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Gas
Networks
Ireland

2019 Sustainability
in Action

Part of **ervia** group

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A Message from Our Managing Director

Welcome to Gas Networks Ireland's 2019 sustainability report, *Sustainability in Action*. Our sustainability strategy has three key pillars – Environment, Social and Economic; and is aligned with the United Nations' Sustainable Development Goals. This report outlines our progress in implementing the principles of sustainable development across all aspects of our operations throughout 2019.



Denis O'Sullivan

At Gas Networks Ireland we connect over 705,000 businesses and homes to one of the most modern and safe gas networks in the world. In doing this, we are mindful of our sustainability responsibilities and aim to contribute to the protection of the environment while supporting the social and economic development of the communities we operate in, as well as the wider economy.

We are proud to be one of only 34 companies in Ireland to hold the *Business Working Responsibly* Mark for our responsible and sustainable business practices. We are committed to ensuring that sustainability is at the forefront of everything we do and to helping Ireland to reduce its carbon emissions.

Natural gas emits 40% less CO₂ than coal and 22% less than oil, however our vision is to significantly reduce emissions and have a carbon neutral gas network. We invest time and resources into maintaining our infrastructure, future proofing Ireland's gas network so that it can be used to transport zero carbon fuel such as renewable gas and hydrogen in the least cost, least disruptive way.

We've already started on this journey.

In October 2019, together with our parent company Ervia, we published Vision 2050 – A Net Zero Carbon Gas Network for Ireland. Vision 2050 plots a roadmap to a carbon neutral gas network, supporting emissions reductions across every sector of the Irish economy. By transporting renewable gases such as biomethane and hydrogen through Ireland's existing gas network, combined with developing innovative technologies, we will play a critical role in transforming Ireland's energy economy and maintain the vital balance between sustainability, security and affordability.

In 2019, locally produced renewable gas was successfully injected into the gas network for the first time at a purpose built injection facility in Cush Co. Kildare. We also progressed the rollout of Ireland's fast-fill Compressed Natural Gas (CNG) network with the completion of a station at Circle K's

Cashel premises and progressed the development of another seven public and private CNG stations ensuring that Ireland's HGV and bus operators can choose a cleaner fuel alternative. Additionally, we signed a Memorandum of Understanding with global energy company, Equinor, which will facilitate cooperation on assessing the potential for Ireland to benefit from Carbon Capture & Storage (CCS), bringing Ireland to the centre of Europe's large-scale decarbonisation.

Sustainability at Gas Networks Ireland supports our employees in the workplace and positively impacts the communities in which we operate, while contributing to Ireland's economy. In 2019 we supported social inclusion initiatives in communities across Ireland and supported our economy by making a total dividend payment of €139m to the Exchequer.

I want to acknowledge the on-going hard work and dedication of the Gas Networks Ireland team in delivering our sustainability initiatives during 2019. I am very grateful for everyone's ongoing commitment as we work towards our shared goals. We believe that our Sustainability in Action strategy will continue to improve our business in a sustainable and responsible way, particularly now as we navigate new ways of working through the unprecedented COVID-19 pandemic.

Denis O'Sullivan

Managing Director, Gas Networks Ireland

Who We Are

Gas Networks Ireland owns and operates the natural gas network in Ireland. Our gas network is one of the most modern and safest in the world, comprising 14,521km of gas pipelines including two sub-sea interconnectors. The safe, reliable transportation of natural gas and the delivery of a consistently excellent, cost-effective service that benefits all our customers is what we do.

We connect 705,868 homes and businesses to a safe, efficient and secure supply of natural gas every day. As guardians of this €2.7bn asset, owned by the people of Ireland, we aim to deliver our services in a sustainable manner.

The gas network plays a critical role delivering 31% of the country's primary energy needs, as well as generating on average 51% of Ireland's electricity. When the wind doesn't blow and the sun doesn't shine to generate electricity, gas is the ever reliable power behind Ireland. At times, gas generates up to 80% of all electricity used.

It is planned that by 2030 70% of electricity will be produced from renewable sources. The system will continue to rely on natural gas-powered generation to provide the capacity to support the development of renewables in Ireland. Our strategy, Vision 2050, explains how we can achieve a carbon neutral gas network by 2050.

We also began realising our ambition to convert agricultural and food waste into a carbon-neutral source of energy. Locally produced renewable gas was successfully injected into the gas network for the first time at Ireland's only purpose-built injection facility in Cush, Co. Kildare. The planning application for a second gas injection facility, in Mitchelstown, Co. Cork, was submitted to Cork County Council and a decision is expected in Autumn of 2020.



Kinsale Head Gas Field — Decommissioned May 2020
Seven Heads Gas Field —

- Existing Pipelines —
- Pipelines Owned by Others —
- Interconnection Points ●
- Entry Point ●
- Renewable Gas Entry Point ●
- Decommissioned Entry Point ●

Our History

2020 marks 44 years since the establishment of Ireland's first national gas utility in 1976.

The story of natural gas in Ireland

The natural gas we use today is millions of years old. However, we have only been able to access and use it relatively recently. Britain was the first country to commercialise natural gas around the year 1810. Gas was used primarily for street lamps and was produced from coal in local gasworks. After World War II technological advancements allowed for the construction of reliable pipelines.

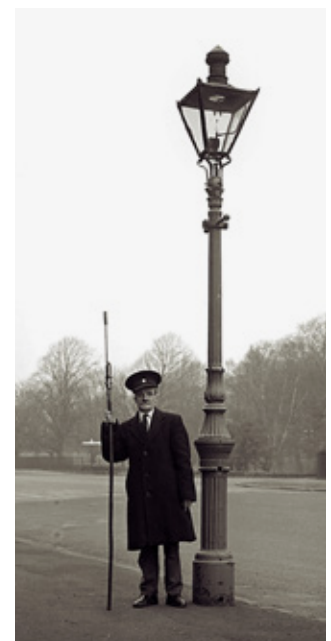
Exploration ships began searching for oil off the south coast of Ireland in the late 1960s. In 1971 one ship, the Glomar North Sea, failed to find oil, but instead discovered Ireland's first indigenous reserve of natural gas. An exploration rig was installed and it took two years to establish that the find was commercially viable.



First Waterford Gas Works Staff 1887



First Dublin Gas Transport Fleet - 1930s



First gas street lamp

1970s

The Gas Act (1976) established Bord Gáis Éireann as the State Gas Development Agency. The new semi-state replaced a series of private sector small towns-based gas companies.

- ▶ Cork Gas Company
- ▶ Alliance & Dublin Consumers Gas Company
- ▶ Limerick Gas Company
- ▶ Kilkenny Gas Company
- ▶ Clonmel Gas Company

Natural gas was first brought ashore to Ireland in 1978 through a sub-sea pipeline at Inch in Co. Cork. By the end of 1978 Bord Gáis Éireann had 32 staff members.

1980s

By the early 1980s Bord Gáis Éireann had 99 staff members. In 1983 a gas pipeline from Cork to Dublin was completed. Onshore construction work continued to serve customers in Cork City. The Dublin Gas Company received its first natural gas supplies and began converting 120,000 customers to natural gas from towns gas.

Customers in Limerick, Clonmel and Kilkenny were converted from towns gas to natural gas and the Cork and Dublin Gas Companies were fully acquired by Bord Gáis Éireann.



Dublin Gas Construction 1990

1990s

In 1990 Bord Gáis Éireann grew to 905 staff members. The sale of natural gas appliances increased by 50% in 1990 and gas sales to the industrial/commercial sector increased by 15%. Soon after (1992) work commenced on the first subsea interconnector. A major compressor station was under construction in south-west Scotland to increase the supply of gas to Ireland by 50%. By the end of the 90s natural gas was within reach of 550,000 homes in Ireland.



Bringing gas to the West of Ireland



The Clayton Gas Holder, c1980s

2000s

Aurora Telecom entered the dark fibre market in 2000. The following year a second interconnector pipeline was approved by the government. The Commission for Energy Regulation was established in 2002 and significant transmission network extension projects were undertaken to bring gas to the West of Ireland for the first time.

2010s

In 2012 the Government announced that an independent utility would be established as a subsidiary of Bord Gáis Éireann to operate a new water utility, Irish Water. In 2014 following the sale of Bord Gáis Energy, Bord Gáis Éireann was rebranded to Ervia - Ireland's first multi-utility company. Bord Gáis Networks was rebranded to Gas Networks Ireland. In 2010 Bord Gáis Éireann had almost 1,000 employees, today Ervia has over 1,600 employees.

Strategic framework

Gas Networks Ireland is the business division of Ervia that owns, builds and maintains the natural gas network in Ireland and connects all customers to the gas network. Gas Networks Ireland operates one of the most modern and safe gas networks in the world and ensures that over 705,000 homes and businesses receive a safe, efficient and secure supply of natural gas, 24 hours a day, 365 days a year. Ervia is a commercial semi-state multi-utility company with responsibility for the delivery of gas and water infrastructure and services in Ireland.

Purpose

To enhance the health and quality of life of the people of Ireland, protect our environment and enable economic development by delivering high quality infrastructure and services safely and efficiently.

Strategic Objectives

Ervia's strategy is to provide essential gas, water and wastewater infrastructure and services efficiently and safely in accordance with our long term plan. At Ervia we have a pivotal role to play in enhancing the environment, leading the transition to a low carbon energy system, protecting precious water resources and increasing resilience. We will:

1 Organisation	Develop an organisation model appropriately structured and governed for the range and nature of businesses managed.
2 Climate Action in Energy Sector	Advocate and demonstrate how the gas network can play a central role in decarbonising Ireland's economy and realise the supporting national infrastructure to deliver a fully decarbonised network by 2050.
3 Financial Strength	Sustain a strong financial position and leverage this to access secure competitive funding to meet business needs and maximise shareholder value.
4 Sustainability	Be a leading green and sustainable Irish business by 2025.
5 Innovation	Investigate the potential of new infrastructure related business opportunities which address shareholder priority agenda items, with a focus on energy decarbonisation, and produce a commercial return.
6 People and Culture	Support a culture that engages, excites and empowers our people and business partners through a collaborative team environment we are proud of and that delivers safely to the citizens of Ireland.

Values

Our five shared values define the character of our organisation, they guide our actions and decisions, and provide a framework for how we communicate with each other, our customers and our stakeholders.

Performance

We strive to be a high performing multi-utility, continuously delivering quality services and infrastructure.

Integrity

We are open and honest in everything we do. We treat each other, our customers, our assets and the natural resources we rely on with respect.

Safety

We put safety at the heart of what we do.

Collaboration

We work together to get results, sharing and learning from each other.






Customer Service

Our goal is to provide quality services for our customers. We listen to their needs and strive to exceed their expectations.





Factors influencing value creation

	The challenge is to	This means we must	And we will create value by
 Security of Supply	Maintain economic competitiveness.	Provide a secure and reliable supply of gas.	Co-operating with stakeholders to prepare for Brexit and plan for contingencies on the network.
 Climate Action	Help to reduce carbon emissions in Ireland by 30% by 2030.	Decarbonise the gas network.	Delivering the actions attributed under the Climate Action Plan 2019 and exploring a range of innovative solutions to transition to a low carbon economy as set out in our Vision 2050 document.
 Customer	Deliver a customer experience that meets their needs.	Invest in IT platforms and digitise data.	Maintaining robust systems to protect data and defend against cyber-attack while also enhancing customer service.
 Economic Growth	Roll out the National Planning Framework and Project Ireland 2040.	Fund and manage large scale capital projects.	Enhancing capabilities and competencies in major infrastructure projects.
 Sustainability	Protect the environment, respect resources and value employees.	Become a leading green and sustainable business by 2025.	Operating a sustainable business enhancing biodiversity, minimising waste and supporting our people and communities.

Business Model

How we create value

Inputs

Financial

We earn a return on a mix of regulated and unregulated assets.

Total Assets

Gas Networks Ireland	€2.7bn
Aurora Telecom	€24m

Networks

Our gas and telecoms networks cover the length and breadth of the country.

KM OF NETWORKS

Gas Networks Ireland	14,521 km
Aurora Telecom	1,240 km

People and Partners

Working together and using our combined expertise allows us to sustain and grow our business.

