

**DRIVEN TO MAKE
A DIFFERENCE**







NET ZERO

**BY
2040**

A young girl with blonde pigtails is shown in profile, focused on painting a solar panel. She is wearing a light-colored sleeveless shirt. The background is a close-up of the solar panel's surface, which has a grid of cells. The image is overlaid with a blue-to-yellow gradient. The text 'NET ZERO' is prominently displayed in large, bold, white letters across the middle. The words 'BY 2040' are written in white inside a yellow oval on the right side of the 'ZERO'.

MAJOR EXTERNAL DEVELOPMENTS SINCE OUR PREVIOUS 2017 STRATEGY

Radical Shifts in Direction in Post-2017 Period

 NET ZERO	Consensus on tackling climate change, with clearer commitment, accountability and a more ambitious end point	 TRANSFORMED AND EXPANDED ROLE OF NETWORKS	New growth opportunities alongside a greater delivery imperative	 SEM OFFSHORE	Creation of a large but hyper-competitive new market
 ENERGY SERVICES	Rapidly-evolving landscape requiring a sharper focus to enable future profits	 GB ENERGY POLICY AND MARKET	Advanced market with evolving competitive and regulatory challenges, including Brexit	 STAKEHOLDER EXPECTATIONS	Sharpening – and rapidly shifting – stakeholder expectations, including increased focus on economic social governance (ESG)

Accelerated Trends

 INCREASED COMPETITION	Wall of cheap money and entry at scale by oil majors	 DIGITALISATION AND DATA	Faster pace but with new major use cases (e.g. Smart Working, Active System Management for networks)
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AT ESB WE'RE DRIVEN TO MAKE A DIFFERENCE DELIVERING A BRIGHTER FUTURE



Creating and connecting
sustainable, reliable
affordable energy



Supporting the customers
and communities we
serve to achieve net zero



NET ZERO BY 2040

WE'VE ALWAYS BEEN DELIVERING A BRIGHTER FUTURE,
FOR THE CUSTOMERS AND COMMUNITIES WE SERVE



TODAY, THAT MEANS WE'RE DRIVEN TO MAKE A DIFFERENCE
- TO ACHIEVE NET ZERO BY 2040

DECARBONISED
ELECTRICITY

RESILIENT
INFRASTRUCTURE

EMPOWERED
CUSTOMERS

OUR PEOPLE • DIGITAL & DATA DRIVEN • FINANCIALLY STRONG • SUSTAINABLE & SOCIALLY RESPONSIBLE

OUR VALUES

WE'RE
COURAGEOUS

WE'RE
CARING

WE'RE
DRIVEN

WE'RE
TRUSTED

OUR ROLE

PURPOSE

At ESB, we're driven to make a difference.
Delivering a brighter future; creating and connecting sustainable, reliable, affordable energy;
and supporting the customers and communities we serve to achieve net zero.

WHAT WE WILL DO

DECARBONISED ELECTRICITY

Develop and connect renewables
to decarbonise the electricity
system by 2040

RESILIENT INFRASTRUCTURE

Provide resilient infrastructure
for a reliable low carbon
electricity system

EMPOWERED CUSTOMERS

Empower, enable and support
customers and communities
to achieve net zero

FOUNDATIONAL CAPABILITIES

OUR PEOPLE

Ensure we have the people
capability to deliver our
strategic objectives with
a strong values-based
and inclusive culture

DIGITAL & DATA DRIVEN

Leveraging data and
technology, transform
ESB to a data driven
digital utility

FINANCIALLY STRONG

Maintain the financial
performance and strength
required to deliver
our purpose

SUSTAINABLE & SOCIALLY RESPONSIBLE

Step forward on social and
environmental responsibility,
cultivating a safe, sound and sustainable
ethos in line with our values

HOW

OUR VALUES

WE'RE
COURAGEOUS

WE'RE
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THE SCALE OF OUR AMBITION

These are the most significant changes in strategic ambition from our previous 2017 strategy



Decarbonise ESB:
Science Based
Target 2030,
Net Zero 2040



Higher
renewable
targets



Faster, steeper
reduction in
carbon intensity



Increased focus on Island
of Ireland / GB investment
for specific purposes



Transform ESB
to a data driven
digital utility



Position for large
scale storage and
renewable balance



Transition
to reliable
low carbon
electricity system



Step forward on social and
environmental responsibility
– cultivating a safe, sound
and sustainable ethos
in line with our values



Scaled up ambition
for electrification of
heat and transport



Refocused
approach to
energy services



Ensure we have the people
capability to deliver our strategic
objectives, with a strong, values
based and inclusive culture

STRATEGIC AMBITION - ESB IN 2030 - KEY METRICS

	TODAY	2030
ESB renewable generation	976MW	> 5,000MW
Wind connected to networks (ROI + NI)	6.5GW	> 15GW
Share of ESB generation from zero carbon	~ 20%	63%
Networks asset base regulated (ROI + NI)	~ €11bn	> €16bn
EVs and heat pumps connected networks (ROI + NI)	~ 100k	~ 2m
Carbon intensity of generation fleet	414 gCO ₂ /kWh	<140 gCO ₂ /kWh
Home retrofits	Start up	35k
Satisfied customers	79-85%	> 85%
Premises passed with SIRO infrastructure	420k	770k

Strong
alignment with
Climate Action
Plan

OUR VALUES

**WE'RE
COURAGEOUS**

Each of us is prepared to challenge the way we've always done things, stand up for what we feel is right and try better ways of working.

