



Energy for
generations

2024 Annual Report and Financial Statements

EMPOWERING THE SUSTAINABLE ENERGY TRANSITION



About ESB

ESB was established in 1927 as a statutory body under the Electricity (Supply) Act, 1927. With a holding of 97.1%, ESB is majority owned by the Irish Government. The remaining 2.9% is held by the trustees of an Employee Share Ownership Plan. As a strong, diversified utility, ESB operates across the electricity market, from generation through transmission and distribution, to supply of customers, in addition to using our networks to carry fibre for telecommunications. ESB is the leading Irish utility with a regulated asset base of approximately €14 billion (comprising ESB Networks €11 billion and NIE Networks €3 billion), a 25% share of generation in the all-island market, and retail businesses supplying electricity and gas to almost 1.9 million customer accounts throughout the island of Ireland and Great Britain. During the year ended 31 December 2024, ESB Group employed an average of almost 9,600 people.

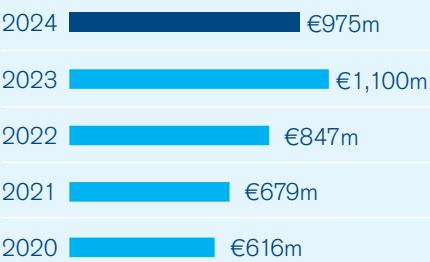
EMPOWERING THE SUSTAINABLE ENERGY TRANSITION

Since ESB was established in 1927, we have been committed to tackling society's biggest challenges, finding solutions that benefit the communities we serve. Today that means empowering the sustainable energy transition, by undertaking transformational changes across our business to achieve net zero emissions by 2040: developing and connecting renewables, building resilient infrastructure, and enabling and supporting customers to live more sustainably using clean electricity. As we move forward on this journey, we aim to put sustainability at the heart of everything we do – and to drive positive change for our planet, the places where we operate, and the people we work with and for.

At A Glance

Operating Profit before exceptional items and certain re-measurements*

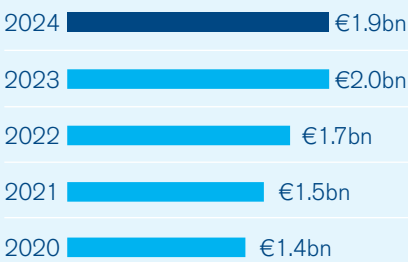
€975m



*Operating profit before exceptional items and certain re-measurements separately disclosed in the Income Statement.

EBITDA before exceptional items and certain re-measurements*

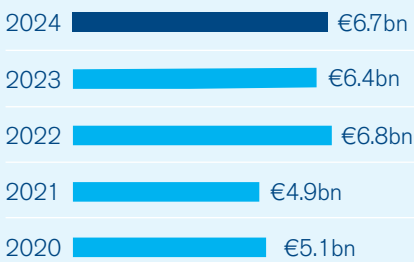
€1.9bn



*Operating profit before interest, taxation, depreciation, impairments (including non-trading net impairment losses on financial assets), amortisation, revenue from supply contributions and exceptional items and certain re-measurements separately disclosed in the Income Statement.

Net Debt*

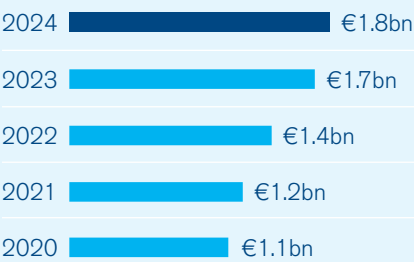
€6.7bn



*Total of borrowings and other debt plus lease liabilities less cash and cash equivalents (excluding any restricted cash) and short-term deposits.

Capital Expenditure*

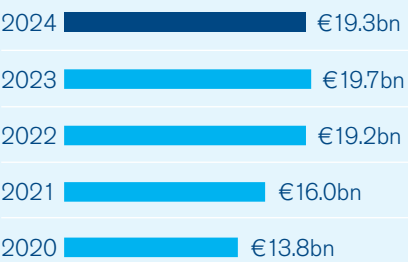
€1.8bn



*Additions to property, plant and equipment, intangible assets (excluding emissions allowances) plus additions to equity accounted investees.

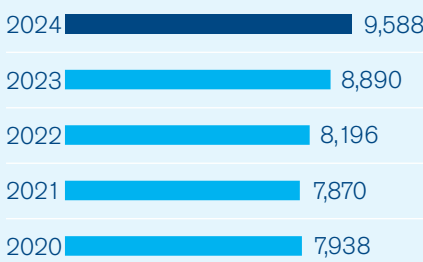
Total Assets

€19.3bn



Average Number of Employees

9,588



Supply All-Island Electricity Market Share



40% ESB
60% Other Electricity Suppliers

Generation All-Island Market Share



25% ESB*
75% Other Power Producers

* Market share is based on metered generation including constrained running. ESB market share of the Day-Ahead Market was 20% in 2024.

See note 3 (Segment Reporting) in the financial statements for further detail.

