upgrades to our yard Tug fleet. While diesel powered, they are some of the most efficient in class. These new engines will reduce NOx and Particulate matter by up to 93% from earlier engine types.

Sustainability and ESG
Continued

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Responsible Resource consumption

We are acutely aware that our environmental impact is much wider than just emissions, and we continue to focus on minimising waste and resource use, preventing pollution and protecting biodiversity. Due to the nature of our operations, the protection of marine life is of utmost importance. Every effort is made to prevent spills and releases overboard. Accidental releases can occur due to leaks, storms or human error. ICG has zero-tolerance for illegal dumping of waste at sea and uses high-quality port reception facilities and ISO certified waste management partners to responsibly discharge and treat various types of waste from our vessels and land-based activities. All vessels use oil recovery systems to recover spent oils which are then sent for recycling. We undertake periodic inspection of our partners' waste management facilities to gain comfort over their waste treatment and reporting processes. We also use a specialised TBT free Marpol compliant non-toxic paints which avoid the release of harmful agents to the sea.

All our vessels carry an Inventory of Hazardous Materials (IHM) certificate on board to demonstrate the control of hazardous materials on ships in compliance with both the EU Ship Recycling Regulation (SRR) and the Hong Kong Convention (HKC) for the Safe and Environmentally Sound Recycling of Ships. All vessels underwent a thorough survey and inspection during the year to ensure IHM certification was in place as required.

At our Dublin offices, our waste management partner employs a combination of Solid Recovered Fuel (SRF) processing and Refuse Derived Fuel (RDF) processing to recover and recycle metals and transfer processed waste for alternative fuel and electricity production, thereby contributing to the circular economy and avoiding landfill.

Food and garbage waste generated on vessels at sea that is bought ashore is incinerated ashore for biosecurity purposes.

We have joined the UK Chamber of Shipping pledge to continuously minimise the generation of shipborne garbage and to the collective goal of zero pollution from ships to sea from plastics. To this effect, we have removed all single use plastics from our ships.

Each crew and office department have designated waste management champions. Their responsibilities are to ensure vessels and office areas are compliant with agreed procedures, to perform checks at waste segregation areas and to improve awareness of consumption methods within their respective areas.

14 LIFE BELOW WATER

Water

We aim to conserve water and improve water efficiency as much as possible.

The use of ballast water is important for the safety and stability of our vessels. Ballast water management involves the intake and discharge of ballast water at different locations due to changes to cargo and voyage conditions. We have invested and committed significantly to Ballast Water Treatment Systems (BWTS) across our fleet. The bulk of our fleet have now been fitted with BWTS with a further three to be fitted in 2023. The Dublin Swift does not use ballast water and therefore does not carry this risk.

We on-board water for potable use from certified sources and retain these supplies on-board in certified sanitary conditions. Water stocks are regularly tested in line with on-board policies to ensure it remains of a high quality. Recognising that potable water is a scarce resource we have integrated water conservation measures including devices such as flow controllers. Where permitted, we use seawater for non-potable use, which is treated prior to discharge back to sea.

In previous years, an innovative container wash water recycling system was installed at our new Dublin Inland Port facility (our most intensive water use location within the terminals business), providing up to 90 percent savings in freshwater consumption. The system uses biological and separation technology to return used and dirty wash water back to clean and suitable re-use water.

Circular economy

The circular economy, while not new, is swiftly becoming a feature of European and Irish regulations. The Irish government has published its first every strategy on the circular economy in early 2022.

The European circular economy presents opportunities for ICG, where we will be able to reposition ourselves in the value chain transporting recyclable materials to significant recycling facilities across Europe for their repurposing and reuse.

Already, we transport significant volumes of approx. 7,000 teu of recyclable materials to cutting edge recycling facilities on the continent from Ireland for repurposing and reuse. We will continue to seek our opportunities and develop our role in the circular economy.

Waste

Increases in waste and consumption volumes in 2022 reflect the expansions made to our routes and operating fleet, as well as increased passenger travel following the removal of Covid 19 travel restriction in early 2022. We continue to have a focus on minimising waste, recycling materials wherever possible. We do this by constantly working with our ship managers and waste management partners across all our office locations and ports served to constantly implement best practice.

Bamboo flooring is present on new and refurbished Eucon containers. On 31 December 2022, 1,240, or approximately 25 percent of the Group's container fleet include bamboo flooring. Bamboo self-regenerates from its roots and is considered more sustainable than hardwood trees for its ability to regenerate quickly.

We are promoting responsible consumption through our selection of crew uniforms, which now contain 95 percent recycled polyester recovered from plastic bottles. In 2022, ICG purchased approx. 1,000 garments, equating to 42,000 plastic bottles being recycled and prevented from reaching the oceans or landfill sites. We continually incorporate sustainability considerations into our procurement process. We minimise the number of deliveries to our vessels through containerised provisioning.

Noise

We are acutely conscious of our impact on the environment, including the noisescape of the ports that we visit as part of our transport network. To minimise our impact on our local communities, we ensure that latest alarm technologies are fitted to our operational vehicles, to ensure the safety of our staff while minimising disturbance of the wider community. As part of our ongoing activities, we periodically monitor our noise emissions to ensure they are in line with local environmental guidelines. There have been no noise complaints registered over the last 3 years concerning our activities.

Supply Chain

We seek to build lasting relationships with our key suppliers and contractors. Of utmost importance is that our suppliers are aligned with our own ethical principles. The ICG Supplier Code of Conduct sets out our expectations to suppliers regarding the environment, ethics, human rights and health and safety. Full details of this code can be found on our website. In 2022, we have engaged with our most significant suppliers in order to confirm that their values aligned with ICG. Operationally we are in constant communication with our principal contractors including our port operators and ship managers as we both work closely together to develop and execute on our business activities. This constant interaction allows us both to be flexible and adapt to evolving situations.

People

Our people are high achieving, and customer centric focused. At ICG we enjoy a working environment built on trust and collaboration, where we encourage our people to collaborate up, down and across the organisation and to challenge positively the norm to deliver top class results.

Our people are passionate about their work. Their strong commitment to delivering high standards is one of our strategic pillars that enables us to execute on our strategy successfully.

Our culture

We offer our people a holistic culture which incorporates safety, health, wellbeing, development reward and recognition.

Development

Through our Recruitment and Selection practices we hire for potential and ensure that our people reach their potential through challenging and meaningful work.

Sustainability and ESG
Continued

As a "Learning Organisation", we actively support the growth mindset of our people through our Learning & Development Policy and also our Talent Review Process. We have fostered a culture of engagement which nurtures and supports our people to continually develop and upskill.

Central to our success is leadership and we have a bespoke Leadership Programmes for those who we identify, through succession planning, to participate in these programmes as they progress within the business.

Health & Wellbeing
The health and wellbeing of our people is paramount to us and is supported by flexible work practices and family friendly policies. Events throughout the year focus not only on the physical health of our people but also their mental health, which is equally as important.

Reward and Recognition
Our people receive a competitive salary with a variety of incentives to ensure they are rewarded for their dedication and high achievements within the business.

Reward and recognition is not only linked to our Talent Review Process but is actively acknowledged throughout the year.

Psychological Safety
We ensure that our people have a safe environment to work in and encourage a "speak up" culture, not only to positively challenge the norm but to speak up without fear of retribution. Central to all our business practices is dignity and respect. Our policies on Bullying & Harassment, Equality, Diversity & Inclusion, Dignity & Respect and Whistleblowing ensure that employees have a voice and a process to speak up against inappropriate behaviour or processes.

We believe a diverse workforce is a key driver in supporting our competitive edge within the industry and we are fully committed to diversity, equality and inclusion across the business.

While our gender ratio is imbalanced in comparison to wider society, it is characteristic of the maritime industry, which has been historically androcentric. According to the International Chamber of Shipping's Seafarer Workforce Report 2021, the proportion of female seafarers is estimated to be 1.28 percent of the global seafarer workforce. We are committed to improving the representation of women at ICG through developments to our policies and recruitment process. In the current year, with the refreshing of our Board, and in line with our commitment to improve our gender balance, we are delighted to have improved our board level female gender balance to 33% of the Board.

Safety First
Safety remains one of our top priorities.

Physical risks to safety
We operate in a business where there are significant risks that require mitigation, whether it is managing containers, loading/ unloading ships or moving freight vehicles. Our management team are focused on ensuring all our staff and customers go home safely. The Group has focused on creating a strong safety culture and its performance for the year is a testament to our staff, crews and key third-party contractors who uphold the highest standards of safety in delivering a quality service for our customers. We do this by:

- keeping our safety statements updated yearly, to ensure they cover all our policies and procedures.
- trainings for all staff in high-risk areas.
- specialised training deployed based on the risk levels.
- Drills and exercises to test systems practices and resilience of our systems.

In 2022, we are part of the founding members of Dublin Safe port, a Dublin port wide safety initiative which is designed to continually enhance safety culture and practice for all workers in Dublin Port. This initiative will include safety awareness campaigns, trainings and which will take place port-wide with the objective enhancing port safety culture and practice for the long-term.

Dublin SafePort

On our ships, we actively follow all aspects of the International Safety Management System (ISM) code which is the best practice in international shipping.

One of the benefits of our RTG electrification program, is that our upgraded cranes are now driven remotely from a safe and comfortable office based control centre. This is inherently safer, as staff are not required to be in the yard. In addition, it opens the role to staff who may not have been considered previously due to physical disabilities and the requirement to climb the crane to reach the cabin. Our workforce has become more inclusive as a result.

In 2022, we upgraded our digital booking system for our hauliers. Our app-based system allows for virtual orders and collections and importantly "Just in Time arrivals" of our hauliers to our terminals. It has reduced congestion and idling times in the port area considerably as all arrivals are prebooked into the system improving efficiency and safety for all parties.