**WE'RE
CARING**

We're putting customers current and future needs at the heart of what we do and we keep ourselves and others safe and healthy.

**WE'RE
DRIVEN**

We bring passion and persistence to what we do everyday, innovating and collaborating to meet the challenges and opportunities ahead.

**WE'RE
TRUSTED**

We each play our part, taking ownership of our responsibilities, seeing the job through and protecting our own health and safety, as well as others'.

Strategic Objectives with Strategic Intent for each



Energy for
generations

More detail on the objectives 1-3 - aligned to SDGs

OBJECTIVE

STRATEGIC INTENT

DECARBONISED ELECTRICITY

Develop and connect renewables to decarbonise the electricity system by 2040

- Connect renewable generation to our distribution and transmission networks to facilitate decarbonisation of electricity
- Grow our renewable generation portfolio

RESILIENT INFRASTRUCTURE

Provide resilient infrastructure for a reliable low-carbon electricity system

- Provide safe, smart, reliable, and resilient networks that enable the decarbonisation of society
- Efficient delivery to support the economy and customers
- By using new technologies and fuels, transition our thermal generation to a zero carbon dispatchable portfolio
- Provide energy capacity (existing and new) to support the secure operation of the electricity market
- Develop an energy storage capability of scale
- Deliver a range of reliable, innovative and competitive services across the generation value chain -energy, services, capacity and the related markets
- Enhance our capabilities and capacity to deliver on the growing need for electrical and communications infrastructure

EMPOWERED CUSTOMERS

Empower, enable and support customers and communities to achieve net zero

- Provide customers with the best value, sustainable energy in the market
- Become a trusted energy partner to guide and support customers on their journey to net zero, smart, affordable living
- Continue to put in place solutions for our networks customers to enable the electrification of heat and transport on our networks
- Deliver convenient, digital and personalised customer experiences
- Act with integrity to maintain and grow customer trust and loyalty, while also growing profitability
- Develop Innovative, insight-driven products and services to meet diverse and evolving customer needs
- Partner with leaders in EV and smart technologies, energy management solutions and telecommunications to broaden our range of services
- Leverage our telecoms / fibre infrastructure to provide excellent telecommunications services and enable sustainable living
- Make it easy for customers to participate in markets for flexibility and to make active choices in their use of energy
- Collaborate with stakeholders to develop inclusive and effective solutions for customers
- Engage effectively with communities and stakeholders in leading the energy transition
- Reduce cost to serve and increase speed to serve in customer-facing areas

More detail on the objectives 4-7 - foundational capabilities

OBJECTIVE

STRATEGIC INTENT

OUR PEOPLE

Ensure we have people capability to deliver our strategic objectives, aligned with our strong values-based and inclusive culture

- Create an environment that encourages creativity, energy, and commitment of our people (total workforce) through a safe, people centric and inclusive experience.
- Develop a leadership capability that is inspiring, adaptive, empathetic and curious
- Cultivate a high-performing, innovative, sustainable and customer focused culture
- Embed a learning culture at all levels in our company that supports ongoing capability development and a continuous learning approach
- Maximise the opportunity of digital applications in the way we work
- Optimise an agile and efficient organisational design, adapting to meet the changing needs of the business.

DIGITAL & DATA DRIVEN

Leveraging data and technology, transform ESB to a data driven digital utility

- Transform ESB to become a data driven digital utility
- Enable decarbonisation by leveraging data and digital
- Enable excellent customer experience by leveraging customer insights and digital engagement channels
- Enhance people experience by becoming a technology enabled workforce
- Modernise business operations and processes through data and digital
- Shift our culture to innovative, highly collaborative, agile ways of working

FINANCIALLY STRONG

Maintain the financial performance and strength required to deliver our purpose

- Deliver strong financial performance to enable strategy delivery
- Maintain strong investment grade credit rating to enable funding of strategic growth ambition
- Secure optimal long term funding to match investment plans
- Maximise the commercial value of all assets in our portfolio, recognising long-term sustainability requirements
- Deliver appropriate shareholder returns
- Optimise ESB's property portfolio
- Optimise cost structure to improve strategic flexibility

SUSTAINABLE & SOCIALLY RESPONSIBLE

Step forward on social and environmental responsibility, cultivating a safe, sound and sustainable ethos in line with our values

- Embedded values-driven safety, environment and sustainability culture -“who we are”
- Collaborate with stakeholders to provide thought leadership on decarbonisation policy in Ireland and Northern Ireland (SDG13, SDG7)
- ESB as an exemplar in sustainability and environmental performance (SDG 9)
- Best practice transparency, compliance framework and practice