522 employees in Gas Networks Ireland along with 574 employees in Ervia Central Services who also supply services to Irish Water

Stakeholders

We consult with and actively seek the opinion of the communities we work in: our customers, regulators, government and investors.

Natural Resources

We work to protect our environment in the transition to a low carbon energy system.

transport **76.5** TWh of Natural Gas annually

Business Activities

Develop and Fund the Future Plans

- ▶ Business plan
- ▶ Investment priorities
- ▶ Climate Action

Continuously Improve our Offering

- ▶ Compressed Natural Gas
- ▶ Carbon Capture and Storage
- ▶ Hydrogen
- ▶ Improve efficiency
- ▶ Renewable gas injection

Serve our Customers Well

- ▶ Easy to work with
- ▶ New connections

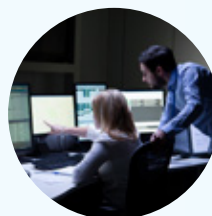
Working together, our people and partners build, maintain and operate our gas and fibre networks to provide essential services to our customers, communities and the economy.

Outputs



Efficient, cost effective customer centric services

Robust and resilient infrastructure



Benefits

Customers

- ▶ Serving over 705,000 gas customers
- ▶ Providing a safe and reliable gas supply
- ▶ Delivering increasingly efficient services

Employees

- ▶ Learning and Development
- ▶ Health and Wellbeing
- ▶ Diversity and Inclusion

Communities

- ▶ Protecting the environment and supporting biodiversity
- ▶ Climate Action
- ▶ Supporting local communities

Regulators

- ▶ Improving performance versus regulatory standards

Shareholder

- ▶ Dividends

Economy

- ▶ Enabling economic development
- ▶ Supporting employment
- ▶ Investing in infrastructure

Invest in Assets

- ▶ Growth
- ▶ Refurbishment
- ▶ Capacity
- ▶ Security of Supply
- ▶ Protection

Maintain our Asset Base

- ▶ System security
- ▶ Asset strategy
- ▶ Maintenance programmes

Operate the Systems

- ▶ Continuous quality supply
- ▶ Safety
- ▶ Grid control
- ▶ Emergency response to reports of gas escapes

Our 2019 Highlights

Invested €110 million in the gas and telecoms network infrastructure.

Issued a five year €300 million bond on the Eurobond market with a coupon of 0.125% and a yield of 0.164%.

Performed over 38,564 planned maintenance work orders.

We constructed Ireland's second publicly-accessible, fast-fill Compressed Natural Gas station at Circle K's Cashel premises.

Another seven public CNG stations currently are in development which means that Ireland's HGV and bus operators can now choose a cleaner fuel alternative.

Injected renewable gas into the network for the first time at Ireland's only purpose-built injection facility in Cush, Co. Kildare.

Investigated 15,822 public reports of escaped gas with an average response time of 27 minutes, 99.99% of which were within 1 hour.

Completed the 315km extension of the Aurora Telecom fibre optic network from Dublin to Cork.

Contracted over 9,672 new commercial and residential customers to the gas network which added 769GWh of new natural gas demand to the network.

Trialled Ireland's first carbon neutral bus journey. Unlike diesel buses currently in operation, this bus runs on renewable gas, and has a zero carbon emissions footprint.

Our 2019 Sustainability Highlights



Reduced our carbon footprint by 27% since 2010.



Exceeded the public sector energy reduction target of 33% - we are hitting 44%.



Published Vision 2050 - A Net Zero Carbon Gas Network for Ireland.



Maintained Business Working Responsibly Mark based in ISO 26000.



Customer Service Team recognised as a "Centre of Excellence".



Signed the Low Carbon Pledge and Gas Networks Ireland features as a case study in the first Low Carbon Pledge Report.



Recognised by Chambers Ireland for our CSR programme.



Spent 1,460 hours volunteering on our community programmes.



Maintained ISO 14001 certification - Environmental Management System.



Business Supporter of the All Ireland Pollinator Plan. Founding member of the Irish Biodiversity Business Forum.



Maintained ISO 45001 certification - Safety Management System.



€2 million approved for research and development projects through the gas innovation fund.



Maintained ISO 9001 certification - Quality Management System.



Donated €141,000 to support social inclusion in communities across Ireland.



Maintained ISO 55001 certification - Asset Management System.



Supported 40,000 hours of additional education for young people across Ireland.



Maintained ISO 50001 certification - Energy Management System.



99% recycling rate from our offices.

Highlights



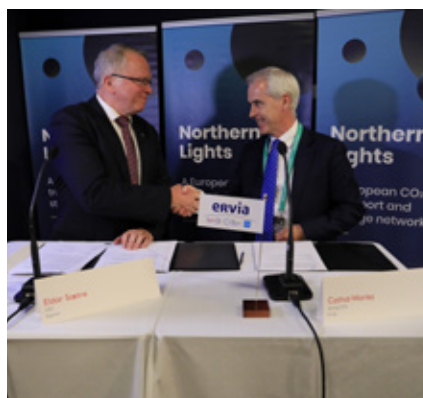
Vision 2050

In October 2019, we published Vision 2050, our statement on the leading role that the gas network will play in decarbonising Ireland's economy and society over the coming decades.

Irish Gas Forum

The inaugural Irish Gas Forum took place in October 2019 and was supported by Ervia and Gas Networks Ireland.

The focus of the forum was the need to move the policy debate towards the transition of Ireland's natural gas network to low carbon gas sources.



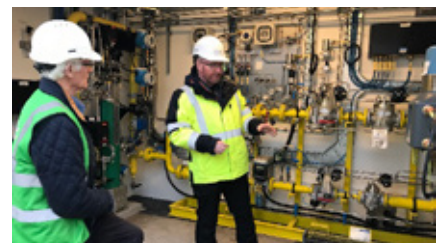
Carbon Capture and Storage

Our parent company Ervia has signed a Memorandum of Understanding with global energy company, Equinor, on assessing the potential for Ireland to benefit from Carbon Capture and Storage, bringing Ireland to the centre of Europe's large-scale decarbonisation.

First step in decarbonising the gas network

Locally produced renewable gas was successfully injected into the gas network for the first time this year at Ireland's only purpose built injection facility in Cush, Co. Kildare.

The planning application for a second gas injection facility, in Mitchelstown, Co. Cork, has been submitted to Cork County Council. This large-scale central grid injection facility is part of Gas Networks Ireland's GRAZE (Green Renewable Agricultural and Zero Emissions) gas project.





First Sustainability Report

We published our first sustainability report, "Sustainability in Action", which highlights our progress in implementing the principles of the United Nations' Sustainable Development Goals across the business.

First carbon free bus journey

This year we trialled Ireland's first carbon neutral bus journey. Unlike diesel buses currently in operation, this bus runs on renewable gas, and has a zero carbon emissions footprint. We believe that the future of public transport in Ireland will be based on renewable gas, using waste from the agriculture and food industry.



Aurora's Regional Fibre Expansion

Aurora Telecom grew its network footprint by 315km to 1,240km in 2019, expanding from 8 to 15 counties, making it the terrestrial backhaul provider of choice connecting three major international subsea cables which landed on Irish shores over the past two years.



Our Centre of Excellence

CCA Global, the professional body for leading brands in customer experience, recognised our Customer Service Team as a 'Centre of Excellence'.



Cleaner fuel option for commercial fleet

We constructed Ireland's second publicly-accessible, fast-fill Compressed Natural Gas station at Circle K's Cashel premises. With a strong pipeline of stations to be constructed in the coming years.



Our Sustainability Strategy

As one of Ireland's leading utilities, our sustainability strategy is underpinned by our role in delivering a safe, affordable and clean energy future for Ireland through the decarbonisation of our network and the reduction of emissions across all sectors of Irish society.

As guardians of this €2.7bn asset, owned by the people of Ireland, we aim to deliver our services in a sustainable manner and to ensure that Gas Networks Ireland contributes to the protection of the environment while supporting the social and economic development of the communities we operate in, as well as the wider economy.

With our Vision 2050 and 2030 Business Strategy, as well as six of the UN's Sustainable Development Goals at its core, in 2019 we developed our Sustainability Strategy. Working with our key stakeholders we identified our sustainability priorities through a materiality assessment process.

We will continue to work with our stakeholders and are committed to being transparent about our sustainability performance.

The six UN Sustainable Development Goals at the core of our Sustainability Strategy



Vision 2050

In October 2019 we published *Vision 2050 – A Net Zero Carbon Gas Network for Ireland*. Through a combination of technologies, we set out how we can help to reduce Ireland's total carbon emissions by one third and create a net zero carbon gas network.

By 2050 half of the demand for gas can be met by renewable gas and hydrogen. Gas Networks Ireland welcomes the development of Carbon Capture and Storage (CCS) technology, where the carbon dioxide from natural gas can be abated through CCS.

As an energy source, natural gas is of key strategic importance to Ireland, representing 31% of the country's primary energy mix and powering approximately 55% of Ireland's electricity in 2019. While natural gas emits roughly one sixth of Ireland's emissions, delivering on our 'Vision 2050' strategy will create a carbon neutral gas network and reduce Ireland's total carbon dioxide emissions by one third across key sectors including electricity, industry, heat, transport and agriculture. This will make a major contribution to getting Ireland back on track to meet its emission reduction and renewable energy targets.

Ireland's gas network is one of the most modern and safe gas networks in the world with no capacity constraints, the network can be used to facilitate renewable energies including renewable gas and hydrogen.





Renewable gas is sometimes referred to as biomethane, it is a clean, renewable and carbon neutral fuel. Its potential as a renewable fuel for heat, electricity and transport is well-recognised. It can replace heavily polluting fossil fuels such as coal, oil and peat and is a direct substitute for natural gas, without the need to invest in alternative infrastructure.



Compressed Natural Gas is particularly suitable for use in commercial vehicles. It is a proven alternative to diesel or petrol and reduces carbon emissions and cuts transport costs by up to 25%. There are an estimated 25 million natural gas vehicles in operation worldwide, and almost two million in Europe. While heavy goods vehicles and buses account for only 4% of vehicles on Ireland's roads, they account for 30% of all emissions in the road transport sector.



Carbon capture and storage is a proven technology that captures up to 100% of the carbon dioxide emitted by major industries and electricity generators. Carbon Capture and Storage technology takes the carbon from the exhaust fumes created by natural gas when it is combusted. The process absorbs the carbon from the exhaust fumes. The captured carbon dioxide is then conditioned, compressed, transported and stored permanently and safely deep underground. Carbon Capture and Storage prevents emissions from entering the atmosphere and contributing to climate change. Zero-carbon power generation from gas with Carbon Capture and Storage abated gas has the advantage of being completely reliable, making it the ideal long term partner for wind and solar energy.