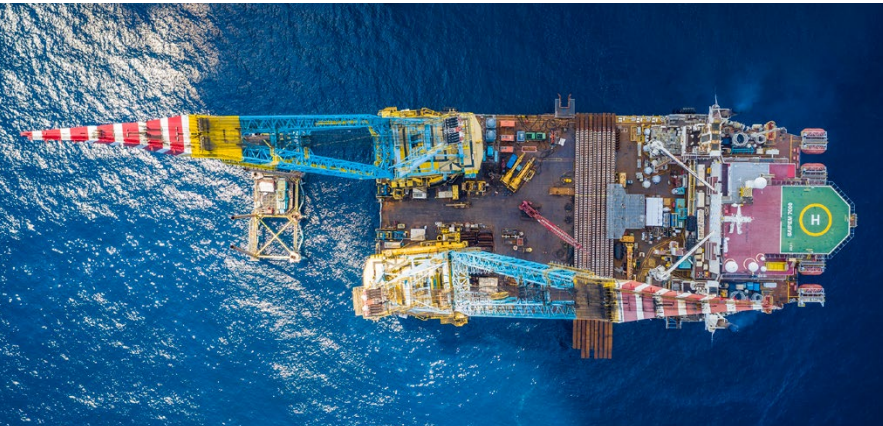
2024 Highlights

Stockholders

Recommended dividend of €189 million for 2024

Return on Capital Employed of 6.2%

Re-affirmed credit rating A-/A3 (BBB+ on a standalone basis)



Customers

Supporting over 60,000 customers with new payment plans

Empowering over 190,000 customers with electricity insights via Smart Meter Tariff

Electric Ireland residential electricity customer satisfaction of 77%

Over 44,000 new customer connections by ESB Networks and NIE Networks

326,000 smart meters installed in 2024

Almost 44,000 microgeneration applications processed in 2024 by ESB Networks

Economy

Over €1.8 billion of capital expenditure in 2024 (€2.2 billion including joint ventures)

Almost 9,600 employees on average during 2024

Over €3 billion contribution to the Irish economy in the form of payroll, taxes, dividends and purchases from domestic suppliers

Over €2 million disbursed across a range of community initiatives

Environment and Sustainability

ESB Networks connected 534 MW of renewable generation to the grid in 2024

Generation carbon intensity of 362g CO₂/kWh - a reduction of 46% (on baseline year 2005)



Recruitment

141 first year apprentices began in ESB Networks and NIE Networks in 2024

Increase in average employee numbers of 698 during 2024

Non-Financial Information

As a statutory body, ESB is not subject to the disclosure requirements prescribed in the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations 2017 as amended or the European Union (Corporate Sustainability Reporting) Regulations 2024 (“the CSR Regulations”). ESB is making preparations for reporting, on a voluntary basis, under the CSR Regulations for financial year end 2025. In the interim, ESB seeks to follow best practice by publishing a disclosure report on sustainability performance in accordance with the Global Reporting Initiative reporting standards. The "Sustainability Data Disclosures for 2023" highlights data sets, ambitions and plans across three pillars including planet, place and people. The disclosure report is available on the ESB website.

The guide below illustrates where to find non-financial information and non-financial KPIs within this annual report in addition to the ESB Group policies (where applicable) which underpin these areas.

	Relevant Policies	Section(s) in Annual Report
Environmental	Environment and Sustainability Policy	- Environment and Sustainability - Board Members' Report
Employee and Social	- ESB Board Inclusion and Diversity Policy - Group Procurement Policy - Policy on Respect and Dignity for the Individual at ESB - Gender Identity and Expression Policy - Health, Safety and Wellbeing Policy - ESB Whistleblowing and Protected Disclosures Policy - ESB Code of Ethics (“Our Code”)	- Planet, Place, People - Business Conduct - Board Members' Report
Human Rights	- ESB Group Policy on Human Rights - Modern Slavery Policy - ESB Code of Ethics (“Our Code”)	- Human Rights - Board Members' Report
Anti-Corruption and Bribery	- ESB Anti-Bribery, Anti-Corruption and Fraud Prevention Policy - ESB Whistleblowing and Protected Disclosures Policy - ESB Code of Ethics (“Our Code”)	- Audit and Risk Committee Report - Business Conduct
Business Model		Business Model
Principal Risks	ESB Risk Management Policy	Risk Report
Non-Financial KPIs		- Key Performance Indicators (KPIs) - Planet, Place, People - Environment and Sustainability - EU Taxonomy Regulation

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EMPOWERING THE SUSTAINABLE ENERGY TRANSITION THROUGH SOLAR

Construction commenced on Middleton House Solar Farm, located to the north of Lanesborough, Co. Longford, in late 2024. Once complete, the solar farm will generate 57 MW of clean electricity that will have enough capacity to power over 15,000 homes. Middleton House Solar Farm will connect to the electricity network via a new 5 km cable route along the disused peat rail line, which was in use from the late 1950s to just a few years ago, to carry peat to the former station at Lough Ree Power. The project will utilise existing infrastructure at the former peat station to connect to the grid, connecting a new clean form of energy to the national grid and marking a new beginning of ESB's long history of power generation in the midlands.

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Strategic Report

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Chairman's Statement

STEPPING FORWARD TO EMPOWER THE SUSTAINABLE ENERGY TRANSITION

Terence O'Rourke
Chairman



As the window to reach net-zero emissions by 2040 rapidly closes, accelerated investment and brave decisions will be required if Ireland is to achieve its ambitious emissions reduction targets and deliver for a growing economy.