LTIF statistics

Our LTIF statistics are set out on page 58 and we are delighted to report that our LTIF (Lost Time Injury Frequency) which measures the number of recordable workplace incidents resulting in lost days over a year per million hours worked saw a 16 percent decrease in LTIF, despite a 50 percent increase in the Group's total exposure hours. These results are within our previously set targets for 2022 of LTIF on land <5 and LTIF at sea <3.5. Notwithstanding this statistic, we remain acutely aware that our workspaces are inherently high risk and continually ensure that safety awareness is always to the forefront of how we operate.

All reported safety incidents are investigated internally to ensure all necessary steps are taken to improve and to prevent reoccurrences. Where required, we also report incidences to external authorities and co-operate fully with any inquiries.

Health

We comply with all health regulations issued by regulatory authorities to ensure minimum risk of illness to our customers, employees and contractors. We have implemented Hazard Analysis & Critical Control Point (HACCP) systems on board our vessels in all food handling areas and are subject to regular third-party inspections.

Diversity & Inclusion

We are committed to creating a positive working environment whereby all employees are respected, valued and can reach their full potential. We believe that a diverse workforce brings a range of skills and experience which will help to make us more creative and competitive. As well as treating people with dignity and respect, ICG strives to create a supportive environment in which all employees can flourish and reach their full potential.

In order to attract, recruit, develop and retain the very best people, we have created an approach based on three key principles:

1. **Equality** - we promote equality of opportunity by seeking to remove barriers, eliminating bias, and ensuring equal opportunities and access for all.
2. **Diversity** - we accept each person as an individual. Our success is built on our ability to embrace diversity – and we believe that everyone should feel valued for their contributions. By working together, we will deliver the best possible service for our staff and stakeholders.
3. **Inclusion** - we create a working culture where differences are not merely accepted but valued; where everyone can develop in a way that is consistent with, and adheres to, ICG's values of impartiality, honesty, integrity, and objectivity.

Our aim is to be an organisation where people feel involved, respected, and connected to our success. At ICG, we strive to be a fully inclusive employer. This includes supporting our workforce by providing the flexibility for a positive work life balance, while continuing to ensure our needs as a business are met. To this effect, we facilitate hybrid working arrangements for our staff.

Whistleblowing

ICG is committed to having the highest standards of integrity and transparency. As part of this commitment, we have developed a Protected Disclosure Policy to encourage employees, board members, shareholder and job applicants or any person who has worked for ICG to make a disclosure where they may have a genuine concern and to provide protection for the person making the disclosure.

We seek to always conduct our business honestly and with integrity. It is our policy as an employer to ensure that at every level of management our business complies with all legal requirements that govern our activities. However, we acknowledge that all businesses face the risk of their activities going wrong from time to time, or of unknowingly harbouring malpractice. We believe we have a duty to take appropriate measures to identify such situations and to attempt to remedy them. By encouraging a culture of openness and accountability, we believe we can help prevent such situations occurring. The full details of our Protected Disclosure policy can be found on our website. No disclosures under this policy were received by the Group during 2022.

Anti-bribery

ICG values its reputation and is committed to maintaining the highest level of ethical standards in the conduct of its business affairs. The actions and conduct of our staff as well as others acting on our behalf are key to maintaining these standards.

We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly and with integrity in all our business dealings and relationships wherever we operate and implement and enforce effective systems to counter bribery. As such, we have developed an Anti-Bribery Policy which applies to all employees, partners/directors, agents, consultants, and contractors. The policy can be read in full on our website. All forms of bribery or business courtesies that may create the appearance of a bribe are strictly forbidden. Limits and pre-approval requirements are imposed on the quantum and frequency of business courtesies received by staff.

In 2022, there were no investigations from external parties into allegations of bribery or corruption.

Human Rights

We are committed to the highest standards of business and ethical behaviour and to the respect of internationally recognised human rights as established in the Universal Declaration on Human Rights and the International Labour Organisation's Core Conventions. Our Human Rights Policy and Modern Slavery and Human Trafficking Policy which applies to all ICG employees, contractors, agents and business partners, can be accessed

Sustainability and ESG
Continued

through our website. We have a zero-tolerance policy to modern slavery, human trafficking or the use of child labour in our supply chain.

We take an open and transparent approach, taking steps to identify and tackle any instances of modern slavery or human trafficking in our supply chain which we outline in our Supplier Code of Conduct. ICG and its ship management service providers undertake regular training, including training provided by the United Nations Migration Agency in relation to human trafficking and labour exploitation. The Group requires a due diligence process to be conducted prior to the appointment of a contractor together with in-contract reviews. Within its day-to-day operations, the Group has in place a range of measures to help ensure modern slavery and human trafficking are not taking place in its business or its supply chains.

Measures adopted include:

- Provision of guidance to employees to support immigration and border agency initiatives to reduce human trafficking, which augments general observation for unusual behaviour in our ports and on board our vessels including signs of distress or other cues that may highlight any potential issue. Awareness of this issue is promulgated across all Group businesses.
- Working with other companies and organisations to share knowledge, learning and best practice and co-operating with a series of law-enforcement projects that help to combat human trafficking and modern slavery.
- Regular updates to management and committees on modern slavery so that Directors and key individuals understand their role and accountability for the prevention of modern slavery occurring in our businesses and supply chains.
- Actively monitoring our initiatives in preventing modern slavery and human trafficking by reference to reports and alerts from staff, the public and communication with law enforcement agencies.

11 SUSTAINABLE CITIES AND COMMUNITIES

Society

Corporate Social Responsibility

ICG remains committed to contributing to causes that can make a difference. ICG is proud to be a member of the local communities in which we operate. Over the past year, we have continued to support our charitable partners through our CSR programme.

ICG are longstanding supporters of the Dublin Wicklow Mountain Rescue Team (DWMRT). The team share our commitment to the safety of our communities. Irish Ferries assist the DWMRT with transport services for rescue dogs, volunteers, and equipment to carry out critical search and training operations in Ireland.

We would also like to thank our customers for making their own contributions to important causes. Onboard our Irish Ferries vessels we have collections to support the Royal National Lifeboat Association (RNLI) who are the largest charity saving lives across the seas of the United Kingdom, the Republic of Ireland, the Channel Islands and the Isle of Man. Our customers also contributed to the Irish Heart Foundation by choosing healthy meal options onboard. A percentage of proceeds from healthy meals marked with a heart on our menu is donated to the Irish Heart Foundation.

Over the past year, we have continued to support the Irish Whale and Dolphin Association in their monitoring work. We facilitate the Irish Whale and Dolphin Association to come on board to conduct viewing exercises to monitor the behaviour and populations of whale and dolphin species around our coastline.

ICG are a proud supporter of the St. Patrick's festival in Ireland and provide transport for some of the participating bands and acts who travel from the UK for the event. We were delighted to have the festival back after two years of cancellations due to Covid restrictions, it remains a great event for the family and one of the highlights of our visitors trips to Ireland.

Sunflower Lanyard

Irish Ferries has adopted the hidden disability Sunflower Lanyard scheme

Better together: Our own Nora Costello (Consumer Marketing and Sales Director) and a task force from Dublin, Wicklow Mountain Rescue Team, including Kai, Boomer and Maggie, the teams search and rescue dogs.

across its entire fleet, being the first Irish travel operator to do so. Available to all passengers with hidden disabilities, and an addition to the full range of services already available to passengers with restricted mobility, the discreet Sunflower Lanyard enables crew who are specially trained, to readily identify those on-board who may require some extra help, time, or assistance. We continue to look for ways to ensure all customers can enjoy our services.

Supporting Tourism and Local Economies

Irish Ferries continued to work throughout the year with state tourism agencies in Ireland (Tourism Ireland and Fáilte Ireland) as well as in our tourism source markets for Wales (Visit Wales) and France (Normandy Tourism and Cotentin Tourism).

This year we participated in Tourism Ireland's 'Press the Green Button' campaign to encourage tourists back to Ireland after the downturn caused by the Covid-19 pandemic. The campaign aims to drive bookings for holidays in Ireland and to position the tourism industry well for years ahead.

We love to showcase the best our local artisan producers have to offer and delight our customers in turn with exquisite tastes in our onboard restaurants whether it is our local seafood supplier from Howth, Irish beef and dairy or our breakfast meats that are sourced in counties Kilkenny and Cork. All are foods are Origin Green certified, meaning the farms and producers we source from are independently monitored and verified under Ireland's pioneering food and drink sustainability program. We support our local producers where-ever possible.

We are a strong promotor of Irish beverages, not only the larger brands but also smaller producers of craft beers and spirits. Our coffees are provided by a Dublin-based roaster using the world's first purpose-built carbon neutral roastery in Dublin. All coffees and teas served on board are fair trade certified. We use local suppliers to service our new Dover-Calais route, including our UK-based coffee supplier that engages in various social projects to support farmers in Guatemala, Tanzania and Peru. We source our on-board wines from a distributor in Cherbourg that provides a vast selection of wines from large and small French wineries. We promote local French wines through special wine tasting events in conjunction with our partner in Cherbourg. Customers have the opportunity to meet with local wine producers and learn more about different wine regions and varietals. We also offer a wide variety of plant-based food and drink options in all our cafés and restaurants.

Task Force on Climate-Related Financial Disclosures (TCFD)

We set out our disclosures that are aligned to the Task Force on Climate-Related Financial Disclosures framework.

Details of how ICG is making progress in implementing the recommendations of the TCFD are set out below. In addition to the four key areas of governance, strategy, risk management and metrics and targets, a complete Appendix cross referencing disclosure against the 11 recommendations is included on page 54 of the Annual Report.

Governance

Everything we do at ICG is underpinned by strong governance. Climate-related risks and opportunities are managed and being integrated as a core component of strategy and performance from the highest level of the business. As a leading maritime transport group, in what is an increasingly regulated industry, we recognise how important it is for us to play a leading role in driving more sustainable shipping. Our purpose and strategy are fully aligned to this goal. Oversight of climate-related issues is provided by the Board as a whole, with support from the Audit Committee, in particular in relation to climate risks and opportunities. In terms of management, we have dedicated significant resources to ensuring that climate risks and opportunities are at the forefront of day-to-day activities and operations. Management provides regular updates to the board on the wider sustainability agenda. We continue to review the governance of climate-related risks and opportunities to ensure our frameworks evolves with the demands of the outside world.