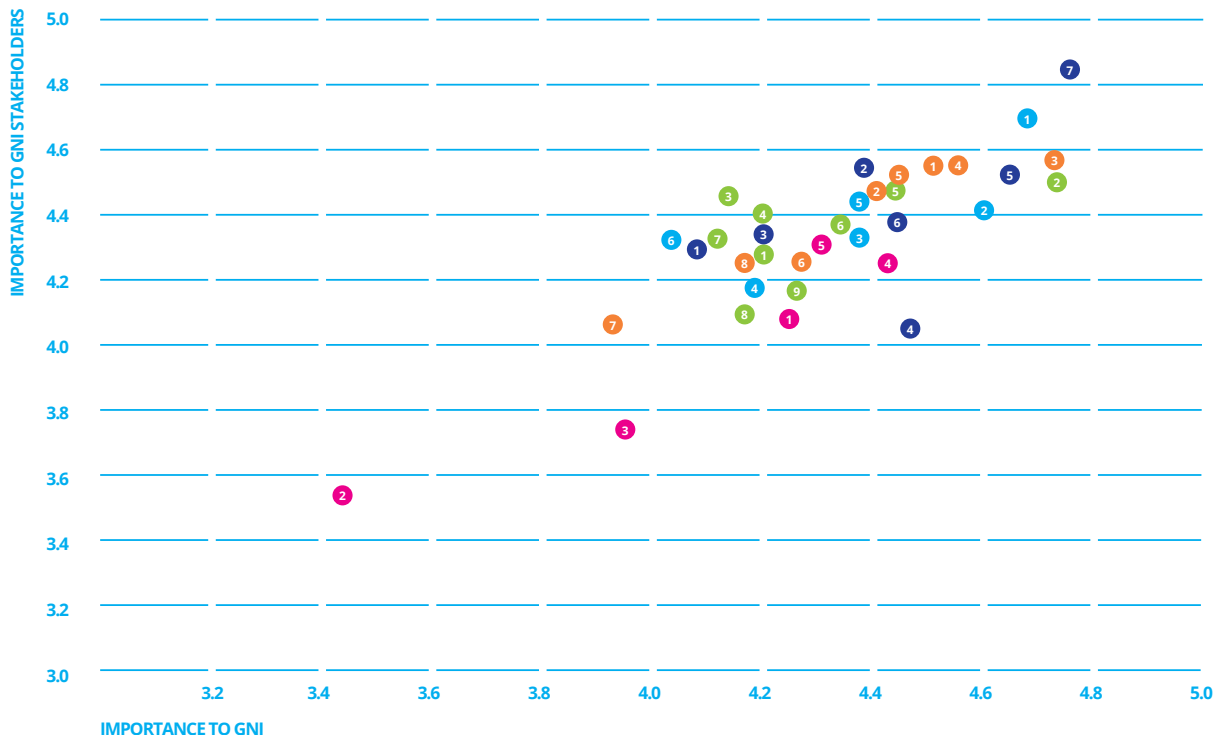
Hydrogen will play an important role in supporting our move towards a cleaner energy future. Similar to other gas network operators across Europe, we see the network as having a leading and enduring role in decarbonising Ireland's energy system. It will provide security of supply to complement intermittent renewables.

Hydrogen produces zero carbon dioxide emissions when combusted. Much like natural gas, hydrogen can be used for heating, transport, and power generation. Currently most hydrogen is produced by separating it out from methane. Hydrogen may also be produced by an entirely carbon free process called electrolysis. It involves using renewable electricity to split water into hydrogen and oxygen. The process is commonly referred to as Power to Gas. Electrolyser technology is developing rapidly, becoming larger in scale and lower in cost. Given the measure of the ambition for increased renewable energy generation for Ireland, this approach offers significant potential.

In 2020 we will continue to explore the potential of new technologies to facilitate renewable gas and hydrogen, assess Carbon Capture and Storage as well as building more Compressed Natural Gas stations. To find out how Vision 2050 sets a clear pathway to a net carbon zero gas system by the year 2050 visit: www.gasnetworks.ie/vision2050

Materiality Assessment

In 2019 we conducted a Materiality Assessment to assist in the development of our Sustainability Strategy. Materiality helps identify and prioritise the sustainability issues that matter most to our business and stakeholders.



Community

- 1. Community Engagement
- 2. Corporate Giving
- 3. Employee Volunteering
- 4. Promoting STEM
- 5. Environment in Community

Workplace

- 1. Employee Safety
- 2. Employee Health and Wellbeing
- 3. Training and Development
- 4. Employee Recognition
- 5. Employee Comms
- 6. Flexible Working

Marketplace

- 1. Sustainable Procurement
- 2. Human Rights
- 3. Data Protection
- 4. Product/Service Promotion
- 5. Responsible Prod/Service
- 6. Customer Relationships
- 7. Network Safety

Environment

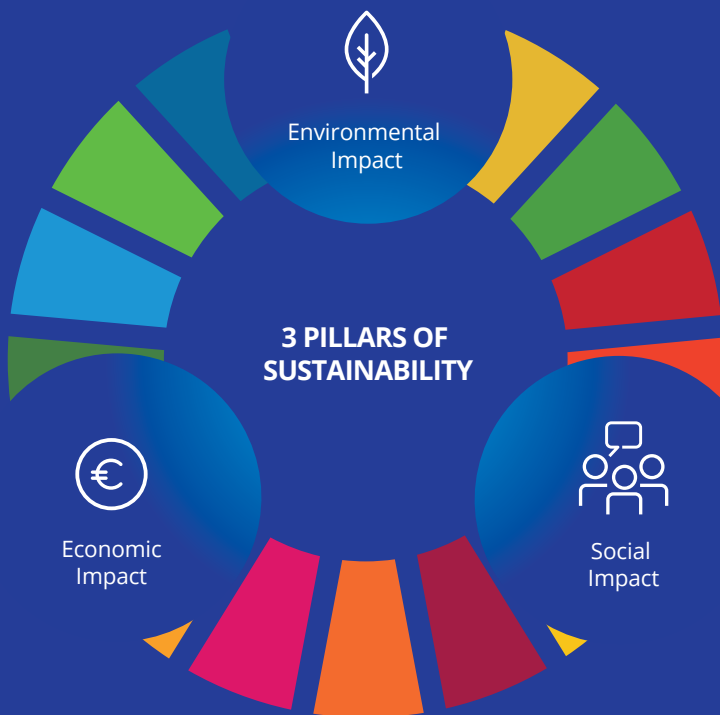
- 1. Pollution Prevention
- 2. Waste
- 3. Carbon Emissions
- 4. Climate Change Adaptation
- 5. Energy
- 6. Transport
- 7. Water
- 8. Biodiversity

Environment/Economic

- 1. CR/Sustainability Governance
- 2. Public Policy
- 3. Regulatory Compliance
- 4. Stakeholder Engagement
- 5. Anti Bribery
- 6. Economic Sustainability
- 7. Risk Management
- 8. Diversity and Inclusion
- 9. Org Change Management

United Nations' Sustainable Development Goals

In September 2015, representatives from 193 countries signed the United Nations' 2030 Agenda for Sustainable Development. This Agenda has become the guide to the world's social, economic and environmental actions to achieve a sustainable future by 2030.



The framework consists of 17 Sustainable Development Goal (SDGs). Each of these goals has a number of targets associated with it (169 in total). Ireland's progress against each goal is measured using a set of United Nations (UN) global and European Union (EU) agreed targets and indicators.

The 2030 Agenda for Sustainable Development encourages countries to develop national responses to the Sustainable Development Goals (SDGs) and incorporate them into planning and policy. The Minister for Communications, Climate Action and Environment has lead responsibility for promoting and overseeing national implementation of the 2030 Agenda for Sustainable Development and its 17 SDGs.

These 17 goals present businesses with a new framework to deliver and communicate their sustainability ambitions. Throughout this sustainability report, you will see how we are embedding the principles of the UNSDGs.

SUSTAINABLE DEVELOPMENT GOALS





Bug hotel installed in Shalom Park Cork City



Environment

As guardians of Ireland's gas infrastructure we aim to deliver our services in a sustainable manner which contributes to the protection of the environment whilst focusing on the areas where we can make the biggest difference. In 2019 we focused on the areas of Waste, Biodiversity and Climate Change.

We have adopted a multifaceted approach to reducing the environmental impact of our business activities. Significant milestones on this journey include the implementation of an Environmental Management System (certified to ISO 14001) in 2012 and achieving Energy Management System certification (ISO 50001) in 2014. In 2015 we were one of the first companies in Ireland to achieve the Asset Management System Standard ISO55001. Investment is taking place to implement leading edge, asset management systems and processes, to better manage network asset performance while increasing energy efficiency.

To reduce our impact on the environment we have developed objectives in a number of areas including air/carbon emissions, energy use, waste generation and efficient use of resources, all of which are verifiable within our certified Environmental Management System ISO14001 and Energy Management System ISO50001. We have established an environmental energy working group, the purpose of which is to promote a more integrated and strategic approach to environmental and energy management across the business and our asset base. We also developed an in house tool to assist our employees in environmental management. Our bespoke Envirokit and EnviroPlan environmental planning and design toolkits assist our designers and planners in applying a standardised approach to Environmental Management. EnviroOps, our in house environmental guidance document was developed to assist our operations personnel in applying best practice while working for the organisation.

SDGs relating to this section



Environment



Enhancing Biodiversity

Biodiversity is the diversity or variety of life on Earth. In general, Ireland has a rich biodiversity for such a small island. Ireland is home to over 400 species of birds, more than 4,000 plant species, over 12,000 species of insects and some 28 species of land mammals.

We are committed to protecting biodiversity across our business and in our community. We are a business supporter of the All Ireland Pollinator Plan. With assets all over the island of Ireland we recognise the potential to create a network of pollinator friendly habitats across the country and also to share our knowledge with other businesses. Our multifaceted Biodiversity Enhancement Programme launched in 2017 and is ongoing ever since. Our Programme aims to increase awareness about biodiversity among our staff and stakeholders. In 2020 we will develop a biodiversity strategy and action plan.



Beehives installed in one of our Cork gas stations

Our sustainability themed calendars, distributed to over 5,000 landowners



Biodiversity workshop with a local school in Cork

- ▶ In February 2019 at Ireland's first National Biodiversity Conference, we were announced as one of 14 founding members of the Irish Business and Biodiversity Platform which included becoming a signatory of the 'Our Seeds for Nature' Charter, launched by the Department of Culture, Heritage and Gaeltacht. Our Seeds for Nature is a public pledge to manage all infrastructure, asset base and offices in Ireland and Scotland in line with biodiversity best practice; to strive to have a net positive impact on biodiversity in all our operations; and to promote red clover, which is good for bees and soil, by encouraging farmers to grow this as a feedstock crop to produce biogas.
- ▶ At the same conference, we were very proud to win the "Working Together for Biodiversity award" for our Biodiversity Enhancement Programme.
- ▶ We were also shortlisted for a Chambers Ireland Corporate Responsibility award for our Biodiversity Enhancement Programme.
- ▶ We continue to be a business supporter of the All-Ireland Pollinator Plan with measures currently implemented at a number of sites including; reduced grass cuttings and pesticide use, installation of bird boxes, biodiversity awareness signage and planting of wildflowers.



MD Denis O'Sullivan signing as a founding member of the Irish Business and Biodiversity Platform



Bird boxes installed at our office in Dublin

- ▶ As part of a biodiversity employee engagement exercise we installed two beehives at one of our gas stations in Cork and produced our first batch of honey this summer.
- ▶ We have increased stakeholder engagement through the delivery of employee biodiversity awareness talks and nature walks and presenting to other businesses as part of a Business in the Community initiative.
- ▶ We have also increased community engagement by hosting biodiversity awareness sessions in local primary schools. 62 children in the local community learned about the importance of biodiversity by building insect hotels for their school grounds and installing bird boxes to attract nesting birds.
- ▶ We also collaborated with Cork City Council to install a large bug hotel with biodiversity informative signage in Shalom Park beside the children's playground. Shalom Park is located beside our headquarters.
- ▶ We featured as a case study in a Business in the Community Biodiversity Handbook for business.
- ▶ Our 2018, 2019 and 2020 calendars, distributed to over 5,000 landowners, celebrated Ireland's biodiversity and provided advice to landowners on actions that can be taken to support biodiversity.
- ▶ As part of an Irish Examiner initiative during National Biodiversity Week, we sponsored a "What you can do on World Bee Day to help save the bees?" poster. The poster was provided free with the paper to over 50,000 readers and also provided to 300 schools in Munster and 20 schools located near our office in Finglas, Dublin.

In 2020 we will continue to drive and enhance biodiversity as part of a long term Biodiversity strategy to deliver our 2025 "Seeds for Nature" commitments.

Environment

Water Use

While we are not a significant user of water, we monitor and track usage. There has been a marked reduction in recent years as a result of improved performance and upgrading of our offices, but also due to reductions in imported gas from the UK and the increase in gas supply from Corrib. This has resulted in less usage of our UK turbine fleet and less water being consumed.

Reducing Waste

We are committed to reducing our waste to landfill, our target is zero waste to landfill by 2025. Monthly key performance indicators are recorded and reported, our 2019 target was to recycle 70% of all waste. In 2019 the overall recycling figure in our offices was 99%. To help achieve our waste goals all our waste suppliers are audited to ensure adherence to our standards. We also complete audits and inspections of waste storage compounds on project sites to ensure correct waste segregation and minimise contamination. We continue to make improvements year on year. Office waste has consistently decreased in recent years and staff are encouraged to recycle. In 2019 we carried out "Zero Waste" training with all staff and also rolled out "Soil and Stone" awareness training. We also developed a "Zero Waste" plan with the aim of reducing waste across all employee and contractor activities.