2024 is the first full year where global average temperatures were consistently above the 1.5 degree threshold. We are experiencing more frequent, extreme weather events impacting our daily lives, reminding us that there is no time to waste. A whole of society response is required.

The ESB Board is stepping forward to make the necessary decisions to empower a sustainable energy transition and to invest in resilience and climate adaptation.

Positive Progress

Positive progress has already been made. National energy related emissions are falling, and the electricity sector is playing its part in the progress achieved. The sector has been successful in investing and innovating to support economic growth and meeting increased demand for electricity.

ESB too has played its part, facilitating economic development and empowering customers to benefit from the clean energy transition. ESB Networks and NIE Networks had connected a total of 8.8 GW of renewables to their transmission and distribution networks by the end of

2024, while 1.9 million ESB Networks' customers have had smart meters installed, opening up opportunities for customers to avail of new products and services. The transformation of ESB's generation portfolio is continuing at pace with a renewable portfolio of 1.8 GW in operation at the end of 2024. Meanwhile, ESB ecars and Electric Ireland's Smart Energy Services and Superhomes businesses are helping their customers and businesses to decarbonise through deployment of innovative product and service offerings.

Challenges

The Board recognises that there are challenges to be confronted.

Extreme weather events are posing risks to infrastructure generally and to energy infrastructure in particular, as seen during Storm Isha and Darragh in 2024 and the unprecedented winds experienced during Storm Éowyn in early 2025.

The Board acknowledges the impact that such severe weather events have on families, farms and businesses. On behalf of the Board, I want to thank everyone in ESB Networks and NIE Networks who, along with volunteers from across their organisations, contract partners and international teams, always step forward to put the customer first when these damaging events occur. The Board will take time in 2025 to consider the longer-term implications of these impacts for future operations and investments.

Net Zero by 2040 Strategy

Delivery of Regulatory Period 7 (RP7) in Northern Ireland and agreement on a satisfactory Price Review 6 (PR6) for ESB Networks, covering the period up to 2031, are key to achievement of net zero strategy ambitions. Further investment in electricity networks and back-up for the increasing levels of renewables on the system to meet demand growth is urgently required. ESB is stepping up to ensure that the island of Ireland has the infrastructure needed to support population and economic growth.

Delivering on Government's climate and housing targets and the National Development Plan will also require continued and increasing investment in electricity infrastructure. Of course, this increased investment requires access to considerable funding which depends on ESB maintaining its strong profitability and financial capacity.

The Board has kept affordability and price competitiveness to the forefront of its considerations in 2024 and was delighted to be able to pass on two separate price reductions to customers in Ireland this year. The Board is fully supportive of the Government's cost of living measures which have assisted customers through the provision of credits on customer bills over the past winter.

In May 2024, a mid-term review of the Driven to make a Difference: Net Zero by 2040 strategy resulted in a number of adjustments being agreed by the Board. The review confirmed the overall direction of travel set out in the strategy while recognising the scale of the delivery, financeability and affordability challenges that lie ahead. These are themes that the Board intends to return to in 2025.

ESB's Net Zero Strategy remains fully aligned with national policy objectives, and we are continuing to invest at pace in more:

- renewables, onshore and offshore wind and solar
- capacity for housing and for economic growth and development
- long-term energy storage
- in electrification, of heat and transport and society

Financial Strength and Capability

The Board has maintained focus on the continued financial stability of ESB. It is essential that ESB makes profits to re-invest in its businesses to help secure Ireland's net zero future. It is against this backdrop that ESB delivered an underlying operating profit (before exceptional items and certain re-measurements) of €975 million and a profit after tax of €706 million in 2024.

Progress at the scale and speed of ESB's ambition also requires people, skills and capability. This year, we saw our talent pool continue to grow with the addition of over 900 new people into ESB and over 550 existing employees successfully appointed to new roles. The Board is delighted to see such opportunity and growth, and the initiatives in place to ensure all our people feel included at ESB. Good progress was made this year in advancing ESB's foundational capability of being digital and data driven. A significant IT and digital investment programme was successfully delivered in 2024.

Board Engagement

The Board continued its programme of employee and stakeholder engagements in 2024. These engagements ensure the Board remains connected to stakeholders' views on the issues that matter to them, and the Board's decision making continues to be well-informed.

The Board was delighted to welcome Micheal McGrath (then Minister for Finance) to the April meeting of the Board. The Board had a very engaging discussion with the Minister about the importance of energy security and the need to maintain ESB's financial strength as investment in a smart, digital, low-carbon, energy system continues to grow. I also want to acknowledge the support of Minister Eamon Ryan T.D., in his role as Minister for the Environment, Climate and Communications, for ESB's all-islands strategy and investment plans. I wish him well in his future endeavours.

Board Changes

I want to thank my Board colleagues for their commitment throughout 2024 in what was a busy and challenging year. There have been a number of changes at Board level in 2024. Mr Paul Lynam and Mr Alf Smiddy completed their terms as members of the ESB Board in December. On behalf of the Board, I want to thank Paul and Alf for their service over the past eight years. In particular, their commitment to the highest standards of corporate governance and support for ESB's long term success is much appreciated. I also want to welcome Mr Pat Gaynor and Mr Jim Meade to the Board following their appointment by Minister Eamon Ryan T.D. in December. I look forward to working with them during their term as Board members.