Strategy

Through our purpose, commitments to contribute to the UN SDG and from regulation, ensuring our strategy is aligned with reduced impact on the environment is a core component of our efforts. It is for this reason we have made significant strides in detailing our environmental impact over the past years while also committing to reducing that impact, with data and effective governance at the heart of those steps.

To gain a better understanding of how climate change might impact our business, we have qualitatively reviewed different scenarios occurring over the coming years. These assessments looked at potential physical and transitionary risks of a changing climate such as flooding and water stress, as well as the risks associated with a transition to a low-carbon economy such as international climate policy and the impacts of carbon pricing. As an industry with stringent environmental-related regulations, the implications of regulatory steps have been a core part of our scenario analyses since before the introduction of the TCFD.

Sustainability and ESG
Continued

The analysis evaluated the implications for ICG's facilities, fleet and suppliers, as well as the impacts on our consumers. The analysis of both physical and transition risks showed that in both scenarios there is likely to be some financial risks which would need to be managed, but none that would materially impact our business model. While these analyses were conducted on a qualitative basis and form the foundation of the climate-related risks and opportunities provided below, we aim to conduct a quantitative scenario analysis against a range of warming scenarios in the periods ahead.

Risk management

Climate-related risk management is integrated into our enterprise risk management process, as detailed extensively on pages 60 to 69. The enterprise risk management process is designed to identify, assess, monitor and report on all risk related to the business. Through the TCFD lens, ICG prioritised the climate risk and opportunity assessment, and set out the following risks and opportunities related to climate change:

A summary of the main climate related risks are set out:

Type	Description	Potential financial impact	Metrics and Targets
Physical Risks	Increase in extreme weather events	A rise in extreme weather events may lead to decreased schedule integrity which may result in less sailings, impacting revenues and costs, it may damage assets, raise insurance rates, damage cargoes, impact the efficiency of the supply chain and impact the access to key locations including ports.	Schedule integrity Gross margin
Physical Risks	Biodiversity loss within operating regions	Increase cost of goods and natural resources due to shortages	Gross margin
Transition Risks	Introduction of carbon emission allowances	Greater costs to maintain current levels of service, for example the EU ETS scheme is to be extended to the maritime industry with a gradual phase in of verified emissions from 2024 to 100% in 2026.	Gross margin
Transition Risks	Negative impact of meeting EEXI/ EEDI requirements	Existing assets may lose value. As ever tightening technical requirements become mandatory, it may require additional capital investment to achieve the standards.	EEXI Ratings
Transition Risks	Failure of carbon reducing investments and projects to achieve desired efficiencies or meet standards from our regulators	Increase costs relating to higher-than-expected carbon intensity and larger quantities of alternative fuels required to meet operational demand	Gross margins
Transition Risks	Poor ESG ratings from external agencies	Increase financing costs due to limited debt options	Achieved ESG Rating
Transition Risks	Unavailable debt financing for capital projects due to operational sustainability concerns	Increase financing costs due to limited debt options	Interest cover
Opportunities	Investment in new more fuel-efficient capital assets, will lead to a reduction in costs and harmful emissions.	As our fleet is renewed, we will expect greater efficiencies and cost reduction as the most advanced technologies available are deployed as part of their build.	GHG Emissions Gross margin

Type	Description	Potential financial impact	Metrics and Targets
Opportunities	Being the leader in our market, will allow us to benefit from our market leading reputation, while operational excellence will improve profitability as we maximise efficiencies.	Increased revenues and profits as capitalise on our premium product and operations excellence.	Gross margin

Metrics and targets

Over the past number of years, we have commenced collection and disclosure of a range of measures used to assess and manage climate-related risks and opportunities. We have disclosed our scope 1 and scope 2 emissions and intend to develop our reporting to disclose our scope 3 emissions over time. ICG also adheres to limits on sulphur content of fuel oils, in relation to sulphur oxide (SOx) emissions from the shipping sector, investing approximately €25 million on the installation of exhaust gas cleaning systems (EGCS) in our owned and operated fleet.

Targets

Vessel operations

We have reconsidered our targets disclosed from last year and simplified our comments to be focused on the IMO (International Maritime Organisation, a UN body) specific targets. Our guiding principle, when we are setting out our ambitions for our carbon reduction is to align ourselves with the targets set by the IMO and the actions they are requiring of the industry, these targets are:

- 40 percent reduction in carbon intensity from shipping operations by 2030 compared to 2008 levels;
- 50 percent reduction of all GHG from shipping operations by 2050 compared to 2008 levels.

The IMO's strategy to achieve these goals is to require ever greater levels of efficiency standards from the global fleet. As our starting point we aim to be compliant with all these initiatives over the coming years and will work to achieve the ever-greater levels of technical efficiency requirements set in the years to come. We expect these initiatives on their own will have a significant impact on our carbon intensity target for 2030. We have set the operational and technical measures that we are employing to further achieve these goals in the report above.

These will be challenging targets for us to achieve considering our expansion onto the Dover – Calais route which significantly expands our business footprint. We are confident as we optimise our operations and new technologies become available and come online, we will achieve our targets in due course.

Terminal operations

We have also set the following targets for our terminal operations:

- 70 percent reduction in Scope 1 and 2 emissions by 2025.
- Net zero Scope 1 and 2 operations by 2030.

Baseline years data

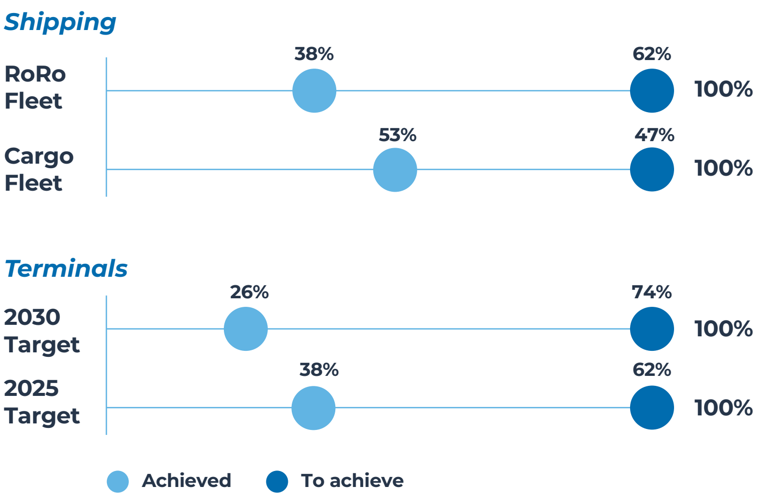
Given the length of time since our baseline years and the type of data required, there are challenges to estimate reliably our carbon metrics from those years due to the availability of data. We have made a best estimate of our footprint from our baseline years based on best available data.

Our Progress to date

For our vessel targets, we are measuring our performance against baseline targets using intensity metrics that are based on using “RoRo units” carried for the RoRo fleet (RoRo Fleet: gC02/ RoRo Units/ NM) and TEU's carried for the Container Fleet (Container Fleet: gC02/ TEU's/ NM). Our current progress is set out below.

On our 2050 absolute reduction ambitions of 50% from our 2008 baseline, it will only be when our propulsion technology changes that we will achieve meaningful changes on this metric, given the growth of our business since 2008 and our expanded GHG footprint.

Progress towards achievement of our targets



Sustainability and ESG
Continued

Terminals Decarbonisation plan progress

On our terminal 2025 reduction targets, we have achieved approx. 38% of the target required to date. We anticipate a significant drop in 2023 carbon emissions compared to 2022, especially in the latter half of the year, as our electrified cranes will come online and our existing diesel powered cranes are decommissioned. To achieve our 2025 goal, we are investigating the use of biofuels with the major barrier being security of supply and cost. It is only as a last resort that we will consider a carbon offsetting programme to achieve our target.

Task Force on Climate-Related Financial Disclosures Appendix

Governance	Strategy	Risk Management	Metrics and Targets
Disclose the organisation's governance around climate related risks and opportunities.	Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	Disclose how the organisation identifies, assesses, and manages climate-related risks.	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.
Recommended Disclosures			
(a) Describe the board's oversight of climate-related risks and opportunities. ***Refer to pages 51, 63 and 81***	(a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term. ***Refer to pages 51 to 53 and 63 and 64***	(a) Describe the organisation's processes for identifying and assessing climate-related risks ***Refer to pages 52 to 53 and pages 63 to 64***	(a) Disclose the metrics used by the organisation to assess climate related risks and opportunities in line with its strategy and risk management process ***Refer to pages 53, 56 to 57, 63 and 64***
(b) Describe management's role in assessing and managing climate-related risks and opportunities. ***Refer to pages 63 to 64***	(b) Describe the impact of climate related risks and opportunities on the organisation's businesses, strategy, and financial planning. ***Refer to pages 51 to 53 and pages 63 to 64***	(b) Describe the organisation's processes for managing climate-related risks. ***Refer to pages 63 to 64***	(b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks. ***Refer to page 52, 53 and pages 56 to 57***
	(c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario. ***Refer to pages 51 to 53 and pages 63 to 64***	(c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management. ***Refer to pages 60 to 69***	(c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets. ***Refer to page 53***

EU Taxonomy

Background

The EU Taxonomy goal is to create a "definition" of what is considered environmentally sustainable for a business. At its most basic form, the taxonomy creates a list of economic activities and then sets out a list of criteria/ standards that each activity must achieve to be taxonomy aligned and be deemed to be environmentally sustainable. Transport including maritime transport has been included in the list from the start, recognising its importance to wider economy and its potential impact on the environment. The Group has voluntary applied the requirements of the EU Taxonomy Regulation and provided the necessary disclosures. The legislation enacted has set out 6 environmental objectives and for our 2022 reporting season, we are required to report on two of them, climate change mitigation and climate change adaption.