Climate Change

Climate change is one of the most significant and challenging issues of our time. Natural gas and gas infrastructure can contribute significantly to achieving EU energy and climate goals in the most cost efficient way. Gas has a key role in decarbonising the energy sector across the areas of transportation, power, heating, industry and in the community. Our vision is for Ireland's gas network to be Net Zero Carbon by 2050. In 2019 we launched our Vision 2050 which sets out how we plan to achieve this and help tackle the impact of climate change in sectors that are difficult to decarbonise. Ireland is facing an emissions challenge in transport which requires immediate action.

Compressed Natural Gas (CNG)

We are committed to supporting the development and growth of renewable energy in Ireland. Renewable gas can make a significant contribution to meeting Ireland's renewable energy and greenhouse gas emission targets. The use of compressed natural gas vehicles is a pathway for the use of renewable gas as a transport fuel.

CNG is particularly suitable for use in commercial vehicles. It is a proven alternative to diesel or petrol, reduces carbon emissions and cuts transport costs by up to 25%. There are an estimated 25 million natural gas vehicles in operation worldwide, and almost two million in Europe. While heavy goods vehicles and buses account for only 4% of vehicles on Ireland's roads, they account for 30% of all emissions in the road transport sector.

Using CNG to power trucks and buses can help to reduce emissions. Diesel fuelled heavy goods vehicles (HGVs) account for 20% of all energy related Carbon Dioxide (CO₂) emissions in the road transport sector. A CNG vehicle emits less CO₂ and 97% less carbon monoxide, 60% less nitrogen oxide and 75% less non methane hydrocarbon than diesel fuel, while emitting virtually no particulate matter. This will provide significant air quality and health benefits for Irish citizens.

We are currently developing a national network of CNG re-fuelling stations for public and private transport operators. Our aim is that by 2030 there will be a network of 172 CNG stations (42 public stations) with capacity to service 4,484 HGVs and 1,435 buses. This represents 26% of the 10 tonne HGV segment of 17,000 vehicles and 14% of the bus market (10,000 buses).



Environment

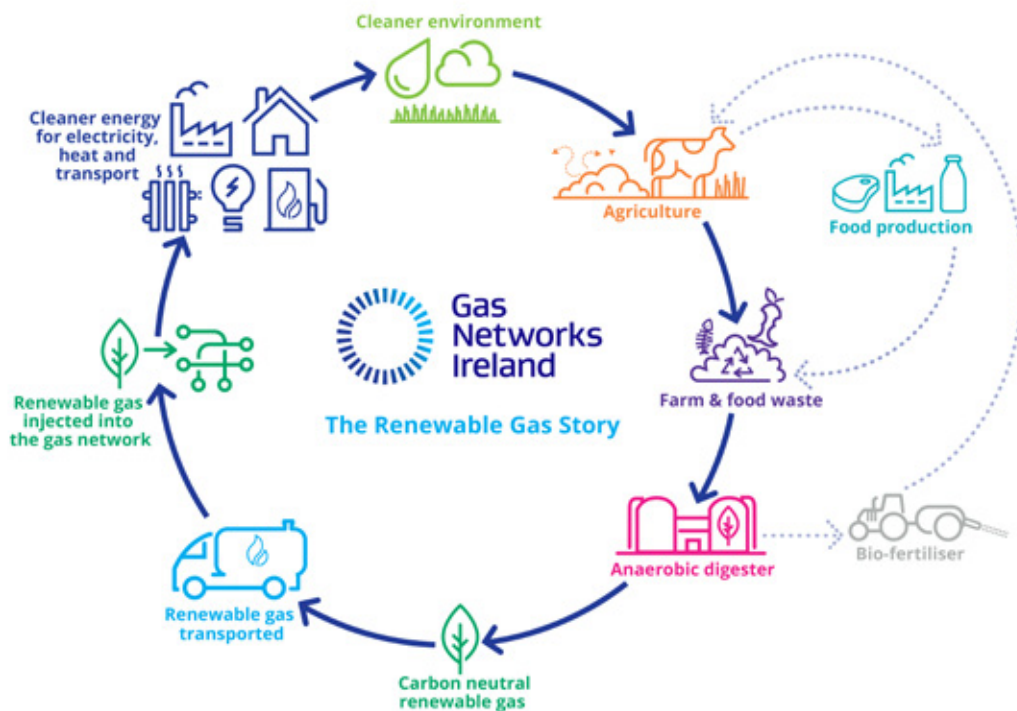
Renewable Gas

Renewable gas, sometimes referred to as biomethane, is a clean, renewable and carbon neutral fuel. Renewable gas can be produced through the digestion of wet organic biomass, purified to biomethane and injected directly into the gas network. This can be done without modification to the existing natural gas network or end user equipment. The production of renewable gas can provide emission reduction benefits to the agriculture, heat and transport sectors while contributing significantly to meeting Ireland's current and future climate change targets.

Its potential as a renewable fuel for transport, heat and electricity is well-recognised in the EU's commitment to becoming a highly energy-efficient, low carbon economy. Countries such as France and Germany have taken a lead in the roll out of renewable gas, however the EU Commission has identified Ireland as being the country with the greatest potential for developing this clean energy.

As part of Vision 2050, we are focusing on supporting anaerobic digestion (AD) within the agriculture and commercial waste sectors. Greenhouse gas emissions from agriculture represents over 35% of national emissions and are expected to increase further due to a projected increase in dairy cow numbers and proposals to increase food production and exports as set out in Food Harvest 2020.

We worked with 'Green Generation' as part of an innovation fund supported project to complete Ireland's first injection of renewable gas onto the gas grid in Cush, Co. Kildare. The project was commissioned in 2019 and delivered the first injection of biomethane into the Natural Gas Grid in Ireland.



Carbon Performance

We are an active participant in the Government's Public Sector Monitoring and Reporting (PSMR) initiative. While the PSMR aims to achieve a 33% energy saving within the public sector by 2020, we have exceeded this ambition with 44% energy savings already achieved. Our energy savings are realised by metering and energy efficiency drives across all office locations, along with the replacement of inefficient lighting and heating solutions.

We have replaced our older vehicle fleet with new, more efficient vehicles and managed this fleet more efficiently through enhanced inspection procedures and programmes to increase employee awareness of fuel consumption.

In 2012 we completed the construction of our Network Services Centre in Finglas, Dublin. The building was the first office in Ireland to be awarded the coveted 'Excellent' rating under BREEAM assessment procedures. BREEAM is the world's leading design and assessment method for sustainable buildings. We are currently upgrading our headquarters in Cork and sustainability considerations (energy efficiency and resource management) are central to the upgraded design.

Low Carbon Pledge

We are committed to embedding sustainability and decarbonisation principles to the core of our business decisions and strategy.

In 2018 we signed up to the Low Carbon Pledge, a Business in the Community Ireland Initiative (BITCI) for Irish businesses to invest time and resources into creating a more sustainable operation, by being more energy efficient and reducing carbon usage. The Pledge aims to practically demonstrate Irish businesses commitment to supporting the transition to a low carbon economy.

The 2019 inaugural report, by PwC, identified that participating companies have engaged positively with the decarbonisation challenge and have already delivered meaningful emissions reductions. We were delighted to participate as a case study in the report, demonstrating our work to date to reduce our carbon footprint.

To help ensure consistency and comparability of efforts across various companies the internationally recognised Greenhouse Gas Protocol Corporate Standard is used as the underlying framework for the Low Carbon Pledge. Signatory companies commit to the following:

- ▶ Record all Scope 1 and Scope 2 Carbon Emissions
- ▶ Reduce the amount of Scope 1 and Scope 2 Carbon Emissions Intensity
- ▶ Report (1) Individually through an Annual Report or Website or other publically available equivalent source and (2) Collectively through an Annual BITCI Low Carbon Report
- ▶ Review year-on-year Scope 1 and Scope 2 Carbon Emissions with the aim of demonstrating continuous improvement.

While the pledge focuses on Scope 1 and Scope 2 emissions sources, we are actively focusing on emissions sources beyond this. We have implemented a travel policy aimed at reducing the carbon footprint associated with employee work-related travel.

Our efforts to reduce our overall carbon footprint are further detailed in the next section.



Business Working Together for a Low Carbon Ireland inaugural report on the BITCI Low Carbon Pledge featuring Gas Networks Ireland as a case study

Environment

Climate Action

We have reduced our carbon footprint by 27% since 2010. We have established a Climate Action Working Group to help achieve our carbon reduction ambitions. The Working Group is currently assessing a number of carbon reduction initiatives to help drive the company's decarbonisation efforts. Each department has contributed to the identification of initiatives. All are currently being assessed on the basis of the potential achievable emissions reduction and the associated mitigation/abatement cost.

Gas Networks Ireland's GHG inventory was independently verified according to ISO 14064-3:2019 Specifications with Guidance for the Validation and Verification of Greenhouse Gas Statements.

Gases included are CO₂ and CH₄. Final figures are reported in tonnes of CO₂ equivalent (tCO₂e).

Breakdown of emission sources by activity.

	Activity	Emissions Source
Scope 1	Unintentional Emissions of Natural Gas from Equipment	Leakages of natural gas from equipment/ infrastructure on gas transportation network
	Metered Process Gas	Stationary combustion of natural gas to run turbine at compressor stations and to preheat gas at above ground installations prior to pressure reduction
	Compressor Vented Fuel Gas	Natural gas vented between cycles at compressor stations
	Offices – Gas	Stationary combustion of natural gas in offices for heating
	GNI fleet	Mobile combustion of petrol and diesel in our fleet
Scope 2	Offices – Electricity	Indirect emissions from purchased electricity used for offices
	Process Sites Electricity Use	Indirect emissions from purchased electricity used for above ground installations and compressor stations
Scope 3	Main Period Contractor	Indirect emissions from main contractors (contractor scope 1, 2 & 3 emissions; gas, electricity, diesel, petrol)
	Grey Fleet	Indirect emissions from mobile combustion of private car use fuel for employee business travel
	Helicopter	Indirect emissions from mobile combustion of fuel for 3rd party helicopter used for pipeline surveillance

Quantification of Emissions

A summary of total emissions in our GHG statement can be seen in Table 3.

Table 3. Summary of total emissions for each Scope.

	Scope 1 (tCO2e)	Scope 2 (tCO2e)	Scope 3 (tCO2e)
2010	215,603	5,576	1,815
2011	201,553	5,587	1,951
2012	189,467	5,820	1,932
2013	191,973	5,441	2,848
2014	192,109	5,230	2,933
2015	191,789	5,331	3,486
2016	162,331	5,236	3,487
2017	151,079	4,805	3,628
2018	164,498	4,553	3,311
2019	154,344	4,706	4,746

Sustainable Procurement

We procure significant volumes of services and materials to support the maintenance and delivery of the gas transportation network. We are committed to circular economy principles, by enhancing procurement processes we are driving better sustainability practices throughout the entire supply chain. Environmental and sustainability requirements are embedded within the procurement process right through to delivery stage of each contract. For example larger contractors are required to provide monthly reports on their performance against a range of environmental key performance indicators (KPIs) in relation to waste management and energy use. Contracts are designed to incentivise best

environmental practice throughout project delivery. Where contractors outperform KPIs, the financial terms of contracts contain provisions to allow bonus payments to be made. Similarly KPI underperformance can result in the imposition of financial penalties.

In 2020 we will expand our sustainable procurement practices to include the development of a green procurement policy, including supplier charter amongst other initiatives.





Social

We focus our social sustainability activities around the communities we serve, our workplace, marketplace, and the environment we work hard to protect.

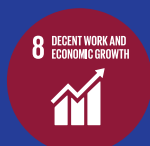
In 2019 we donated €141,000 to support social inclusion in communities across Ireland. We also supported 40,000 hours of additional education for young people and our employees spent 1,460 hours volunteering on our community programmes.