The Board is mindful of gender balance in its composition, and I am delighted to report that the Board continues to meet Government's 40% target for either gender. The Board is continuing to embed inclusion, equity and diversity through maintaining better balance on the Board, in the structures and ways of working it has adopted and in the engagements it has supported throughout 2024.

Conclusion

On behalf of the Board, I would like to thank the employees and management of ESB for their outstanding efforts during a period of significant uncertainty and volatility in the energy industry. They have worked extremely hard, constantly stepping forward to support our customers and to make a difference.

In accordance with the ESB Acts 1927-2014, the Board presents the Annual Report and Financial Statements for the year ended 31 December 2024.

Terence O'Rourke
Chairman
26 February 2025

Chief Executive's Review

EMPOWERING CUSTOMERS AND THE SUSTAINABLE ENERGY TRANSITION

Paddy Hayes
Chief Executive



During 2024, ESB focused on the delivery of cleaner electricity, energy security and empowering customers.

Energy Security and the Energy Transition

Solid underlying operating profits of €975 million provide the basis for continued investment and ESB invested €1.8 billion in critical energy infrastructure in 2024, building and enhancing network infrastructure in the Republic of Ireland (ROI) and Northern Ireland (NI), developing renewable generation, and adding capacity to support energy security.

Delivering Low-Carbon Electricity

ESB's Generation and Trading team delivered continued progress in reducing the carbon intensity of electricity. CO₂ output from ESB generation has fallen by 65% and carbon intensity is down 46% compared to the reference year of 2005.

In offshore wind, the Neart na Gaoithe project - a joint venture (JV) with EDF - exported first power in 2024, and continued development work on Inch Cape - a JV with Red Rock Renewables - provided the foundation for Financial Close in early 2025.

Onshore, FuturEnergy Ireland (a JV between ESB and Coillte) secured contracts for three of its projects in the RESS 4 (Renewable Electricity Support Scheme) auction and the acquisition of the Pallas project added to ESB's renewable generation portfolio. There was progress in solar generation also, with the first export of power from the Timahoe North solar project (a JV with Bord na Móna), while construction continued on solar projects at Bullstown, Drombeg and Middleton House.

We also made important progress towards further reducing the carbon intensity of our legacy generation plant, including securing planning permission for the conversion of Moneypoint, a critical step towards the ending of generation from coal during 2025.

Investing in Infrastructure

During 2024, ESB Networks and NIE Networks invested an aggregate €1.4 billion in network infrastructure across the island of Ireland; to upgrade and expand capacity, to connect customers and renewable generation, and to support the widespread adoption of electric transport and heating.

ESB Networks connected 534 MW of renewable generation to the grid in 2024, bringing the total connected grid-scale renewables to 6.3 GW. A further c.500 MW of rooftop solar, mini, micro and small-scale renewable generation is also connected, with ESB Networks processing almost 44,000 microgeneration applications during the year, while NIE Networks has 1.8 GW of grid-scale renewables connected and is accommodating c.168 MW of renewable generation within the distribution system.

Supporting a growing economy and population, ESB Networks connected over 37,000 homes and businesses during the year, with over 90% of applications now made through the ESB Networks digital Customer Portal. NIE Networks provided almost 7,000 new customer connections. In addition, a further 326,000 smart meters were installed by ESB Networks during 2024, bringing the total to 1.9 million.

Planning for the future, the Utility Regulator's Final Regulatory Period 7 Determination (RP7) sets out the scope

and scale of NIE Networks' programme to deliver for Northern Ireland over the period from April 2025 to March 2031. In ROI, after widespread public consultation and engagement, ESB Networks submitted investment plans for Price Review 6 (PR6) (2026-2030) to the Commission for Regulation of Utilities (CRU) proposing investment plans necessary to support delivery of the National Development and Climate Action Plans. These plans, which already include considerable proposed investment, will be revisited in light of the experience of Storm Éowyn.

Investing in Energy Security

ESB delivered important investments in energy security during 2024. Three flexible aero-derivative engines were commissioned at Poolbeg, Ringsend and Corduff, now providing important capacity to meet system demand peaks. Large battery storage facilities at South Wall in Dublin and Aghada in Cork also add to energy security, supporting renewables and putting downward pressure on peak prices. ESB was also pleased to be able to deliver temporary emergency generation capacity at Shannonbridge in Co. Offaly, adding to that already in place at North Wall, as part of arrangements for energy security entered into with EirGrid.

Supporting our Customers

As wholesale energy costs stabilised somewhat, Electric Ireland moved quickly when it was possible to pass on price decreases to customers, announcing two electricity and gas price reductions during the year, with additional discounts for smart time-of-use customers. Support was also provided to customers in financial need with

payment plans and assistance available through the Electric Ireland Hardship Fund.

Investment to increase the footprint and capacity of the electric vehicle charging networks means that ESB ecars are now offering more than 1,600 charging points on the island of Ireland and almost 800 charge points in GB, supporting the growing numbers choosing low-carbon electric transport. Electric Ireland Superhomes (a one-stop shop Home Retrofit JV with Tipperary Energy Agency) continued to make an impact, completing almost 500 deep retrofits during the year.