The process to calculate the disclosures requires us to:

1. identify what activities are eligible and non-eligible under the taxonomy meaning whether our businesses are included on the taxonomy list or not.
2. assess whether the technical criteria or standards set out in the legislation for each activity is met by the business for example one of the key criteria of activity 6.10 'Sea and coastal freight water transport, vessels for port operations and auxiliary activities' is whether the ships in use have Zero tail pipe emissions.
3. assess the criteria for no significant harm done to any of the other objectives while also ensuring the minimum safeguards are met.

As the reporting practice develops and expands, we will review and update the reporting of taxonomy-eligible KPIs and related accounting policies accordingly.

Taxonomy Disclosures

Activity	Total 'M	Proportion Taxonomy eligible	Proportion Taxonomy non eligible	Proportion Taxonomy Aligned	Proportion Taxonomy Non Aligned
6.10 Sea and coastal freight including passenger activity					
Turnover	584.9	100%	0%	0%	100%
Capex	74.4	100%	0%	0%	100%
Op ex	518.2	100%	0%	0%	100%

Turnover KPI

The total turnover of €584.9 million for the financial year ending 31 December 2022 is the basis for the denominator for the turnover KPI as presented in the Consolidated Income Statement on page 124.

Assessment of Eligible activities
The Group determines it has Taxonomy-eligible undertakings in accordance with activity 6.10 'Sea and coastal freight water transport, vessels for port operations and auxiliary activities' (Annex I: climate change mitigation/ Annex II: climate change adaptation).

All integrated services necessary to and dependent on the operation of vessels for the combined transport of freight and passengers on sea or coastal waters are also considered eligible and are therefore included within the reported metrics below. This includes service activities incidental to water transportation such as; on board passenger services, Group stevedoring services and quay-to-door container transport services that are component activities embedded within our sea transport offerings to customers. As a result, 100% of our operations are deemed eligible.

Assessment of Aligned Activities
We have assessed the substantial contribution criteria for both the climate change mitigation criteria and the adaptation criteria as set out in the delegated acts. We have found that none of the eligible activities are aligned given the various technical criteria tests. Given the age of our vessels, notwithstanding the significant investments made, for example the installation of scrubbers to improve their technical ability minimising the output of sulphur and other particulate matters, they do not meet the technical criteria set out in the delegated acts for mitigation or adaption. From an adaption perspective, we do not meet the technical criteria associated with the substantial contribution criteria, as a business, we operate with a number of key stakeholders and the development of robust physical adaptation solutions given the low-level nature of the ports is challenging.

OpEx KPI

The amounts reflecting direct non-capitalised costs relating to short-term leasing, maintenance and repair expenses and any other direct expenditures relating to the day-to-day servicing of Group assets or third parties to whom the activities are outsourced that are necessary to ensure the continued and effective functioning of such assets were considered for the denominator calculation.

The numerator is derived from an analysis of the operating expenses associated with Taxonomy-eligible activities. As with our turnover, 0% of eligible OpEx is aligned.

CapEx KPI

The capital expenditures amount to €74.4 million, comprising strategic and maintenance capital expenditures. The sum of the additions that reflect investments in Taxonomy-eligible activities forms the numerator. As with our turnover, 0% of eligible CapEx is aligned. Notwithstanding for example the work carried out on electrification of the terminals and the impact this has had on reducing our carbon footprint, our interpretation of the taxonomy legislation this expenditure is not eligible for inclusion.

EU Taxonomy Accounting policies

The taxonomy KPIs are calculated as followed:

- Taxonomy revenue KPI = Eligible revenue / Total revenue
- Taxonomy opex KPI = Eligible opex / Total opex
- Taxonomy capex KPI = Eligible capex (additions) / Total capex (additions

Turnover

Turnover consists of total operating revenues. See Consolidated Income Statement on page 124 of our Annual Report alongside note 4 for details of the Group's revenue generation. The associated critical accounting policies are set out in note 2 of our Annual Report.

Capex

Capex consists of additions to property, plant and equipment. See note 12 of the Consolidated financial statements.

Opex

Opex consists of total operating expenses. See Consolidated Income Statement on page 124 of our Annual Report. The associated critical accounting policies are set out on in note 2 of our Annual Report.

Sustainability and ESG
Continued

Metrics and tables

Environmental Data
Shipping Operations

Topic	Relevant Metric	2022	2021	2020	Unit of measure	SASB Reference
Greenhouse gas emissions	Gross global Scope 1 shipping emissions	519,082	399,796	336,535	Metric tons (t) CO_2-e	TR-MT-110a.1
	CO_2 emissions per GT mile				Grams (g) CO_2 / gross ton-nautical mile	
	Conventional Ferries fleet Fast craft	18.97 66.51	16.58 72.72	15.34 N/a		N/A
	CO_2 emissions per transport work				Grams (g) CO_2 / cargo ton-nautical mile	
	Container fleet	41.85	40.08	43.96		N/A
	Total energy consumed	6,665,199	5,111,364	4,305,170	Gigajoules (GJ)	TR-MT-110a.3
	Percentage heavy fuel oil	62.99%	75.97%	74.91%	Percentage (%)	TR-MT-110a.3
	Average Energy Efficiency Design Index (EEDI) for new ships	N/a	N/a	N/a		TR-MT-110a.4
Air quality	NOx (excluding N20)	10,614	7,882	7,393	Metric tons (t)	TR-MT-120a.1
	SOx	830	623	525	Metric tons (t)	TR-MT-120a.1
	Particulate Matter (PM10)	448	396	341	Metric tons (t)	TR-MT-120a.1
Ecological Impacts	Shipping duration in marine protected areas or areas of protected conservation status	Nil	Nil	Nil	Number of travel days	TR-MT-160a.1
	Percentage of fleet implementing ballast water exchange	94.12%	94.12%	92.31%	Percentage (%)	TR-MT-160a.2
	Percentage of fleet implementing ballast water treatment	68.75%	29.41%	15.38%	Percentage (%)	TR-MT-160a.2
	Number of spills and releases to the environment	Nil	1	2	Number	TR-MT-160a.3
	Aggregate volume of spills and releases to the environment	Nil	0.01	0.201	Cubic meters (m^3)	TR-MT-160a.3
Workforce health and safety	Lost time incident rate from seafaring operations	0.8	1.0	4.7	Rate	TR-MT-320a.1
Business ethics	Number of calls at ports in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index	Nil	Nil	Nil	Number	TR-MT-510a.1
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	€Nil	€Nil	€Nil	Euro	TR-MT-510a.2

Topic	Relevant Metric	2022	2021	2020	Unit of measure	SASB Reference
Accident and safety management	Number of marine casualties	1	1	1	Number	TR-MT-540a.1
	Percentage classified as very serious	0%	0%	100%	Percentage (%)	TR-MT-540a.1
	Number of port state detentions	3	Nil	Nil	Number	TR-MT-540a.3
Activity	Number of shipboard workers	725	501	412	Number	TR-MT-000.A
	Total distance travelled by vessels	996,292	824,132	642,945	Nautical miles (nm)	TR-MT-000.B
	Operating days	4,450	3,744	3,408	Days	TR-MT.000.C
	Deadweight tonnage	121,039	100,485	95,819	Deadweight tons	TR-MT-000.D
	Number of vessels in total shipping fleet	15	16	13	Number	TR-MT-000.E
	Owned	12	12	10	Number	
	• Chartered in	3	4	3	Number	
	• Chartered out	3	3	2	Number	
	Number of vessel port calls	14,089	6,423	5,221	Number	TR-MT-000.F
	Twenty-foot equivalent (TEU) capacity (Container fleet)	5,462	5,502	5,449	TEU	TR.MT.000.G

Land Based Operations

Relevant Metric	2022	2021	2020	Unit of measure
Scope 1 emissions from land based operations	2,890	3,117	3,349	Metric tons (t) CO_2-e
Scope 2 emissions from land based operations	Nil	Nil	386	Metric tons (t) CO_2-e
Total Scope 1 and 2 emissions from land based operations	2,890	3,117	3,735	Metric tons (t) CO_2-e
Total energy consumed	69,268	74,373	71,732	Gigajoules (GJ)
Percentage renewable	43.59%	43.21%	26.77%	Percentage (%)

Overall Group

Relevant Metric	2022	2021	2020	Unit of measure
Gross Global Scope 1 emissions	521,985	402,913	339,884	Metric tons (t) CO_2-e
Gross Global Scope 2 emissions	31	82	468	Metric tons (t) CO_2-e
Total Scope 1 and 2 emissions	522,016	402,995	340,270	Metric tons (t) CO_2-e
Total fuel consumed	163,410	126,519	106,688	Metric tons (t)
Total energy consumed	6,735,200	5,187,201	4,738,369	Gigajoules (GJ)
Waste				
Total municipal Solid waste	11,571	7,736	6,130	Cubic metres (Cm)
Total waste and oil sludge	5,226	4,144	2,198	Cubic metres (Cm)
Total Freshwater consumption	107,374	64,680	61,686	Cubic metres (Cm)

Sustainability and ESG
Continued

Social: Employee Health and Safety and Diversity and Inclusion

Safety Data

	2022				2021				2020			
	Incidents	Exposure hours	Lost Time Injury Frequency	Fatalities	Incidents	Exposure hours	Lost Time Injury Frequency	Fatalities	Incidents	Exposure hours	Lost Time Injury Frequency	Fatalities
ICG employees and visitors	0	595,200	0	0	1	595,200	1.7	0	0	595,200	0	0
Key contractors	10	5,684,380	1.76	0	7	3,627,720	1.9	1	14	2,090,676	6.7	1
Total	10	6.279,580	1.59	0	8	4,222,920	1.9	1	14	2,685,876	5.2	1

	2022	2021	2020
LTIF on land	4.6	4.6	6.3
LTIF at sea	0.8	1.0	4.7

Employee Statistics

	31 Dec 2022	31 Dec 2021	31 Dec 2020
Total number of employees	290	284	288
Male	177	173	175
Female	113	111	113
% Female	39%	39%	39%
Full time	271	260	260
Part time	19	24	28
% Part Time Female	83%	83%	86%
Board members	6	6	6
Male	4	5	5
Female	2	1	1
% Female	33%	17%	17%

