

**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 lines. The entire image is overlaid with a blue-to-yellow gradient. The text 'NET ZERO' is prominently displayed in the foreground, with 'BY 2040' inside the 'O'.

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 Environmental, Social and 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)

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

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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 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