SIRO, our high-speed fibre broadband JV with Vodafone, continued to add capacity, now available to over 628,000 homes and businesses in communities throughout ROI.

It is also important to acknowledge that storms in 2024 and, particularly, the destructive force of Storm Éowyn in early 2025 had a very significant impact on many customers. The possibility of such extreme and unprecedented weather requires us to take stock of our network operations on behalf of customers.

Our People – Developing Capability

ESB's capable and professional staff have again demonstrated great commitment and flexibility, with a remarkable record of delivery through 2024.

There was a further net increase of over 500 people in ESB, bringing our numbers to over 9,700 as we continue to develop the increased capacity and capability required to deliver for our customers.

As our organisation grows, we remain focused on maintaining and developing an inclusive and diverse workforce. ESB continued to support initiatives to promote diversity in Science, Technology, Engineering and Mathematics (STEM) through the TrailblazHER programme with TU Dublin and ESB Science Blast, delivered by the RDS and it was very positive to see significant numbers of female apprentices joining our networks apprenticeship programme again in 2024.

I would like to acknowledge and appreciate those maintaining and operating our power stations, ensuring our generation capacity was available to respond during record system demand peaks through 2024.

I particularly want to thank the ESB Networks and NIE Networks teams who, together with contracting partners, international support crews and many volunteers from other parts of ESB, confronted challenging conditions and showed outstanding commitment to safely restore power and to support customers after Storm Darragh and the hurricane force winds of Storm Éowyn damaged network infrastructure.

An Enduring Focus on Safety

Minding the health, safety and wellbeing of our colleagues, contractor partners, and the public remains of primary importance for ESB. Through our "Safe and Sound" and "Safer Together" programmes, ESB continues to work on building an open and inclusive culture where people feel valued and trusted, and where everyone chooses to take responsibility both for their own safety and the safety of others.

Sustainability and Social Responsibility

During 2024, we accelerated our efforts to embed sustainability throughout the business, putting structures and processes in place to support reporting in line with the Corporate Sustainability Reporting Directive (CSRD) from financial year ending 2025.

In 2024, ESB published the Net Zero Pathway Report (available on the ESB website), setting out interim targets and actions towards our goal of achieving net-zero carbon emissions by 2040, and was proud to be among the founding members of the Irish Supply Chain Sustainability School. Also, rating agency Moody's carried out and published a Net Zero Assessment on ESB's Net Zero Pathway Report assigning an NZ-3 score (significant), consistent with a well below 2 degrees Celsius ambition.

Data and Digital

In 2024, ESB continued to advance digital culture and capability across the organisation, introducing new digital and data products with the aim of enhancing customer experience and empowering customers. ESB leveraged emerging technologies such as Generative AI – including the rollout of Microsoft Co-Pilot – to support productivity and collaboration, and in 2024 teams from across ESB secured nine external awards in recognition of their achievements in advancing digital and data, including awards for customer experience, excellence in digital learning and development, and leadership in data.

Community Support

Through our Energy for Generations Fund and Wind Farm Community Funds, ESB distributed over €2 million to charities and community groups in 2024. ESB is also a proud partner of our employee social justice fund, ElectricAid, providing €300,000 in funding during the year. We continued to support a range of sporting, cultural and social initiatives through our sponsorships, with one highlight being Electric Ireland's sponsorship of Pieta's 'Darkness into Light' walk.

Financial Strength

Continuing financial strength is an important determinant of our ability to invest for the future and our positive operational performance was consistent with maintaining credit ratings of A- and A3 (BBB+ and Baa1 on a standalone basis) with Standard & Poor's and Moody's respectively (the outlook with both agencies is positive).

Looking Ahead

ESB remains focused on delivering the infrastructure and capacity and the low-carbon generation necessary to support economic and societal growth and to empower customers.

At ESB, we also recognise that, despite some reduction in wholesale energy costs in 2024, customer affordability and the competitiveness of Irish energy costs in a global context remain significant challenges. While, in the longer term, continued investment in low-carbon generation will deliver increasing independence from volatile and potentially very high gas prices, continuing to focus on the affordability and competitiveness of electricity prices for our customers remains essential.

Most recently, the impact of the unprecedented Storm Éowyn on our customers and our networks requires us to carry out a review of storm response procedures and to re-assess the scope of the PR6 Business Plan submission in this context and in respect of climate adaptation. This will be a major focus for 2025 and beyond.

Paddy Hayes
Chief Executive
26 February 2025

Strategy

ESB's strategy is informed by developments in the external environment and driven by our enduring commitment to deliver a brighter future for all.

ESB's Strategy
Driven to make
a Difference:
Net Zero by 2040



Strategic Objectives

ESB has identified three strategic objectives, aligned with Sustainable Development Goals 7, 9 and 13, which are core to the delivery of our net zero¹ ambition.

Foundational Capabilities

Underpinning the strategic objectives are four foundational capabilities which are essential to success.