	31 Dec 2022	31 Dec 2021	31 Dec 2020
Management staff	51	52	54
Male	40	41	42
Female	11	11	12
% Female	22%	21%	22%
Total number of new employee hires	38	42	16
Total number of departures	48	47	34
Turnover rate	16%	16%	11%
Male	8.5%	19%	13%
Female	13%	13%	10%

Key Terms, Definitions and Commentary

Terms	Definitions	Commentary
Scope 1 emissions	Direct GHG emissions from sources that are controlled by the Group.	The Group determines its Scope 1 emissions boundary in line with the Greenhouse Gas Protocol (GHG Protocol) using the principle of operational control. In establishing assets under operational control, consideration is given to the length of any charter arrangements, the responsibility for the purchase and consumption of the fuel and the responsibility for the operational activity of the asset being used. CO_2 emissions from shipping are calculated using emission factors referenced in IMO Resolution MEPC 245 (66) 2014 “Guidelines on the method of calculation and the attained Energy Efficiency Index (EEDI) for new ships”. Scope 1 emissions from land-based activities are calculated in line with GHG Protocol calculation tools. There are some locations which are leased and have bundling arrangement on some costs, which means that activity-based data are not always available. We expect data availability to improve in the future.
Scope 2 emissions	GHG emissions from the generation of purchased electricity consumed by the Group.	Scope 2 emissions are calculated in line with the GHG Protocol. Where possible, the Group applies supplier specific emission factors to its electricity consumed. Where this information is not available, regional grid emission factors are obtained and applied for the relevant electricity source used by the provider.

Terms	Definitions	Commentary
CO_2-e	Carbon dioxide equivalent units.	CO_2-e includes direct CO_2 emissions plus emissions of other gases converted to CO_2 based on their equivalent global warming potential.
CO_2 emissions per GT mile	Grams of CO_2 per gross ton-nautical mile	The Group considers this metric useful to viewing the carbon intensity of its ferries fleet.
CO_2 emissions per transport work	Grams of CO_2 per cargo ton-nautical mile	This is a widely adopted industry metric for container vessels to assess environmental performance. An average intensity for the overall operated container fleet is disclosed.
NOx	Nitrogen Oxides	NOx emissions from shipping are calculated using guidance from the NOx Technical Code and MARPOL Annex VI Regulation 13, Nitrogen Oxides (NOx). Emissions from land-based activities are calculated in line with GHG Protocol calculation tools.
SOx	Sulphur Oxides	SOx emissions are calculated by fuel-based emission factors. For vessels with exhaust gas cleaning systems (EGCS), a reported SO2/CO_2 emission ratio is used to determine the level to which the sulphur content has been scrubbed down. Group SOx emissions have significantly reduced since the installation of exhaust gas cleaning systems.
PM10	Particulate matter	The mass of PM10 is calculated by means of an energy-based emission factor depending on engine type, engine tier and type of fuel consumed. Default emission factors proposed by the Fourth IMO GHG Study July 2020 were applied.
Lost Time Incident Rate	Lost time incidents per 1 million hours worked	A lost time incident is an incident that results in absence from work beyond the date or shift when it occurred.
Marine Casualties	An event, or sequence of events, that occurs directly in connection with the operations of a ship and results in death, serious injury or loss of a person from a ship or material damage to a ship, collision of a ship or material damage to marine infrastructure external to a ship or to the environment.	The reported marine casualty in 2022, related to damage to ship doors from a driving accident on board. The incident was not considered serious.
Shipboard workers	Those who work on aboard operated vessels (including direct employees and contractors)	The Group discloses an average number of shipboard workers per vessel across operating vessels per year. Shipboard workers increased by approximately 44% percent in 2022 due to increases to the operating fleet and return to service of the Dublin Swift.
Operating days	The number of available days in a reporting period minus the aggregate number of days vessels are off-hire due to unforeseen circumstances	Operating days increased in 2022 due to the strategic expansion of our ferries routing and return to service of the Dublin Swift following the easing of Covid-19 restrictions on non-essential passenger travel.

Risk Management

Overview

Exposure to risk is an inherent element to carrying out the business activities of the Group; the operation of vessels and provision of related services. Effective risk management and internal control systems are essential to protect the Group from exposure to unnecessary risks and to ensure the sustainability of the Group's business.

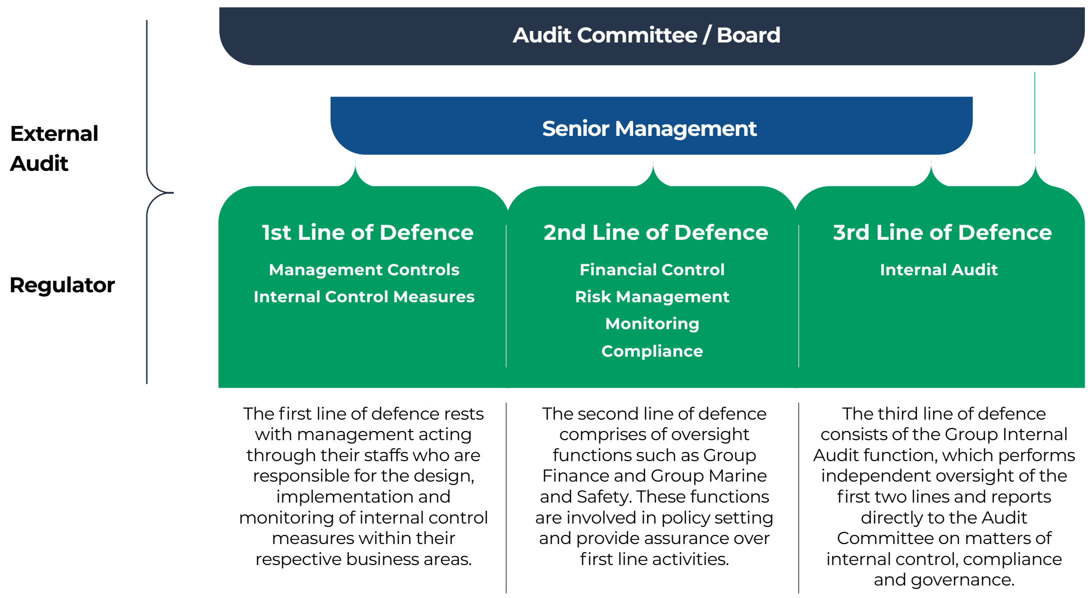
The Board has overall responsibility for establishing procedures to manage risk, oversight of the internal control framework and determining the nature and extent of the principal risks the Group is willing to accept in order to achieve its long-term objectives. The Board has created a culture of risk awareness throughout the organisation whereby risk consideration is embedded in the decision making processes.

The Board has delegated the appraisal of the Group's risk management and internal control systems to the Audit Committee. This assessment is carried out through the review of reports and presentations made by the Risk Management Committee (RMC) and Group Internal Audit. Further information on the Audit Committee activities is set out in its report on pages 91 to 94.

Risk Architecture, Strategy and Protocols

The Group follows international standard ISO 31000 (2018) 'Risk Management – Guidelines' in designing its risk architecture, strategy and protocols (RASP).

The Group's risk architecture includes the roles and responsibilities of the Board and Group personnel in managing risk, along with internal reporting requirements. This is illustrated by the 'three lines of defence' model.



Roles, responsibilities, risk management policy, objectives and process overviews are documented within the Group's Risk Code. The Group adopts an Enterprise Risk Management (ERM) system that takes a unifying, broad and integrated approach to managing risks and aligns risk management to the achievement of strategic objectives.

Role of the Risk Management Committee

The Risk Management Committee (RMC) established by the Group comprises members from across the three lines of defence, including Board representation. With its mandate from the Board, the RMC is tasked with;

- Making appropriate recommendations to the Board on all significant matters relating to the development of risk strategy and processes of the Group.
- Keeping under review the effectiveness of the Group's risk management systems.
- Reviewing the Group's risk exposures in relation to the Board's risk appetite.
- Maintaining a robust Group Risk Register and ensuring risks are identified comprehensively and assessed consistently across classified risk areas.

The Board sets the Group's risk appetite for classified risk areas. Risk appetite is communicated through the adoption of Risk Appetite Statements. These statements, along with internal capabilities, resources and industry factors provide context to how the Group's strategy is pursued and to which risks are assessed. Stakeholder views with respect to climate and ESG issues, are considered by the Board in setting appropriate appetite levels. Refer to pages 63 to 64 for an overview of the Group's climate risk framework. The Board has a low acceptance for risks that may impact safety of vessels, workers and customers and compliance with relevant laws and regulations.

The Group wide nature of the risk assessment and monitoring process, requires collaboration across departments and divisions within the Group. Each business owner is responsible for ensuring comprehensive risk identification and assessment is carried out covering their sphere of responsibility. Risks are identified through various means, including the use of an identification tool guiding risk assessors through several internal and external factors in identifying potential barriers to respective objectives. Risks are assigned to risk owners with responsibility for the activity generating the risk. Where a risk contains multiple causes and consequences, risk owners are required to collaborate in performing a cause and consequence analysis.