Also in 2019 we were the proud recipient of Chambers Ireland's InBusiness Special Merit Award for our Corporate Responsibility Programme. Our schools Science, Technology, Engineering and Maths (STEM) programme 'Energize' was shortlisted for Community Initiative of the Year at the 2019 Utility Week Awards UK.

Our social sustainability activities were nominated for a number of awards in 2019 including:

- ▶ Three Chambers Ireland Corporate Responsibility Awards
 - Excellence in Community – Community Programme – Energize
 - Excellence in Workplace – Walking the Talk – A study of the impact of coaching while walking
 - Excellence in Environment – Biodiversity Enhancement Programme
- ▶ CSR Award at the it@cork Tech Leaders Awards
- ▶ Best use of Digital Marketing for the greater good (CSR) at the Cork Chamber of Commerce Digital Awards

SDGs relating to this section



Social



Corporate Responsibility Manager, Christina van der Kamp, receiving the Chambers Ireland, InBusiness award for our Corporate Responsibility Programme



Managing Director, Denis O'Sullivan and Business in Community Ireland CEO Tomás Sercovich at the Business Working Responsibly Mark presentation



Members of the Low Carbon Economy working group at a Gas Networks Ireland-hosted meeting

Business Working Responsibly Mark

We are proud to be one of only 34 companies in Ireland to hold the Business Working Responsibly Mark. The Mark which is based on ISO 26000 is managed by Business in the Community Ireland and audited by the National Standards Authority of Ireland (NSAI). The standard certifies responsible and sustainable business practices and is recognised worldwide.

As holders of the Mark, we are a member of the Leaders' Group on Sustainability, a coalition of Ireland's leading organisations, striving to improve the sustainability of the Irish business sector through sharing best practice and creating new ways of doing business. As part of the Leaders' Group, our Managing Director co-chairs the Low Carbon Economy Group and we have signed up to the 'Low Carbon Pledge' to reduce our Scope 1 and Scope 2 greenhouse gas emissions by 50% by 2030.

Community

Building strong relationships in the communities where we operate is fundamental to carrying out our business effectively. We work with local communities to ensure that our construction projects cause minimum disruption. We also provide a 24 Hour Gas Emergency Service attending over 15,000 call-outs a year, within an hour of being reported.

For us, being responsible in the community means investing in people, in their needs, in their interests and in their futures. Our involvement in the community varies from assisting charitable and voluntary groups to supporting a wide range of educational initiatives. Our core programmes focus on three key areas of social inclusion; education, employability and accessibility. We support a number of impactful initiatives across Ireland promoting STEM, literacy and the development of life skills.

2019 KPIs



1 in 4 employees volunteer on community programmes



40,000 Student Impact Hours



1460 employee volunteer hours



69 CSR events

Accessibility

We are committed to supporting social inclusion, valuing all individuals and recognising their diverse contributions to communities and workplaces.

Age Action Case Study

In 2019 we supported Age Action's 'Care and Repair' programme which offers free DIY and household repair services to ensure that older people can remain safe, secure and independent in their own homes for as long as possible. Donations from our customer care survey process came to €15,579 in 2019 which funded 620 hours of direct Care and Repair support for people in Cork and Dublin. This covered the cost of the Care and Repair service for the full year.

We also donated an upgraded van, complete with Age Action branding, to the Care and Repair team in Cork, as well as servicing Age Action's own fleet of vans. Staff donated clothing to Age Action charity shops and raised €3,180 through fundraising activities on St Patrick's Day, Easter and Christmas. On UN International Day of Older Persons, 40 employees from our Dublin office tidied the gardens of 25 older people in the local community, clocking up over 240 volunteer hours in the process.

Since 2016 we have donated €150,000 worth of carbon monoxide alarms to Age Action's Care and Repair programme. Age Action volunteers install the alarms in the homes of vulnerable older people following full training on carbon monoxide alarm installation and safety.



Marie Lyster, Customer Experience Manager, with representatives of Age Action

Social

Co-operation Ireland Youth Leadership Programme

We continued our support for Co-operation Ireland's Cork Youth Leadership Programme for the fifth year, with 22 young people graduating in 2019. In 2017 we furthered our relationship with Co-operation Ireland to expand the Youth Leadership Programme to Dublin, focusing on young people living in Finglas, close to our Dublin office. A total of 14 young people completed the Dublin programme in 2019. The programme provides participants with the opportunity to develop their leadership skills through workshops and a residential experience with cross-border peers.



36 young people spent 10,690 hours learning on the Youth Leadership Programme in 2019



Cork boxer, Christina Desmond, with participants from the 2018/2019 Co-operation Ireland Cork Youth Leadership Programme



Representatives of Gas Networks Ireland, at the Dublin launch of the Co-operation Ireland Youth Leadership Programme



Head of Commercial & Corporate Affairs, Ian O'Flynn, with radio broadcaster Jonathan McCrea, CEO of Junior Achievement Ireland, Helen Raftery, and students from Mother of Divine Grace primary school in Finglas at the launch of Energize

Education Energize

In 2019 we continued with our award-winning Science, Technology, Engineering and Maths (STEM) education programme Energize, delivered in partnership with Junior Achievement Ireland. Energize encourages students to investigate the world around them and explore careers in the exciting field of science. Energize is a hands-on, activity-based programme for 10–12 year old students and is taught in the classroom by business volunteers.

Energize makes science and engineering simple, exciting and fun. Students explore key scientific concepts through a series of activities solving crimes using forensic science, building periscopes to understand reflective properties of light, understanding the dangers of Carbon Monoxide and exploring energy and our environment. In 2019 the programme reached 5,200 6th class students nationwide, with 96% of students able to identify symptoms of carbon monoxide poisoning after completing Energize.

Energize 2019 Case Study

5,200 Students
151 Schools
18 Counties
55% Female
45% Male Students
215 Volunteers
 from **77** companies

Carbon Monoxide Poster Competition

In 2019 we successfully piloted a Carbon Monoxide poster competition to raise awareness of Carbon Monoxide and the dangers it poses in homes. With over 250 entries received there was great interest in the competition from schools nationwide with much thought, effort and creativity going into each submission. Term winners came from Ballybrown National School, Limerick; Stanhope Street National School, Dublin 7 and Gaelscoil Uileog De Búrca, Claremorris, Co Mayo. The successful entrants each winning an iPad for their class.



Term 2 winner Ashling Ní Choimin from Gaelscoil Uileog De Búrca in Claremorris, Co Mayo

Social

Time to Read

More than 1,400 volunteering hours were delivered by our employees in 2019, with over 450 of those on Business in the Community Ireland's (BITCI) Time to Read literacy programme for primary school children. Staff members volunteered their time to provide reading support to second class pupils in Scoil Aiséirí Chríost, Cork and Mother of Divine Grace, Dublin. The programme has four key objectives: to increase the enjoyment of reading, increase pupils' confidence, encourage self-discovery and improve comprehension.

Employability Inner City Enterprise

In 2019 we entered into a new three-year partnership with Inner City Enterprise (ICE). Employees formed a mentor panel to provide business advice to an ICE start up called the Grow Dome Project. The Grow Dome Project is an award-winning social enterprise that installs grow domes on unused land, transforming them into a community resource.

Skills at Work

We also continued to support the Skills at Work programme which inspires students to value education and encourages them to stay in school. The programme was delivered in conjunction with BITCI and our partner schools – Beneavin Secondary School in Finglas, Dublin and Nagle Community College in Mahon, Cork. Skills at Work focuses on CV and interview skills, including mock interview sessions, an insight into the daily working lives of our employees and a site visit to our Dublin and Cork offices. A number of students are offered work experience with us upon successful completion of mock interviews with our employees.

Environment

Also in 2019, we supported 62 children in the local community to attend school biodiversity awareness workshops, learning about the importance of bees, building insect hotels for their school grounds and installing bird boxes to attract nesting birds.



Students from Beneavin College at a site tour of Gas Networks Ireland Finglas office



Representatives of Gas Networks Ireland at the launch of our partnership with the Grow Dome Project

Workplace

Our employees are central to the success of our business. They are the driving force, the creative intelligence and the passionate energy behind all of our achievements. Investing in the workplace allows us to attract and retain the best people.

Our People

During 2019 we continued with our commitment to develop employee skills and competencies by delivering a number of new training programmes.

Apprenticeship Programme

We completed the delivery of our 2015 Apprenticeship Programme, facilitated in partnership with SOLAS, which saw our first apprentices in almost 30 years graduate as apprentices with us. Over the four year programme, participants received mentor-led training in plumbing, electrical instrumentation, mechanical automation and maintenance fitting. In 2019 we continued with our current Apprenticeship Programme, facilitated again in partnership with SOLAS. Our seven apprentices entered their second year of the four year programme.



As part of a sustainability awareness initiative, Gerry Creighton from Dublin Zoo spoke to staff about the importance of Sustainability



**worksafe
homesafe**

Wellbeing

In 2019 our parent company Ervia was awarded the IBEC "Keep Well" Mark in recognition of the organisation's safety, health and wellbeing programme.

Work Safe Home Safe

Our Work Safe Home Safe programme continued to grow in scope and ambition in 2019 with a comprehensive programme of safety, health and well-being initiatives delivered. Key health and well-being initiatives focused around Mind, Body and Life. 2019 initiatives included:



Mindfulness workshops



Company-wide fitness challenge



Digital wellbeing workshops



Sleep awareness workshops



5K Challenge



Digital doctor service

In addition, we supported:

- ▶ Subsidised canteens in our Cork and Dublin offices
- ▶ Free Employee Assistance Programme
- ▶ Onsite gyms in Cork and Dublin
- ▶ Seasonal Flu Vaccine

Social

Learning and Development

We recognise that learning and development is important for all our employees, contributing to job satisfaction and career opportunities. It is also important for our business, ensuring that we have a skilled workforce to meet the challenges of an ever-changing work environment.

In 2019 we supported:



Online learning platform 'LearnWorks' - 546 learning hours completed on over 100 courses



Inspire Mentoring Programme - 16 Mentors, 22 mentees



Leadership Development Programme

Diversity and Inclusion

We are committed to creating a dynamic, diverse and inclusive place to work where everyone feels a sense of belonging. Across the Ervia organisation there is a diverse workforce of 34 different nationalities, people of all ages coming from many social and ethnic backgrounds. To celebrate and support this diverse workforce 'iBelong', the Ervia Diversity and Inclusion programme was launched in November 2019. This followed the establishment of the Diversity and Inclusion Council and Working Groups earlier in the year.

The iBelong programme aims to develop a culture where all staff feel included, respected and supported in the workplace, supporting a sense of belonging, which in turn supports employees to feel more confident to express themselves authentically and to really be themselves in work, without fear of judgement. A full programme of activity to celebrate Diversity and Inclusion launched in November 2019 with longer term strategies for the coming years under development by the council.

ibel@ng

Focusing on Female Talent

We strive to ensure that all employees have access to opportunities and development supports to progress within the organisation. We run a number of Leadership Development Programmes open to all employees including:

- ▶ Emerging Leaders Programme
- ▶ Advance into Management
- ▶ IMI 30% Mentoring Club
- ▶ Inspire Mentoring Programme
- ▶ Further Education Programme

In 2020 we will increase our focus on blended learning opportunities to facilitate key skills, in particular for our female employees. Initiatives include new e-learning modules, virtual webinars on confidence building, networking and role modelling.

Employee Engagement

We truly appreciate the contribution that every employee makes to ensure the success of the organisation. We survey our employees' opinions regularly, listen to their feedback, ensure they are engaged and that they know their work matters.

In 2019 we supported:



'Staying Connected' e-zine



Intranet website 'The Zone'



Executive Open Door sessions



Employee forum meetings



Employee award programmes

Fair Wage

A culture that engages, excites and empowers our people and workforce is essential to achieving our ambitions and delivering on our strategy. Fair compensation is an important factor in achieving this. All our employees are paid beyond the Living Wage.

Agile Working

In 2019 Agile Working was introduced across the business, facilitating employees to work one day a week from another Ervia location or from their own home. The adoption of Agile Working practices served the company well during the global pandemic, with all office based employees previously set up with home working access. In 2020 the Ervia Group will review options to develop Agile Working further into the future.