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



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



Digital and Data Driven⁵
Leveraging data and technology, transform ESB to a data driven digital utility



Financial Strength
Maintain the financial performance and strength required to deliver our purpose



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

Selected Strategic Performance Indicators (SPIs)

Indicator	2021 Baseline	31 December 2024	2030 Target	SDG Contribution
Renewable and renewable enabling generation portfolio (installed capacity) ²	1.3 GW ³	1.8 GW	5 GW	
	Scale of zero-carbon electricity enabled by our networks	4.7 GW in ROI 1.8 GW in NI	7 GW in ROI 1.8 GW in NI	
	Share of generation output from zero-carbon sources ²	14%	19%	
Networks Regulated Asset Base (RAB)	ESB Networks: €8.8bn NIE Networks: £1.8bn	ESB Networks: €11.1bn NIE Networks: £2.4bn	ESB Networks: €13-14bn NIE Networks: £2.7-3.2bn	
Number of smart meters installed	620,000	1.9 million	2.6 million	
Electrification of transport network: public EV chargers	c.704 (Ireland and GB)	c.975 (Ireland and GB)	3,000 (total)	
Customer satisfaction	81% (Electric Ireland residential electricity)	77% (Electric Ireland residential electricity)	>85% across all customer-facing business lines	
Employee engagement ⁴	7.0/10	7.6/10	>8/10	
Health and Wellbeing score ⁴	6.9/10	7.5/10	>8/10	
Digital maturity	N/A	Mainstream	Mainstream/Leader	
Strong investment grade credit rating	Credit ratings of A- or equivalent and BBB+ on a standalone basis	Credit ratings of A- or equivalent and BBB+ on a standalone basis	BBB+/Baa1 on a standalone basis	
Return on Capital Employed (ROCE)	5.6%	6.2%	ROCE > WACC	
Carbon intensity of ESB's generation assets and activities ²	440g CO ₂ /kWh	362g CO ₂ /kWh	140g CO ₂ /kWh	

¹ Defined in the Glossary on page 268.

² Joint venture projects are included in these metrics based on ESB's shareholding in the relevant entity.

³ Restated to include renewable enabling assets (batteries and pumped storage).

⁴ Derived from results of Our Voice Staff Survey.

⁵ This metric does not include NIE Networks or So Energy.

Strategic Framework

Driven to make a Difference: Net Zero by 2040 has been developed using ESB's Strategy Framework which ensures that strategic actions and decisions are consistent with ESB's purpose and values, and that there is a clear and consistent 'line of sight' both for those within the organisation and for external stakeholders. The Board has kept this strategy under ongoing review to monitor and understand key issues and developments in ESB's business environment and track progress and challenges in executing the strategy.



Refer to the ESB website for further information relating to our strategy.

Strategy (continued)

ESB's Business Environment

Driven to make a Difference: Net Zero by 2040 was developed based on the internal and external factors impacting the strategic direction of the Group at that time. Since December 2021, the Board has kept the strategy under review, monitoring issues and developments in ESB's business environment and tracking progress in, and challenges to, execution of the strategy.

ESB's strategy must be framed in the broader geopolitical, economic, political, market and policy landscape. 2024 has continued to see developments in our business environment with implications for ESB's strategy over the short, medium and long-term. These developments are summarised below and in Figure 1.

Economic and Financial Backdrop
Inflation rates fell significantly in 2024, although there is still uncertainty regarding the speed and magnitude of interest rate reductions. While European and British economic growth has been subdued, the Irish economy and fiscal position remained strong, despite growing external and internal downside risks. Reflecting an increased willingness to deploy state funding towards energy infrastructure, the Irish Government announced funding for District Heating, and a €750 million equity injection for EirGrid, as part of its October 2024 Budget.

International Political and Energy Policy Developments
The geopolitical environment remains unsettled with conflicts in Ukraine and the Middle East, potential conflict in East Asia and growing tensions over trade. The growing potential for trade/industrial and energy/climate policy priorities to conflict with each other is underlined by the stringent tariffs imposed by the EU and US on imports of Chinese electric vehicles ("EVs") while major trading blocs are subsidising emerging 'clean tech' sectors and seeking to 'onshore' strategic industries.

The 2024 European Parliament elections and some national elections across the EU saw increased support for 'populist' parties who are often less supportive of climate change measures. Balancing this, the new UK government and new EU Commission remain supportive of decarbonisation policies. Climate change has continued, with January 2025 1.75°C above the pre-industrial level, and the European Environment Agency has warned of more frequent and intense extreme weather events, of which Storm Éowyn in January 2025 was a recent example in Ireland.

Electricity Networks Investment
Decarbonisation, electrification and renewable generation, combined with the need to build resilience against extreme weather events, is leading to a significant and sustained increase in the scale of investment required in electricity networks worldwide, including Ireland. Rapid economic and population growth in Ireland, along with accelerated housing targets, further amplifies these investment needs. It is uncertain whether this will necessitate fundamental reforms in regulatory and funding models for electricity networks. Additionally, Europe faces delivery challenges for such infrastructure due to supply chain constraints, planning, social acceptance, and skilled labour shortages.

Renewables Deployment
After a slowdown in some areas (e.g. offshore wind in Europe and the US) from 2021-2023 due to supply chain issues and increased interest rates, over 90% of new generation capacity added globally in 2024 is from renewables. The Irish and UK electricity systems procured 1.3 GW and 9.4 GW of renewable capacity, respectively, through the RESS 4 (Renewable Electricity Support Scheme) and Allocation Round 6 processes, with ESB securing contracts amounting to 375 MW across solar and wind projects. The nature of participants in the renewable generation sector now sees more participation from technology and industrial players, rather than oil and gas majors, aiming to manage carbon emissions and secure clean energy.