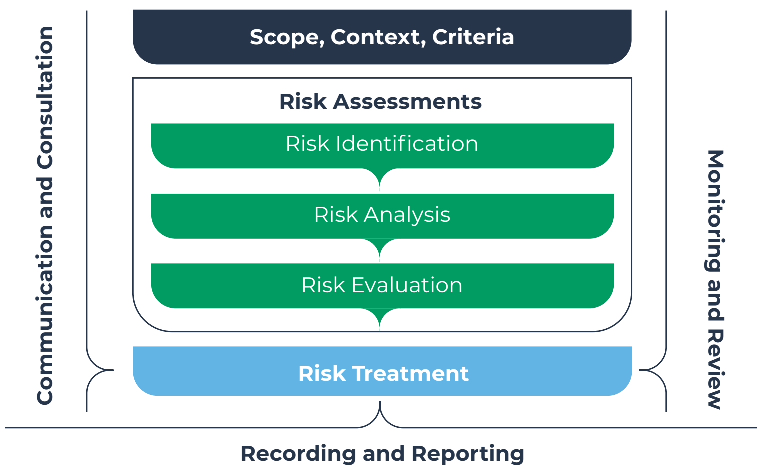
Risk owners are ultimately responsible for the completion and maintenance of risk assessments across their respective risk areas. Risks are measured in terms of the likelihood of occurrence and estimated impact using a standardised scoring model. All evaluations are made from a Group perspective and are relative to Group risk appetite. Guidance tools are in place to ensure Group-wide consistency is achieved across risk assessments.

Existing control measures are documented and assessed within the risk assessment forms in determining residual risk scores. All risk assessments are reviewed by members of the RMC before they are released to the Group Risk Register. The RMC and risk owners can prescribe the implementation of further control measures at the review stage.

The Group Risk Register is the central online repository for documenting, assessing and prioritising risks, and for documenting and prescribing control measures. The Register forms a significant portion of the Group's risk management process. The Group Risk Register is reviewed on a regular basis by the RMC.

Risk Management Process - Assessments and Monitoring

The Group's Risk Management Process is underpinned by its RASP methodology and is led by the RMC. The Group's process is based on the revised international standard ISO 31000 (2018), 'Risk Management – Guidelines', and provides an iterative and systematic approach to managing risks throughout the Group.



Risk Management
Continued

Any necessary changes to the Group Risk Register are made throughout the year and can be prompted by;

- The occurrence of a risk event.
- The identification of new emerging risks or as circumstances of existing emerging risks change.
- Quarterly RMC meetings.
- Internal Audit or regulatory reviews.
- Annual risk owner reassessment.
- Changes in Key Risk Indicator measurements.
- New risk assessments completed within business area teams.

Risk information within the Group Risk Register is analysed and used for reporting principal risks to the Board and for Internal Audit planning. A presentation of the Group's principal and emerging risks is made to the Board at least annually or more frequently if warranted by developments. At these presentations, the Board challenges the RMC in their processes and evaluations of the principal and emerging risks identified in the context of the Group's own risk policy, risk appetite and general market developments both within and outside the industry sector. Key Risk Indicators are in place for highly ranked individual risks at the residual level, to ensure exposure levels are monitored, flagged to the Board and corrective actions taken before impacts are fully realised.

Emerging Risks

Risk monitoring is an ongoing process to reflect the dynamic nature of the environment in which the Group operates. The Group acknowledges three types of emerging risks that can arise. The first type are new risks that emerge in the Group's external environment. These are identified through the ongoing Group risk identification process. The second type are previously identified risks recorded in the Group Risk Register whose impact on Group activities has changed, prompting a reassessment. The third type are new risks emerging from the internal environment when changes to core processes are made. These are identified when undertaking new projects or engaging with new business partners.

Emerging risks are closely monitored and assessed as their uncertain nature can result in the risks becoming significant within a short timeframe. Emerging risks currently under review at the date of this report relate to local governments imposing additional regulations over seafarer working conditions and the illegal invasion of Ukraine by Russia. We continue to monitor the war in Eastern Europe and its impact on supply chains and fuel prices. Ongoing trends that are a constant in our industry and remain front of mind are the greater environmental and climate awareness driving increased corporate responsibility and regulatory requirements and long-term risks and opportunities associated with technological advancements.

Managing Cyber Security

As our business becomes increasingly digitalised, we are faced with an ever-increasing Cyber threat landscape. At ICG, we are keenly aware of our responsibility to protect our systems and our customers information from outside interference. Cyber Security continues to be a top priority for the board as it carries out its risk management duties. The Board of ICG manages Cyber Security risk in the context of an overall Risk Management Framework.

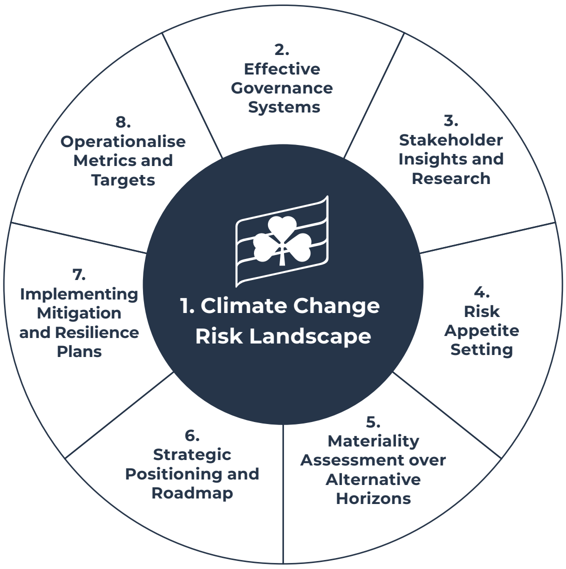
Given its strategic importance, the board is informed on Cyber Security topics through regular reporting from our Information Technology team. In 2022, reports were received on cyber security and related topics, covering areas such as managed security and breach detection, vulnerability management, NISD Compliance, Incident response planning and business continuity.

Our Information Security Management System (ISMS) is aligned with recognised frameworks such as ISO 27001 and NIST. Cyber Security controls are designed and implemented based on thorough risk assessments and to meet increasing compliance requirements such as PCI-DSS, GDPR and NISD. Cyber Security architecture and controls are constantly reviewed and improved to mitigate emerging security risks as they develop across the wider industry. Operationally, we manage Cyber Security through a blended model of inhouse expertise and the use of best-in-class Managed Security Services Providers (MSSPs) which allows our organisation to benefit from the scale and expertise required to address the evolving threat landscape.

We develop a culture of Cyber Security awareness at ICG through continuous training on relevant security topics. All employees that use our systems are required to complete regular security awareness training which highlights and reinforces their role in protecting the organisation from phishing and other cyber threats. Simulated phishing campaigns are used to gauge the effectiveness of our security training program.

Managing Climate Change Risks

The Group has adopted a framework, based on guidance from the Institute of Risk Management, which identifies the key areas that require attention to enable the development and execution of its climate change risk management strategy. This framework is integrated within the Group's RASP and related risks assessments are released to the Group Risk Register.



1. Climate Change Risk Landscape
The Group identifies climate risks using the same processes as other emerging risks, with additional emphasis on expert climate risk publications and regulatory updates. Climate change risks are unique in how they; affect every individual and organisation, are long term in nature and are highly uncertain in their ultimate progressions and impacts. Due to these considerations, the Group's climate risk register contains the following additional details;

- Risks are assessed over three different time horizons; 0-3 years, 3-10 years and >10 years, with the 0-3-year horizon assessments transferring to the Group Risk Register.
- Impacted stakeholder groups are identified for engagement on associated risks.
- Opportunities are identified for each risk to support strategic positioning and resilience planning.
- Impacts are linked to financial statement areas.

A summary of the Group's climate risks, impacts and opportunities is disclosed on pages 52 to 53.

2. Effective Governance Systems
The Group applies the same risk governance structure to climate change risks as all enterprise risks. The RMC advises the Board on risk appetite, risk management approach and important risk management issues and considerations, which are ultimately approved by the Board or used to facilitate decision making.

The RMC presents to the Board during the year on all important risk management issues, including climate change and ESG risks. Executive Management are also equipped to update the Board on such matters throughout the year, as 75 percent of the Executive Management Team are RMC members. The Group's recent Board appointments helps ensure there is adequate Non-Executive Director representation with ESG expertise to challenge the RMC and Executive Management on relevant issues.

The RMC is comprised of management across all areas of the business, including; risk and sustainability, sales, operations, health and safety, planning and finance. Collectively, the RMC has the skills, knowledge and experience to best manage the Group's climate change risks and their wide-ranging impacts. ESG issues are incorporated in the incentive plans of Executive Management and dedicated management roles within the RMC.

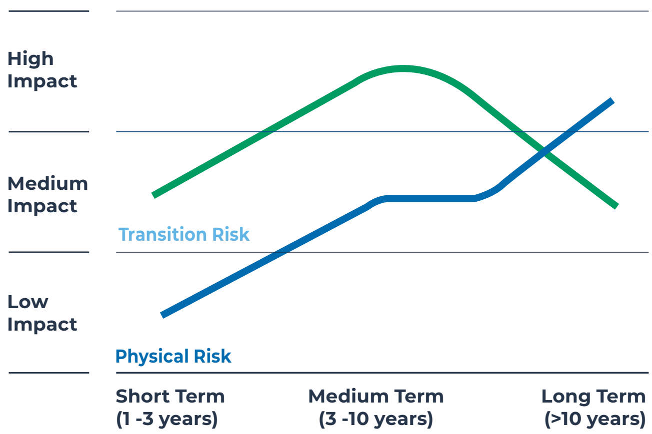
3. Stakeholder Insights and Research
The interests and expectations of stakeholders are important considerations in the Group's climate risk management approach. In 2022, the Group undertook a stakeholder research program to gain insights on ESG issues facing the Group. This is helping facilitate an evaluation of our core strategic, operational and compliance processes concerning the environment and climate change expectations. Mapping of these insights is helping align stakeholder values to the Group's strategic objectives and core processes.

4. Risk Appetite Setting
Following the outcome of our stakeholder engagement program, the RMC is in the process of developing more specific risk appetite areas across a range of ESG issues. Areas of highest stakeholder importance will be considered in setting the appetite levels for Board approval. All ESG and climate change risks going forward will then be assessed, and mitigation plans updated to ensure they remain proportionate to the relevant appetite levels.

Risk Management
Continued

5. Materiality Assessment over Alternative Horizons
Climate change risks are assessed over three separate horizons; 0-3 years, 3-10 years and >10 years. Current known transition risks are most significant in the short and medium term and are expected to curtail from the third time horizon as the Group shifts towards a low carbon economy. While physical risks require attention today, significant physical impacts for the Group may only be experienced over the long-term horizon.