Long Service Awards

In 2019 we celebrated the long service of 109 employees ranging from 10 to 50 years' service.

Long Service Awards	Total Recipients 111
Dublin	47 Recipients 1109 Years of Service
Cork	62 Recipients 1036 Years of Service
50 Years	1
45 Year	2
40 Years	10
35 Years	2
30 Years	8
25 Years	4
20 Years	13
15 Years	49
10 Years	20
Combined Years of Service	2145 Years

Employee Safety

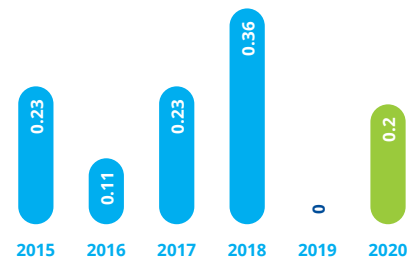
We put safety at the heart of everything we do. There were a total of 2 employee Lost Time Injuries (LTIs) in early 2019. The incidents were of low severity and this represents excellent safety performance. However we continue to strive to achieve zero injuries. The employee total Lost Time Injury Rate* (LTIR) was 0.12 and the reportable LTIR was 0.06.

At the end of January 2020 we reached a milestone of over 1 million hours worked without an employee lost time injury, we are proud of this excellent result.

Our Work Safe Home Safe programme continues to deliver measurable improvements to our safety performance, communications, leadership and culture. In 2019 we saw further improvements in our proactive safety indicators such as the number of hazards reported by staff and the number of safety leadership conversations held.

Safety

Total LTIFR – Employees (>1 day)#/100k hours



We use the Lost Time Incident Frequency Rate (LTIFR) to track the # of employee accidents per 100,000 hours worked that result in a staff member needing to take >1 day off work.

Safety is a core value at Ervia. The Work Safe Home Safe safety culture programme has been in place since 2015 and we continue to work to improve our safety performance.

Social

HazCon app

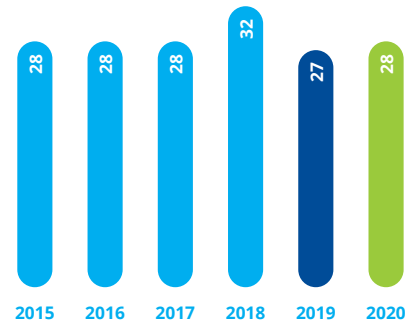
In 2019 we launched the HazCon mobile application for all staff. The HazCon app enables our people to report safety risks and dangers from field, site or office locations by uploading photos, as well as GPS locations, so that hazards can be addressed as soon as possible. Since the launch over 33% of all HazCons have been raised using the app.

Marketplace Safety

We are committed to the highest possible safety standards and during 2019 continued to manage all aspects of our operations in a safe and environmentally-responsible manner. Our comprehensive Safety, Environmental, Quality, Energy and Asset Management Systems, independently certified to ISO 45001, ISO 14001, ISO 9001, ISO 50001 and ISO 55001, ensure our activities are managed in accordance with international best practice. We provide a best-in-class emergency response service. In 2019, we responded to 15,822 publicly-reported escapes of gas with an average response time of 27 minutes, and 99.99% compliance within one hour.

Safety

Average # mins to respond to Public Reports of Escapes



This measure tracks how quickly we respond, on average, to reports of gas escapes as reported by the public. Our agreed metric with the CRU is 97% response within 1 hour, in 2019 a 99.9% compliance rate was achieved.

This is a core safety metric. Maintaining these high performance standards consistently over time shows how important this is to us.



Safety Advertising

We also continued to promote public safety awareness via a range of campaigns, including the Gas Emergency Service, Dial-Before-You-Dig, Meter Tampering, Always Use a Registered Gas Installer and Carbon Monoxide campaigns.

Each campaign has its own unique call to action but feeds into the ultimate objective of promoting gas safety awareness. Each of the campaigns has been successful in driving safety awareness. The Gas Escapes campaign raises public awareness of what to do and who to call if you suspect a gas leakage. Recent survey research shows an 80% spontaneous recall of the campaign, and 92% total recall. The Carbon Monoxide campaign raises awareness of the causes, signs, symptoms and preventative measures for carbon monoxide poisoning. Recent research shows almost universal awareness of the dangers of Carbon Monoxide. Carbon Monoxide alarm ownership has also gone from 24% in 2014 to 65% in 2019, since the launch of the campaign. The Dial before you Dig online portal, launched in 2019 has seen huge traction and the Meter Tampering campaign continues to make people aware of the dangers of tampering with a gas meter.



Carbon Monoxide alarm ownership has increased from 24% in 2014 to 65% in 2019

Operations

Our capital expenditure of €110 million included ongoing programmes to improve the safety and reliability of the network in 2019. We delivered over 38,564 planned maintenance work orders on the transmission and distribution networks. Working with the connected system operator, we decommissioned the compressor station at Middleton, Co. Cork.

Business Continuity

We have Business Continuity plans, resilience, contingency and organisation structures in place to respond to the risk of business continuity outages.

In March 2020 the World Health Organisation upgraded the status of the COVID-19 outbreak from an epidemic to a pandemic. As a major employer and provider of essential services, the safety of our staff, partners and communities is paramount. The company has established a Crisis Management Team to manage our response to this global crisis. We continue to monitor the rapidly changing situation and adapt our ways of working as necessary to maintain business continuity and staff resourcing to deliver critical services.

Current mitigation measures are:

- ▶ Crisis Management Teams in place
- ▶ Engagement with key stakeholders
- ▶ Business continuity and contingency arrangements in place, implemented and tested as the situation evolves.

Taking our responsibility beyond connections Case Study

We are committed to helping our customers make a positive impact on their environment and community.

In 2018, the Kerry Ingredients site in Listowel was converted from a mix of coal and oil to natural gas. The availability of natural gas paved the way for a CHP turbine to be installed onsite in 2019.

The site has reduced its carbon emissions by 40% per annum. This reduction is the equivalent to taking approximately 18,000 cars off the road for a year*. In addition, the site is ISO 50001 certified and has achieved significant increases in the site energy efficiency performance.

The wider community are also enjoying the benefits of having access to the gas network. A cleaner, more affordable, safe, constant and uninterrupted supply of heat and energy is piped directly into their homes.

The further benefit of the switch to natural gas is the significant reduction of airborne emissions associated with coal and oil.

Kerry Ingredients also has an AD (anaerobic digestion) facility generating an onsite electrical capacity of 600kW.

"In line with Kerry's commitment to supporting dairy farming and milk processing in the Southwest of Ireland and maximising the sustainability of our operations, switching to Natural Gas allowed us to substantially reduce emissions and waste from our Listowel manufacturing site."

Jim Lee of Kerry Group



Social

Data Protection

We are committed to meeting and exceeding our data protection obligations. All customer data is stored on encrypted systems that have appropriate segregation of duties. We have TLS (Transfer Layer Security) in place with customer facing vendors, which encrypts all text within all emails. We also utilise firewalls, patching and anti-virus protection, and align ourselves to ISO27001. All staff and contractors have undertaken online GDPR training. Key customer facing staff have undergone mandatory classroom-based training in GDPR.

Ervia has appointed a designated Data Protection Officer who is charged with ensuring that the organisation processes the personal data of its staff, customers, providers or any other individuals (also referred to as data subjects) in compliance with applicable data protection rules including the General Data Protection Regulation.

Human Rights

We conduct our business in a manner that respects the human rights and dignity of all people, endeavouring to comply with all applicable laws and regulations. All employees are expected to value their fellow employees and to treat others with fairness, equality, dignity and respect. They are also expected to be alert to any evidence of human rights infringements in our direct operations or in the operations of our business partners and to report any situation in which a human rights infringement is suspected.

We have a zero-tolerance approach to modern slavery (as defined in the UK Modern Slavery Act 2015). We are committed to acting ethically and with integrity in all our business dealings and relationships, and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our own business or our supply chains.

Anti-Bribery and Anti-Corruption

Across the Ervia Group, fraud, bribery and corruption are not tolerated and it is each employee's responsibility to report any discoveries or suspicions they encounter. Recently, the Criminal Justice (Corruption Offences) Act 2018 was enacted introducing a new strict liability offence for corporate bodies such as ours. This makes businesses liable for the acts of employees committing any offence pertaining to bribery or corruption, unless the business can show that it took all reasonable measures and exercised due diligence to avoid the offence taking place.

A company-wide risk assessment on fraud, bribery and corruption prevention was undertaken by internal audit with wide participation that ensured a complete and comprehensive review. In addition, a new Ervia-wide policy on Anti-Bribery and Anti-Corruption was introduced and a number of important steps were taken in line with our commitment to integrity. The application of the new Anti-Bribery and Anti-Corruption rules outlined in the policy relate to a wide range of activities and operations including hospitality, gifts, entertainment, sponsorship, donations, supply chain, lobbying and financial reporting. This new policy supports and complements other ethics related corporate policies including our Code of Business Conduct, the Anti-Fraud Policy, the Regulation of Lobbying Policy and the Protected Disclosures Policy. An awareness campaign to support the introduction of this new policy was rolled out in conjunction with mandatory training for all employees on the requirements of the new policy.

Stakeholder Engagement

We understand and value the critical role our stakeholders play in our business. We have a comprehensive stakeholder engagement plan that takes a holistic, pragmatic approach to stakeholder engagement based on the internationally recognised Stakeholder Engagement Standard (AA1000SES). 2019 saw a 20% increase in stakeholder initiatives from 2018 (88 to 106) along with the introduction of quarterly stakeholder SWOT analysis conducted across the organisation.

Social

Customer

We delivered high quality services to 705,868 domestic and commercial customers during 2019.



81,242 customer appointments completed



1.8 million meters read



537,000 customer contacts handled by our Contact Centre

We met our customer satisfaction score targets across all activities surveyed and with a 24% reduction in complaints made by our customers. We continued to be recognised by our peers, winning the Customer Experience Impact Award for CX impact in Utilities in Ireland. We were also recognised as a Centre of Excellence by CCA Global, UK.

We helped customers manage their energy costs by enabling supplier switching and by installing prepayment meters. These meters now constitute 16.8% of the total residential meter population and are an important tool in the fight against energy poverty.

In 2019, we exchanged in excess of 24,665 meters under our domestic meter replacement programme.

We are responsible for the process of switching customers from one supplier to another. In 2019, there were ten competing retail suppliers active in the market with over 128,500 gas customers switching supplier. Since the gas market opened to competition in 2004, over 1.1 million gas supplier switches have been completed.

In 2019 we also supported:

- ▶ Customer Experience Programmes
- ▶ Customer Satisfaction Insights and Monitoring Programme
- ▶ Customer Initiatives Register
- ▶ Customer Satisfaction Surveys

Insights into Action

Our Insights into Action programme helps us drive customer improvement initiatives to enhance customer experience by supporting efficiencies and promoting continuous improvement across the organisation. In 2019 we completed 52 customer experience initiatives, doubling our target of 26.



Customer Experience Guiding Principles

In 2019 we built upon our Customer Experience Guiding Principles strategy, developed in 2018. The Customer Care team rolled out a number of staff workshops to embed the principles, with the aim of enhancing customer service both internally and externally. Improvement initiatives were identified at the workshops and implemented across the organisation.

2019 Customer Experience Successes



271 compliments received for our staff



Exceeded customer experience service targets



Strong customer survey validation of our brand values



24% reduction in complaints received in 2019



€12,854 donated to Age Action as part of our survey donation programme



52 customer improvement initiatives implemented

Standards of Service

We publish our 'standards of service' guides on our website to help ensure that all customers experience open and transparent service standards.

Our published service standards include:

- ▶ Customer Charter
- ▶ Vulnerable Customers Guide
- ▶ Complaints Handling Code of Practice



Vulnerable Customers

We are committed to providing the best customer service possible for all of our customers, and in particular, those who are vulnerable, by making specific provisions for those who require special services.

These commitments and provisions are detailed in our Vulnerable Customer Guide and include:



We will never disconnect the gas supply of a 'vulnerable' customer during winter months unless it is for a specific safety reason.