Technology Adoption
In 2024, the cost of solar and battery storage continued to fall, boosting their success in recent Irish and British auctions and speeding up deployment, including by ESB. However, the hydrogen sector has slowed significantly with many high-profile international projects cancelled due to difficulties securing long-term offtake arrangements required to underpin investment.

Demand Growth and Electrification
Electrification is critical to decarbonisation. Growth in electricity demand and infrastructure requirements impacts customer affordability, given the industry's capital intensive and 'fixed cost' nature. While Ireland's electricity demand has continued to grow, several major European markets are experiencing static or declining volumes. With regards to electrification, despite some reduced forecasts for EV roll out, global EV sales increased by around 26% in 2024 over 2023 levels. During the year, Transport for London (TfL) announced one of the largest charging infrastructure projects in the world to date, valued at £3 billion over 30 years. Progress on heat electrification has been uneven, with some growth in installations, especially in new homes in Ireland, but generally below policy targets.

Gas and Wholesale Power Prices
Although stabilised and reduced since their peaks at the height of the energy crisis, European wholesale gas and power prices are still about twice the levels of early 2021. This is reflected in the Single Electricity Market with average day-ahead power prices rebounding significantly since early 2024. Geopolitical risk may continue to impact European energy prices, with potential disruptions to oil and gas supply routes and market uncertainty.

Figure 1 - Key External Developments in 2024 impacting ESB Strategy



Business Model

Our Business Unit Structure



Our Values

ESB's values are deeply rooted in the organisation and encapsulate the integrity and ambition that ESB stands for. They are integral to the development and delivery of the strategy - they inform decisions, and they underpin ESB's commitment to earning the trust that customers and communities place in ESB.

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.

Value for our Stakeholders

Customers

Offering our customers access to a clean, secure and affordable electricity supply while also empowering them on their net zero journey through investment in services and solutions.

Communities

Since its foundation in 1927, ESB has supported charities and community groups that enhance the economic and social fabric of the communities it serves. Further details are outlined on pages 80 and 81.

Stockholders

Enabling the delivery of key strategic priorities for ESB and the Irish Government such as decarbonised electricity and resilient infrastructure in line with the Climate Action Plan. ESB's dividend policy provides for targeted dividends at a rate of 40% of adjusted profit after tax.

Debt Investors and Rating Agencies

Strong financial performance, underpinned by efficiency and investment discipline, will ensure that ESB can deliver appropriate shareholder returns, maintain a strong investment grade credit rating and secure optimal long-term funding to match investment plans.

Employees

Creating a workplace with caring, courageous people who are collaborating on a once-in-a lifetime challenge where everyone can make a difference to achieve net zero by 2040.

Suppliers, Contractors and Partners

Ensuring suppliers, contractors and partners benefit from our business by treating all suppliers fairly in procurement processes which are undertaken in a non-discriminatory, transparent, and proportionate manner.

Regulators, Environmental and Safety Authorities

Collaborating on policy development and reforms to help deliver on key issues such as supporting vulnerable customers, security of supply and sustainability targets - while always striving to do these things safely.

Other Industry Bodies

Working together to help create positive change for society and a better built environment.

Customers

- 77% customer satisfaction (residential electricity ROI)
- 40% supply all-island market share
- 25% generation all island market share

Employees

- 698 increase in average employee numbers in 2024
- Over 9,700 employees at 31 December 2024

Stockholders

- Dividends of €1.8 billion since 2014
- Return on capital employed 6.2%

Economy

- >6 GW of generation capacity and almost 240,000 km of network across ROI and NI
- Over €1.8 billion in capital expenditure
- Contributed over €3 billion to the Irish economy in the form of payroll, taxes, dividends and purchases from domestic suppliers
- Over €2 million disbursed to communities

Environment

- 1.8 GW of renewable and renewable enabling generation
- Carbon intensity reduced 46% since 2005

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 every day, 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.

Engaging with our Stakeholders

ESB's actions can have an impact on a broad range of stakeholders. This is why ESB aims to maintain open and positive dialogue with all our stakeholders to understand, consider and evolve our strategy in a way that meets their expectations. Our engagement enables stakeholders to provide feedback and insights to ESB, which also inform our deliberations and decision making.

Understanding the expectations, concerns and interests of our customers and stakeholders is front and centre to everything we do at ESB. We conduct in-depth stakeholder research approximately every four years, and survey members of the public three times per annum via brand and reputation trackers. This, together with analysis performed in 2024 as part of ESB's double materiality assessment (as outlined in the Environment and Sustainability section on pages 69 and 70), allowed ESB identify and prioritise key issues (as set out on page 22). ESB's key stakeholder groups and details of our stakeholder engagement are set out opposite.



Our Key Stakeholders

Customers

ESB's customer base covers a broad spectrum, including customers connected to the Republic of Ireland (ROI) and Northern Ireland (NI) electricity networks, the people and businesses ESB supplies with electricity, gas and other retail offerings across ROI, NI and Great Britain, and ESB's engineering consultancy clients.