Assessments over the long-term horizon are most challenging to calculate but are key to future resilience planning. The Group is exploring further methods to help quantitively analyse the impact of certain future scenarios.



6. Strategic Positioning and Roadmap
Following a full assessment of risks and opportunities over separate time horizons, the Group can assess strategically its current position against long-term goals. This stage allows the Group to identify any changes to its business model necessary for long-term success, with a focus on opportunity management. Further climate change related controls and projects are then agreed.

7. Implementing Mitigation and Resilience Plans
Further controls and projects to help address climate change risks are implemented and managed. Current resilience plans, including the Group's Major Incident Response Plans and Disaster Recovery Plans are also reviewed and updated periodically for additional information gathered throughout the process.

8. Operationalise Metrics and Targets
Metrics and targets, including carbon intensity and absolute GHG emissions are monitored and reviewed. Relevant Key Risk Indicators are also introduced to monitor high residual risks, in line with the Group's risk management process.

Significant and Emerging Risk Events

War in Eastern Europe
The Group is continuing to monitor developments in Eastern Europe following the illegal invasion of Ukraine by Russia. A full organisational-wide risk assessment was conducted as geopolitical tensions escalated in early 2022. The potential impacts highlighted by this review included:

- The impact of economic sanctions on Russia on Group operations and fuel prices;
- Impact on passenger demand due to ticket price inflation;
- Increased cyber security risk to assets and operations;
- Business continuity risks associated with supply of fuel and key third-party contractors;
- We are continuing to closely monitor all developments as they evolve and how they may impact the Group.

Increasing Regulations Over Seafarer Working Conditions

The UK government declared an intention to increase the obligations of employers in the maritime sector, including the imposition of a minimum wage, over the current international requirements by way of a bilateral agreements. Authorities in France have also made a similar statement of intent. This could lead to a potentially significant increase in operating costs for the Ferries Division. We are engaging with regional trade bodies to ensure that our position is heard and understood at Governmental and European Union level.

Viability assessment
The principal risks identified through the Group's risk processes have been considered by the Directors when preparing the Viability Statement on page 110, as part of their assessment of the prospects for the Group.

Principal Risks and Uncertainties

Linkage to strategic pillars:

Quality Service | People and Culture | Financial Management | Safety | Sustainability

Description and Impact	Risk Treatment	2022 Developments
Strategic Risk - Commercial & Market		
The Group operates in a highly competitive industry with market risks and opportunities arising from uncertain political and economic landscapes. The Group is at risk of markets not performing in line with expected growth and at risk of loss in market share to competitors, impacting profitability.	The Group undertakes regular assessments of its cost base and performs competitor benchmarking. Direct and indirect competitor activity and market performance is closely monitored which allows the Group to respond swiftly. The Group focuses on ensuring a safe, reliable and high-quality service is provided to customers in order to maintain and strengthen alliances.	Exposure to commercial and market risks continues to increase as the Group continues to invest and expand in the Dover – Calais route with 2 ships newly operational during the year. The route remains increasingly competitive with competitors introducing additional capacity on existing markets served.
Strategic Risk - Economic and Political		
Economic and political factors including instability and changes to laws on travel and trade could adversely impact the Group's activities and demand for its services. Geopolitical risks, including war risks could have devastating Global impacts, including impacts to Group operations.	The Group liaises with various associations and governmental bodies to share views on proposed legislative changes. Micro and macroeconomic activity is closely monitored to ensure Group decision making is informed and timely.	The illegal invasion of Ukraine by Russia has had a significant impact on the wider European economy especially in the areas of fuel and other supply chain inflation. The freight market continues to work through the effect of Brexit and the continuing implementation of the Northern Ireland protocol.
Operational Risk - Business Continuity		
The Group's operations are exposed to the risk of fire, flood, storms, vessel incidents and loss of critical supplies caused by accident or by natural disaster. Minor disruptions can impact revenues while major disruptive events can result in the loss of critical infrastructure causing significant financial loss and reputational damage.	The Group places strategic importance on investment in quality assets and safety, including vessels suitable for challenging sailing conditions and experienced crews and operations teams. The Group has detailed, coordinated and rehearsed business continuity plans containing crisis management and disaster recovery components to respond to major incidents at land or at sea and ensure affected operations can be resumed promptly and safely.	The Group continuously monitor government guidance, the prevalence of contagious illness in the wider population and will continue to exercise caution in how business activities are conducted. In 2022, the Group operated a full service through most of the year and importantly throughout the entire 2022 tourism season.

Risk Management
Continued

Description and Impact	Risk Treatment	2022 Developments
Operational Risk - Health and Safety		
The Group is inherently exposed to the risk of incidents, including; workplace accidents, vessel collisions and damages, hazardous cargo and incidents involving passengers. There is also a risk of outbreak of contagious illness among staff, crews and customers. These events could result in loss of life, serious personal injury or illness, asset damage and reputational impact concerning safety.	The Group and its service providers adhere to defined operating safety and quality policies and procedures. All sites are regularly inspected by internal second line functions and external regulatory bodies. Emergency procedures and safety training are conducted regularly. Hazardous cargoes are managed in accordance with international maritime regulations. Group vessels, offices and facilities are thoroughly and frequently sanitised. World Health Organisation (WHO) and governmental guidance and instructions are followed.	Health and safety metrics for the year are disclosed on page 58. The Group continuously monitor government guidance, the prevalence of contagious illness in the wider population including new waves of Covid-19 and will continue to exercise caution in how business activities are conducted. The rollout of vaccination programmes throughout Europe helped to protect staff, crew and customers from Covid-19 impacts and contributed to the safe resumption of non-essential travel for passengers. This has helped normalise our trading patterns in 2022.
Operational Risk - Operational Compliance		
The Group's activities are governed by a range of IMO, flag state, port state, EU and national governmental regulations. There is a risk that instances of non-compliance may occur that causes disruption, reputational damage or financial penalties.	Ongoing training is provided to operations staff and contractors in line with regulatory requirements. New regulations are discussed and assessed at management meetings, together with measures to ensure compliance. The Group's vessels and port operations are subject to regular inspections and audits from internal second line functions and external bodies.	The Group will continue to monitor new regulatory developments at the IMO and the EU and liaise with regional chambers of shipping, shipowners' associations and other industry representatives as further information is announced. Compliance risks related to reducing emissions are managed within the Group's climate change risk framework.

Description and Impact	Risk Treatment	2022 Developments
Operational Risk - Environmental Protection		
The Group is exposed to long-term physical effects of climate change and to near and long-term transition risks associated with the movement towards a low carbon economy. These risks and impacts are detailed further on pages 52 to 53. There is also a risk of spillages or incidents causing pollution and discharge to the sea.	Physical and transition climate change risks are managed within the Group's climate change risk framework. The Group is employing a range of technical and operational measures to achieve its GHG reduction targets. Refer to pages 36 to 59 for further details. The Group and its service providers adhere to defined operating safety and quality policies and procedures. All sites are regularly inspected by internal second line functions and external regulatory bodies. Emergency procedures and safety training are conducted regularly. Hazardous cargoes are managed in accordance with international maritime regulations.	The Group continues to place significant focus on enhancing its approach to ESG and sustainability. Refer to the Sustainability section on pages 36 to 59 for further information on activities and developments during the year.
Operational Risk - Human Capital		
There is a risk of failure to attract qualified and talented individuals and additionally a risk of losing key personnel. Staff could become unmotivated or dissatisfied with the working environment. These risks can ultimately lead to a poor standard of customer service and decision making, affecting the Group's market position, reputation and stakeholder relationships.	Pay and conditions are reviewed and benchmarked to ensure the Group remains competitive. ICG is an equal opportunities employer and seeks a diverse workforce to promote a strong and accepting culture and to help make informed decisions. Staff are encouraged and supported in their pursuits of further education and career advancement. Long-term incentive plans are in place to retain and motivate key management personnel.	Work from home arrangements can be attractive opportunities for many individuals. The Group introduced hybrid working arrangements in response to changes in the work environment brought upon by the Covid-19 pandemic.
IT Systems and Cyber Risk - Information Security and Cyber Threats		
The Group is heavily reliant on its IT systems to support business activities. These systems are susceptible to data breaches and cyber attacks that can result in disruption, heavy fines and reputational damage.	The Group employs a suite of physical access controls and technical controls to prevent, detect, mitigate and remediate malicious threats and unusual activity. Such controls include rehearsals for major cyber incidents, vulnerability management processes and security awareness training for staff and key contractors.	Cyber-attacks continue to grow in volume and sophistication and have particularly intensified since the beginning of the Covid-19 pandemic. The Group to remain vigilant and ensure all efforts to protect its systems are made. For an overview of the Group's cyber security risk management process, see page 62.

Risk Management
Continued

Description and Impact	Risk Treatment	2022 Developments
Financial Risk - Financial Loss		
The Group is at risk of losses caused by ineffective or inefficient financial policies or practices, such as; inadequate budgeting and planning, insurance provisioning, project management or credit control techniques.	The Group's financial management activities are performed by experienced and knowledgeable personnel. Regular internal management reporting ensures negative variances and trends are identified timely and acted upon. Close relations with insurance brokers are maintained and emerging risks are considered when assessing coverage. Major projects require pre-approval of the Board. Due diligence procedures are carried out for project contractors and new commercial customers while ongoing performance management of projects and debtors are in place.	We continue to invest and improve our analytics offerings to our executive management to monitor key operational statistics timely. This allows us to act swiftly and decisively to address any building trends against established benchmarks.
Financial Risk - Volatility		
The Group is exposed to adverse fluctuations in fuel prices and exchange rates which can reduce revenues, increase cost base and reduce overall profitability.	Group policy has been to purchase commodities in the spot markets and remain unhedged. The Group operates a dynamic surcharge mechanism with its freight customers which allows prearranged price adjustments in line with Euro fuel costs to help mitigate US Dollar exposure arising from fuel purchases. In the passenger sector, in addition to fixed environmental surcharges, changes in bunker costs are included in the ticket price to the extent that market conditions will allow. The Group employs a matching policy to mitigate exposure to Sterling. Decreases in translation of Sterling revenues to Euro are largely offset against corresponding decreases in translation of Sterling costs.	Fuel prices were highly volatile in 2022, but overall have increased substantially over previous years, leading to an increase in Group fuel costs. The Group's magnitude for exposure to unfavourable Sterling movements increased during the year, following increased trade on the Dover-Calais route.
Financial Risk - Retirement Benefit Scheme		
The Group's pension liabilities are exposed to risks arising from changes in interest rates, inflation, demographics and market values of the underlying investments, resulting in increased scheme obligations or decreased scheme assets.	A portion of the Group's defined benefit risks are transferred to a third-party insurance company. All actuarial assumptions are substantiated and challenged where necessary. Regular communication is maintained with the scheme investment managers to monitor performance relative to agreed benchmarks.	In 2022, the Group continued its de-risking initiatives and active investment management.