We will also contact a 'vulnerable' customer or nominated contact in advance of a planned interruption to their gas supply.



We have dedicated Access Officers whose role is to ensure that our customers, with a disability, are provided with assistance and guidance in accessing our services and information.

In addition to this, we work with our charity partners Age Action to promote our vulnerable customer services. In 2019 we began working with Alzheimer's Ireland to drive awareness, support and increase targeted services for people with Alzheimer's.

Social

Above and Beyond Recognition Programme

Our Above and Beyond Recognition Programme recognises and rewards staff and contractors who have received positive feedback from a customer via our survey programme. Quarterly celebrations are held and each nominee receives a token reward and is entered into a prize draw. In 2019 151 colleagues were rewarded for going above & beyond for our customers.



Accessibility

Promoting equality, diversity and accessibility is an important part of how we operate. Our two Access Officers work with a number of representative bodies to gain a better understanding of the issues facing employees, customers and stakeholders across a number of areas. We also support the National Job Shadow Programme providing work placements for people with a disability.

All key communications are translated into the most frequently spoken languages in Ireland – English, Irish, French, Polish, Mandarin Chinese, Russian and also HTML plain text. In addition, alongside standard Mystery Shopping activities to assess customer's experiences, we conduct monthly mystery shopping using an elderly person and a person with a disability to ensure that our communications are tailored specifically and understood by everyone. Working together with NCBI, Irish Deaf Society and National Disability Association we have updated our communications and processes to ensure vulnerable customers' needs are met.



Above and Beyond Award Winners



Aurora

Aurora Telecom owns and operates an extensive national backhaul fibre network. Aurora supplies high-speed fibre connectivity to carriers and telecom operators (fixed / wireless / mobile), wholesale providers, corporate and public sector customers. In 2019 Aurora achieved best in class operational performance, with the most modern, lowest latency network in the country, coupled with high levels of network availability. Aurora further extended the ultra-high fibre network in 2019, growing the network by over 300km. New urban nodes in Midleton, Dungarvan, Waterford, New Ross and Carlow were added, increasing connectivity in those areas.

In 2019 Aurora Telecom grew its network footprint by 315km to 1,240km, expanding from eight to 15 counties, making it the terrestrial backhaul provider of choice, connecting three major international subsea cables which landed on Irish shores over the past two years.

Aurora Sustainability Case Study

Over 70% of the Aurora network is constructed using a technique called mole ploughing and directional drilling. These techniques are recognised to be far more sustainable in terms of material-removal, backfill and disruption to traffic. Aurora also benefits from a multi-utility model, installing both telecoms and gas infrastructure during one construction project.



Less use of materials like sand and gravel



Less road reinstatement using tarmac and concrete



Less construction vehicles, fuel use and air pollution







Economic

Natural gas is of key strategic importance to the Irish economy, representing 31 percent of Ireland's primary energy mix and generating on average 51 percent of Ireland's electricity.

Gas Networks Ireland's aim is to deliver an excellent, efficient and cost-effective service that benefits all customers. Ireland's gas network is a valuable national asset which will play a major role in achieving a clean energy future in a least cost, safe and secure manner.

Natural gas is the ideal partner for renewable energy sources such as wind and solar. Renewable gas in particular can ensure that Ireland has a robust, renewable and sustainable indigenous energy source as part of our energy mix into the future.

In 2019 we supported Ireland's economy by making a distribution payment of €139m to the Exchequer, including a further special dividend of €85m relating to the sale of the Bord Gáis Energy business.

SDGs relating to this section



Economic

Investing in Our Future

Gas Networks Ireland transports natural gas on behalf of all gas customers, we provide a public service with a regulated cost, thereby making a profit and contributing a dividend back to the state on an annual basis. We earn a return on a mix of regulated and unregulated assets.

We serve over 705,000 gas customers in Ireland, including over 30,000 businesses. Ireland's national gas network infrastructure, which is valued at €2.7 billion, is 14,521km long and connects towns and villages in multiple counties across the country. In 2019 we connected 9,672 new commercial and residential customers to the gas network which added 769GWh of new natural gas demand on the network.

In 2019 we delivered a strong financial performance. With safety as a priority for our assets and operations, we invested €110m in our gas and telecoms network infrastructure with a strong focus on driving growth and increasing new connections to the network, developing Compressed Natural Gas (CNG) as a transportation fuel and delivering programmes to improve the safety and reliability of the network.

In line with our vision to move our network towards a low carbon energy future, we completed the construction of a publicly-accessible, fast-fill CNG refueling station in Cashel, Co. Tipperary. We are also in the process of rolling out further public and private CNG stations across Ireland.

In August 2019 locally produced renewable gas was successfully injected into our network for the first time at Ireland's only purpose-built injection facility in Cush, Co. Kildare. This represents the first step in our plan to roll out a network of renewable gas injection facilities across the country. Towards the end of 2019 we applied for planning permission for a second injection point in North Cork.

This large-scale central grid injection facility is part of our GRAZE (Green Renewable Agricultural & Zero Emissions) gas project. The project is valued at €28 million, with €8.5 million in grant funding support

from the Department of Communications, Climate Action and Environment's Climate Action Fund. The GRAZE Gas project is a major step in achieving our target to deliver on our Vision 2050 plans.

Through our telecoms business, Aurora Telecom, we further extended the ultra-high fibre network in Ireland in 2019, with a 315km extension from Dublin to Cork. This fibre network allows us to operate a fully robust national ring network linking Dublin with other areas in Ireland, which increases Ireland's digital capability to deliver high-speed fibre connectivity for customers.

In December 2019, we raised a 5 year €300 million bond on the Eurobond market at a coupon rate of 0.125% with a 0.164% yield which was a record low rate and supports our strong financial position. There was strong demand in the issuance from both national and international investors with a final order-book c.3x oversubscribed. This bond will allow us to continue funding future investment in the gas network infrastructure.

Return to the Shareholder

In 2019 we supported Ireland's economy by making a distribution payment of €139m to the Exchequer, including a further special dividend of €85m relating to the sale of the Bord Gáis Energy business.



Investors:
We paid €22m to investors



State Support:
We paid €49m to the State in tax, rates and levies



Suppliers:
We paid €79m to suppliers for the provision of goods and services

Affordable and Clean Energy

In 2019, we helped customers manage their energy costs by enabling supplier switching and by installing prepayment meters. These meters now constitute 16.8% of the total residential meter population. Also, in 2019, we exchanged in excess of 24,665 meters under our domestic meter replacement programme. This programme replaces older gas meters with more advanced models and these meters are an important tool in the fight against energy poverty.

We continued to facilitate the process of gas customers switching from one supplier to another. In 2019, there were ten competing retail suppliers active in the market. Throughout 2019, over 128,500 gas customers changed supplier. Since the gas market opened to competition in 2004, over 1.1 million gas supplier switches have been completed.

Industry, Innovation and Infrastructure

Our purpose is "to enhance the health and quality of life of the people of Ireland, protect our environment and enable economic development by delivering high quality infrastructure and services safely and efficiently". In 2019, we successfully completed 38,564 planned maintenance work orders on the transmission and distribution networks and read over 1.8m meter reads contributing to a safer and more reliable network.

Innovation

The Gas Innovation Fund provides funding to promote and encourage innovative projects in the gas industry with the potential to:

- ▶ deliver significant carbon savings
- ▶ increase throughput in the gas system
- ▶ assist in the transition to a low carbon economy
- ▶ provide measurable value to all gas customers.

The Gas Innovation Fund allows us to engage with key stakeholders, to share knowledge and leverage the best use of all resources for innovation.

The Innovation Fund is split into two categories: the Causeway Project and the Gas Innovation Fund:

- ▶ The Causeway project is the largest funded project in the Innovation Fund. This project is intended to deliver 14 high capacity fast fill CNG stations and a single renewable gas network injection point. The fast fill stations provide quick, efficient and safe refueling.
- ▶ In 2019, as part of the Gas Innovation Fund we invested in a number of other projects with 3rd parties, mainly related to renewable gas. The potential of renewable gas to reduce the carbon intensity of the gas network, which is important as Ireland transitions to a low carbon economy, has been recognised and we will continue to invest in this area.

Gas Innovation Fund Case Studies

We invested in a project in association with Teagasc to use novel farm scale gas upgrading equipment to produce biomethane at the Teagasc biogas production facility. The facility will use cattle slurry and grass silage as feed stocks and has initial capacity to produce 70m³ per hour of biogas. This biogas will be upgraded to biomethane using a novel small scale gas upgrading plant and then compressed for onward transport to a central gas grid injection facility.

Separately we invested in a project in association with National University of Ireland Galway (NUIG) which aimed to develop ManureMate by scaling-up technology, engaging in large-scale, on-farm tests and by using the treated material in a full-scale AD facility. ManureMate is a simple-to-use product applicable to all farmers to enhance the attractiveness and biogas yields from AD, while dramatically reducing Irish GHG emissions. Using ManureMate to enhance biogas yields will help to deliver carbon savings and the transition to a low carbon economy.

Economic

Summary Income Statement

	2019 €m	2018 €m
Revenue	470	487
Operating Costs	(189)	(192)
EBITDA	281	295
Depreciation and amortisation	(136)	(131)
Finance costs	(21)	(23)
Profit before income tax	123	141
Dividend paid to Exchequer	139	139

DIVIDENDS €m



REVENUE €m



Revenue

Revenue was €470m for the year to December 31st 2019, decreasing by €17m compared to 2018. This decrease was primarily due to lower gas tariffs from the recovery of regulated revenues in 2017 and 2018.

Operating Costs

Operating costs of €189m decreased by €3m when compared to 2018. This decrease is primarily due to lower gas commodity costs to run the compressor stations and the continued delivery of operating cost efficiencies, partly offset by higher support function activity.

EBITDA

EBITDA of €281m for 2019 decreased by €14m compared to the 2018 figure of €295m, mainly due to lower revenue of €17m.

Depreciation

Depreciation and amortisation of €136m has increased compared to prior year primarily due to additional assets being placed in service.

Profit before Income Tax

Profit before tax decreased by €18m to €123m for 2019 due to:

- ▶ lower EBITDA performance of €14m
- ▶ higher depreciation charges of €5m arising from the increased investment in infrastructure
- ▶ partly offset by lower finance costs of €2m, primarily due to more favourable financing rates during 2019 compared to the prior year.

Dividends

A dividend of €139m was paid in 2019 in line with prior year.