Description and Impact	Risk Treatment	2022 Developments
Financial Risk - Fraud		
A significant volume of transactions is processed throughout the course of the year. These include a large amount of payment exchanges in the booking process, on board passenger vessels and at port ticket desks. This level of activity inherently carries a risk of fraud through the processing of improper payments or misappropriation of cash or assets. Any instance of fraud affecting ICG could result in financial loss, reputational and cultural damage.	Improper payments are prevented by a segregation of duties within the payment set-up, payment approval and accounts posting processes. Further training and procedures are in place to ensure any requested changes to vendor payments are validated. Daily reconciliations are performed at cash processing locations. All cash counts require supervisor oversight and CCTV cameras are installed to deter and capture any inappropriate behaviour. Internal audit procedures are designed with consideration for the scope of fraud, where relevant.	The Group is not aware of any confirmed or suspected instances of fraud during the year. The Group reviewed its Protected Disclosure (Whistleblowing) Policy to encourage employees or any person who works or has worked for the Group to make a disclosure in respect of significant matters including instances of fraud. This policy is available on our website.
Financial Risk - Financial Compliance		
As a public listed company with operations in different jurisdictions, the Group must comply with multiple financial and administrative regulations. Any policy changes or instances of non-compliance could result in financial loss, penalties or reputational damage.	The Group relies on its professional staff to ensure necessary filings are timely, complete and accurate. Third party experts are engaged when required to advise on complex matters. The Group engages productively with Irish tax authorities through the Co-Operative Compliance Framework. Additional assurance is also gained from the work of the Group's external auditors.	The Group is monitoring developments in regulations particularly around whether BEP's Pillar 2 may affect the group in future periods, through increased tax obligations. The Group is also monitoring and assessing the financial and administrative impact of the EU emission trading scheme and a similar scheme proposed by the United Kingdom.

Our Fleet

W.B. Yeats

Year Built	2018
Acquired	2018
Gross Tonnage	54,975
No. Engines	4
Speed	22.5 knots
Lane Metres	2,800
Car Capacity	1,216
Passenger Capacity	1,885
Beds	1,706

Ulysses

Year Built	2001
Acquired	2001
Gross Tonnage	50,938
No. Engines	4
Speed	22 knots
Lane Metres	4,100
Car Capacity	1,342
Passenger Capacity	1,875
Beds	186

Isle of Inishmore

Year Built	1997
Acquired	1997
Gross Tonnage	34,031
No. Engines	4
Speed	21.5 knots
Lane Metres	2,100
Car Capacity	855
Passenger Capacity	2,200
Beds	208

Isle of Innisfree

Year Built	1992
Acquired	2021
Gross Tonnage	28,833
No. Engines	4
Speed	21.0 knots
Lane Metres	2,300
Car Capacity	600
Passenger Capacity	1,140
Beds	78

Isle of Inisheer

Year Built	2000
Acquired	2022
Gross Tonnage	25,152
No. Engines	4
Speed	22.5 knots
Lane Metres	1,950
Car Capacity	500
Passenger Capacity	589
Beds	218

Dublin Swift

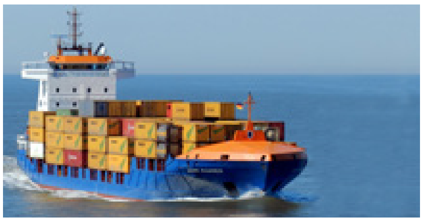
Year Built	2001
Acquired	2016
Gross Tonnage	8,403
No. Engines	4
Speed	35 knots
Lane Metres	-
Car Capacity	251
Passenger Capacity	817
Beds	-

Epsilon (chartered in)

Year Built	2011
Acquired	chartered-in
Gross Tonnage	26,375
No. Engines	2
Speed	23 knots
Lane Metres	2,800
Car Capacity	150
Passenger Capacity	500
Beds	272

Blue Star 1 (chartered in)

Year Built	2000
Acquired	chartered-in
Gross Tonnage	29,858
No. Engines	4
Speed	27 knots
Lane Metres	1,718
Car Capacity	700
Passenger Capacity	1,500
Beds	192

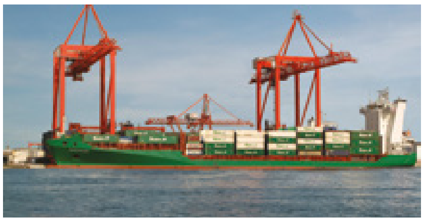


Ranger

Year Built	2005
Acquired	2015
Gross Tonnage	7,852
Deadweight	9,300
Capacity	803 TEU

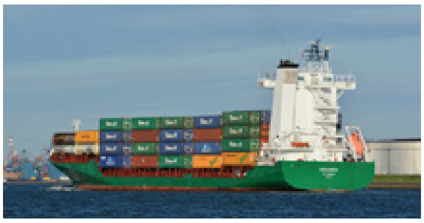
Elbfeeder

Year Built	2008
Acquired	2015
Gross Tonnage	8,246
Deadweight	11,157
Capacity	974 TEU



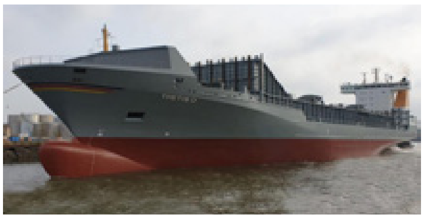
Elbtrader

Year Built	2008
Acquired	2015
Gross Tonnage	8,246
Deadweight	11,153
Capacity	974 TEU



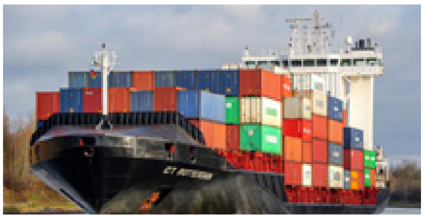
Elbcarrier

Year Built	2007
Acquired	2015
Gross Tonnage	8,246
Deadweight	11,166
Capacity	974 TEU



Thetis D

Year Built	2009
Acquired	2019
Gross Tonnage	17,488
Deadweight	17,861
Capacity	1,421 TEU

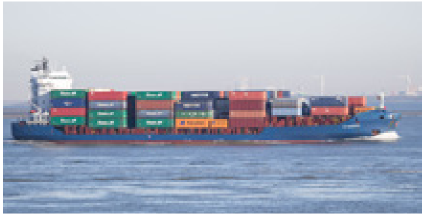


CT Rotterdam

Year Built	2009
Acquired	2019
Gross Tonnage	8,273
Deadweight	11,157
Capacity	974 TEU

CT Daniel

Year Built	2006
Acquired	2021
Gross Tonnage	9,990
Deadweight	11,190
Capacity	868 TEU



CT Pachuca

Year Built	2005
Acquired	2022
Gross Tonnage	6,901
Deadweight	9,235
Capacity	750 TEU

Mirror (chartered in)

Year Built	2007
Acquired	chartered-in
Gross Tonnage	7,852
Deadweight	9,344
Capacity	803 TEU

Executive Management Team

Eamonn Rothwell
BComm, MBS, FCCA, CFA UK
Chief Executive Officer

Eamonn Rothwell, aged 67, has been a Director for 36 years having been appointed as a non-executive Director in 1987 and subsequently to the position of Chief Executive Officer in 1992. He is also a Director of Interferry European Office A.I.S.B.L. He is a former Director of The United Kingdom Mutual War Risks Association Limited, Interferry Inc and The United Kingdom Mutual Steam Ship Assurance Association (Bermuda) Limited. He is a past executive Director of former stockbrokers NCB Group, now part of Tilman Brewin Dolphin. Prior to that, he worked with Allied Irish Banks plc, Fáilte Ireland (The Irish Tourist Board) and as a financial journalist.

David Ledwidge
FCA, BSc (Mgmt)
Chief Financial Officer

David Ledwidge, aged 43, was appointed to the Board in March 2016. David joined the Group in 2006 from professional services firm Deloitte where he qualified as a Chartered Accountant. He has held various financial positions within the Group, including Group Risk Accountant and Finance Director of Irish Ferries. He was appointed to his current role as Group Chief Financial Officer in May 2015.

Andrew Sheen
MSc, BEng(Hons), CEng, FIMarEST, FRINA.
Managing Director – Ferries Division

Andrew Sheen, aged 51, a Chartered Engineer, has been involved in shipping for over 30 years and has worked with Irish Ferries in a variety of operational roles for over 15 years. He re-joined ICG from the UK Maritime & Coastguard Agency and has been a Director of Irish Ferries since 2013. He was appointed to his current role as Managing Director of the Ferries Division in March 2015. He is currently a Director of the International Chamber of Shipping.

Declan Freeman
FCA
Managing Director - Container and Terminal Division

Declan Freeman, aged 47, joined the Group in 1999 from professional services firm Deloitte where he qualified as a Chartered Accountant. He has worked in a number of financial and general management roles in the Group up to his appointment as Managing Director of Eucon in 2011. He was appointed to his current role as Managing Director of the Container and Terminal Division in 2012.