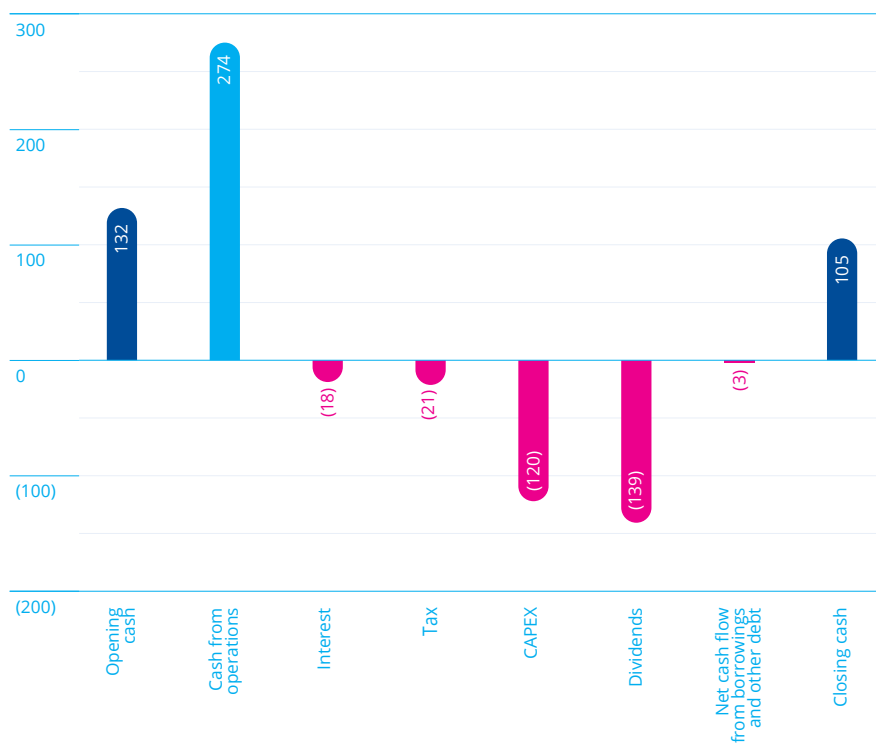
Summary Balance Sheet

	2019 €m	2018 €m
Infrastructure assets	2,532	2,538
Other assets	243	283
Total assets	2,775	2,821
Borrowings and other debt	(1,204)	(1,192)
Pension liability (IAS 19)	(147)	(98)
Other liabilities	(451)	(491)
Total liabilities	(1,803)	(1,781)
Net assets	972	1,040
Net debt	(1,084)	(1,036)

CAPEX €M



HOW CASH WAS USED IN 2019 €'M



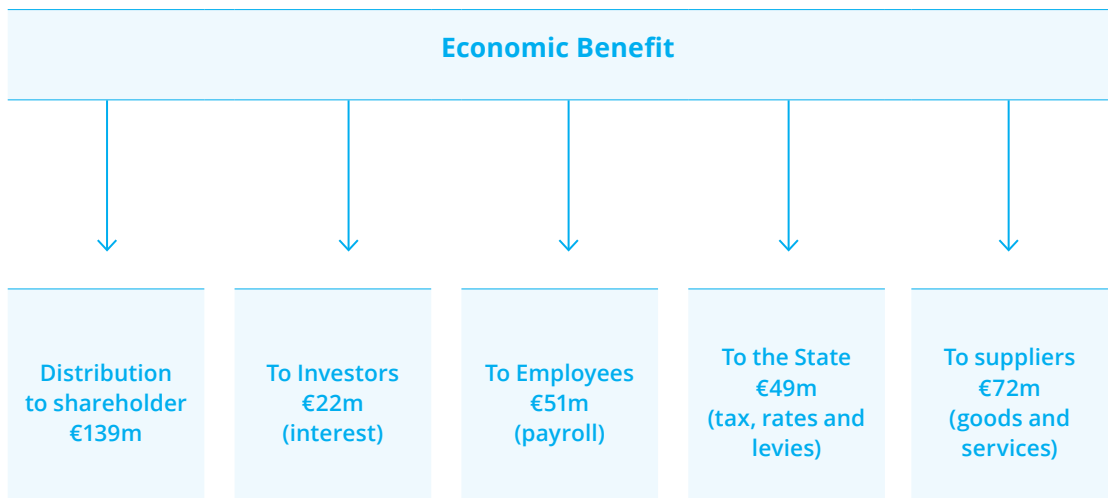
Economic

Economic Impact

Our aim is to deliver an excellent, efficient and cost-effective service that benefits all customers.

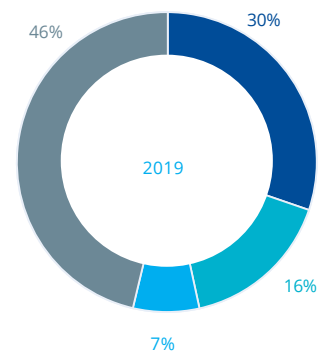
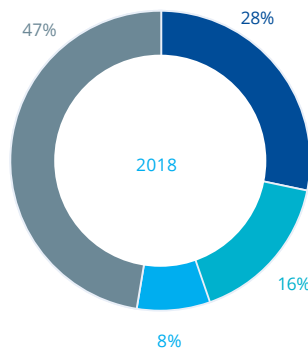
Value Added Statement

We create economic benefit for our employees, shareholders, contractors, partners and investors. Some of the value created is retained in the organisation to maintain and replace assets.



Distribution of Value

- To employees as remuneration and other benefits
- Tax, local authority rates and regulatory levies
- Finance costs
- Distribution to shareholder



Principal Risks and Uncertainties

#	Risk	Context	Mitigation
Health, Safety and Environment			
1	A major health and safety or environmental incident resulting in significant impact and harm to an employee, contractor or the general public.	All health, safety and environmental legislation and arrangements must be adhered to in order to protect staff, contractors, and the public from injury or fatality and avoid potential prosecutions, financial loss and reputational damage.	<ul style="list-style-type: none"> ▶ The Central Safety Committee (which is an Executive Committee) oversees Health & Safety performance. ▶ Certified to ISO14001 Environmental Management System. ▶ Internal and External assurance activity, audits and reviews.
2	Significant employee health risk or business disruption due to potential impact of epidemic/pandemic (current COVID-19 threat).	Large scale employee illness due to an epidemic or pandemic (current COVID-19 threat) that affects Ireland's population, leading to a potential impact on employee health, operations, service delivery and supply chain.	<ul style="list-style-type: none"> ▶ Crisis Management Teams in place ▶ Engagement with key stakeholders (HSE, Government Departments etc.) ▶ Business continuity and contingency arrangements in place and being implemented/tested as situation evolves.
Network Security of Supply			
3	An event resulting in Gas Networks Ireland not being able to maintain sufficient gas supply to meet existing and future demand could result in reputational and financial damage.	Gas Networks Ireland is responsible for operating the Natural Gas pipeline network to ensure gas supply to the Republic of Ireland.	<ul style="list-style-type: none"> ▶ Completed a 50km section of pipeline twinning the South West Scotland on-shore pipeline to improve security of supply. ▶ Comprehensive asset inspection and maintenance programmes. ▶ Network Development Plan and Capacity Management Plan publication.
Securing the Future – Decarbonisation and Climate Change			
4	Failure to successfully implement and deliver Gas Networks Ireland's long term growth strategy, a loss of competitiveness, the potential negative impact of legislation, an inability to meet the required decarbonisation obligations or a failure for Ervia to become a leading sustainable Irish business.	Decarbonisation of energy remains one of the biggest challenges facing Ireland. EU and Irish energy policies are targeting the long term reduction in fossil fuels, including natural gas (which is the cleanest fossil fuel) resulting in a risk of under-utilisation of the gas network and tariff increases.	<ul style="list-style-type: none"> ▶ Continued development of the vision and strategy with the launch of <i>Vision 2050 – A Net Zero Carbon Gas Network for Ireland</i> to ensure the gas network is put firmly in the centre of Irish climate change policy. ▶ Investment in sustainability initiatives and long term strategies including Compressed Natural Gas (CNG), Renewable Natural Gas and Carbon Capture and Storage (CCS).

Economic

#	Risk	Context	Mitigation
Infrastructure and Service Delivery			
5	An inability to fully deliver current or future Capital Investment Plans due to limited supply chain capacity within the construction industry or a failure of a key supplier which could result in failure to meet network capacity or sustain asset health through planned maintenance activities.	Large capital programme agreed with the Commission for Regulation of Utilities (CRU) for Price Control 4 (2017-2022).	<ul style="list-style-type: none"> ▶ Commission for Regulation of Utilities (CRU) Price Control engagement. ▶ Corporate plan set in context of allowance. ▶ Relationship management model. ▶ Demand planning and business planning. ▶ Internal supply chain expertise. ▶ Proactive supply chain interactions.
6	A cyber-attack causing serious loss of service, data leakage or restriction to information and/or operational technology would impact service delivery and infrastructure.	An incident could result in potential business delivery disruption, safety issues, reputational damage or potential regulatory fines.	<ul style="list-style-type: none"> ▶ Comprehensive prevention and pro-active controls across all critical systems and contingency plans developed. ▶ Ongoing risk assessments, awareness training and external independent assurance reviews.
7	Potential for significant business disruption as a result of potential negative impacts arising from EU/UK Brexit trade deal negotiations.	Potentially impacted areas are supply chain, regulation, finance, data protection, all of which could result in a risk to operational delivery.	<ul style="list-style-type: none"> ▶ Brexit Steering and Working Group established to prepare and implement contingency plans. ▶ Engagement with key stakeholders including Government Departments.

Our People

8	Significant organisational transformation increases the risk of organisational stress.	To support the delivery of our business objectives, we need to have the right organisational structure and the right people and culture in place.	<ul style="list-style-type: none"> ▶ Organisation Design Steering Group and a work force planning process are in place. ▶ Engagement and culture surveys together with ongoing continuous improvement processes in place. ▶ HR strategy is being implemented which includes initiatives such as diversity and inclusion programmes, agile working and employee development programmes.
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Financial and Economic

9	Our activities expose us to a number of global macroeconomic and financial risks – credit risk, funding and operational allowance model risk, liquidity risk, currency risk and interest rate risk.	Business Plans set out the funding and allowance requirements for the business.	<ul style="list-style-type: none"> ▶ Defined risk limits, delegations of authority and exposure monitoring in place. ▶ Ongoing dialogue and strong relationships with Government, funders and potential investors.
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Appendix

Global Reporting Initiative (GRI) Standards Cross Referencing Table

The GRI Cross Reference Table within the Report's appendix demonstrates a valid representation of the disclosures, in accordance with GRI Standards current requirements. We are committed to expanding our GRI disclosures year on year.

Performance snapshot

Summary of compliance

We outline below and on the next slide, a snapshot of our compliance with each of the Standards according to both core and comprehensive requirements. Where N/A is noted, these topics are assumed not to be material to the company and therefore do not require disclosure (unless specified).

GRI 101 Foundation – Reporting principles	Requirements fully met for core	Requirements fully met for comprehensive
Stakeholder inclusiveness	✓	✓
Sustainability context	✓	✓
Materiality	✓	✓
Completeness	✓	✓
Accuracy	✓	✓
Balance	✓	✓
Clarity	✓	✓
Comparability	✓	✓
Reliability	✓	✓
Timeliness	✓	✓

GRI 102 General Disclosures	Requirements fully met for core	Requirements fully met for comprehensive
Organisational profile	✗	✗
Strategy	✓	✓
Ethics and integrity	✓	✗
Governance	✗	✗
Stakeholder engagement	✗	✗
Reporting practice	✗	✗

Appendix

GRI 103 Management approach*	Requirements fully met for core	Requirements fully met for comprehensive
Economic performance	✘	✘
Indirect economic impacts	✔	✔
Tax	✘	✘
Energy	✔	✔
Biodiversity	✔	✔
Emissions	✔	✔
Effluents and waste	✔	✔
Environmental compliance	✘	✘
Employment	✔	✔
Labour/ management relations	✘	✘
Occupational health and safety	✔	✔
Training and education	✘	✘
Diversity and equal opportunity	✔	✔
Local communities	✔	✔
Customer health and safety	✔	✔
Customer privacy	✔	✔

200: Economic performance	Requirements fully met for core	Requirements fully met for comprehensive
Economic performance	✘	✘
Market presence	N/A	N/A
Indirect economic impacts	✔	✔
Procurement practices	N/A	N/A
Anti-corruption	N/A	N/A
Anti-competitive behaviour	N/A	N/A
Tax	✘	✘

300: Environmental performance	Requirements fully met for core	Requirements fully met for comprehensive
Materials	N/A	N/A
Energy	✘	✘
Water	N/A	N/A
Biodiversity	✘	✘
Emissions	✘	✘
Effluents and waste	✔	✘
Environmental compliance	✘	✘
Supplier environmental assessment	N/A	N/A

Appendix

400: Social performance	Requirements fully met for core	Requirements fully met for comprehensive
Employment	✘	✘
Labour/ management relations	✘	✘
Occupational health and safety	✓	✘
Training and education	✓	✘
Diversity and equal opportunity	✘	✘
Non-discrimination	N/A	N/A
Freedom of Association and Collective Bargaining	N/A	N/A
Child Labour	N/A	N/A
Forced or Compulsory Labour	N/A	N/A
Security Practices	N/A	N/A
Rights of Indigenous Peoples	N/A	N/A
Human Rights Assessment	N/A	N/A
Local communities	✘	✘
Supplier social assessment	N/A	N/A
Public policy	N/A	N/A
Customer health and safety	✘	✘
Marketing and labelling	N/A	N/A
Customer privacy	✘	✘
Socio economic compliance	N/A	N/A