Why We Engage: ESB has a proud history of serving customers through delivery and innovation. It is vital that we listen to our customers so that we can understand their evolving needs during a period of continued elevated energy prices, and as we transition to sustainable energy together.

How We Engage: ESB interacts with customers across multiple channels, including:

- Customer and stakeholder surveys
- Formal market research
- Focus groups
- Company websites and social media
- Dedicated relationship and account managers

Communities

People living in communities that are located adjacent to ESB's sites and operations, and also people in the wider community, allowing ESB fulfil its broader social responsibility to the communities it serves.

Why We Engage: Communities expect organisations to positively contribute and support issues that are important to them. ESB always seeks to enhance relationships with the neighbouring communities of our operations.

How We Engage: ESB supports local and national charities and community groups to raise awareness and funds to help deserving causes. ESB interacts with our communities through various channels, including:

- Open days/site tours
- Participation in local and national events
- Corporate partnerships
- Energy For Generations Fund
- Wind Farm Community Fund
- Employee volunteering
- River and habitat management

Further information on the above is available on pages 80 and 81.

Debt Investors and Rating Agencies

Lenders/debt holders that fund ESB's capital investment programme as well as the rating agencies which independently assess the financial strength and creditworthiness of ESB.

Why We Engage: Engagement with existing and prospective investors and rating agencies helps ESB to better understand the expectations of lenders and rating agencies in relation to our financial and sustainability performance.

How We Engage: The Investor Relations team, including the Group Treasurer and the Executive Director, Group Finance and Commercial, regularly engage with institutional debt investors and rating agencies in the form of formal announcements, media briefings, investor roadshows and investor briefings (for example after the release of interim and annual financial results). More information is available on the investor relations section of ESB's website.

Stockholders

ESB is 97.1% owned by the Irish Government and 2.9% by the Trustees of the Employee Share Ownership Plan (ESOP).

Why We Engage: Active engagement ensures that ESB understands and responds to the evolving needs of our owners and secures support for our strategy. Ongoing engagement ensures that ESB's stockholders are aware of our business environment, strategy, business model, performance, and sustainability commitments.

How We Engage: ESB engages in active and ongoing consultation with the Government on key policies and strategic issues as required by legislation and the Code of Practice for the Governance of State Bodies. This happens through formal quarterly briefings with Government representatives, written submissions to the relevant Government departments where appropriate, bilateral discussions (including with the Chairman and Chief Executive) and through attendance at the Annual General Meeting by representatives of the relevant Government Ministers. ESB also engages and consults with the Trustees of the ESB ESOP through regular formal briefings.

Employees

Our colleagues who work in the numerous businesses across the Group.

Why We Engage: Employee feedback is key to attracting, developing, and retaining a talented, dedicated and motivated workforce, which is required for the successful delivery of ESB's strategy. To continually drive progress, ESB needs to understand what matters most to our employees.

How We Engage: Regular engagement is maintained with employees through various channels including:

- One-to-one/team meetings
- Performance reviews/career development discussions
- ESB Employee All-Hands Webcast
- Staff surveys ("Our Voice")
- The Hub (ESB's information resource and employee communication platform)
- Online learning and training resources
- Employee Resource Groups
- Engagement with trade unions

Suppliers, Contractors and Partners

ESB partners, contractors and suppliers of products and services.

Why We Engage: The ESB Supplier Charter sets out the standards required of all suppliers. By engaging with contractors and suppliers (as well as agents), we can ensure they continue to meet ESB's high standards in product safety, quality, and business conduct and ethics, whilst respecting human rights and the environment. Collaboration across the supply chain also helps secure a stable supply of services and solutions.

How We Engage: ESB interacts with suppliers and contractors in many ways, including tender processes, contract review meetings, preliminary market consultations and Meet the Buyer events. Sustainability features are generally sought from tenderers where such features contribute to the delivery of ESB's sustainability goals.

Regulators, Environmental and Safety Authorities

National government bodies, agencies and other authorities who implement and enforce applicable laws across the industry.

Why We Engage: To communicate our views to those who have responsibility for implementing policy, laws and regulations, as these regulatory policies can have an impact on how ESB does business.

How We Engage: ESB interacts with regulators and other authorities across multiple channels, including industry associations, briefings and direct meetings and other multi-stakeholder forums, as well as through inspections and formal compliance reviews. Through these interactions, ESB can effectively support policy development and reforms to help deliver on key issues including, for example, progressing on sustainability targets and supporting vulnerable customers.

Other Industry Bodies

Networks operators, industry Non-Governmental Organisations (NGOs), sustainability NGOs and other industry bodies who aim to maintain a safe, secure, and reliable supply of electricity while enabling a sustainable, low-carbon economy and society.

Why We Engage: To advance progress for our businesses and industry and help create large-scale positive change for society and the environment.

How We Engage: Ongoing dialogue and participation in business and industry advisory groups which allows ESB to be involved in developing industry best practices across a range of established sustainability topics.

Engaging with our Stakeholders (continued)

Key Priorities



Continue to phase out dependence on fossil fuels and accelerate efforts to decarbonise electricity

We are taking urgent and focused action to cut greenhouse gas emissions and achieve net zero emissions by 2040. We continue to heavily invest in the development of new renewable generation, including onshore and offshore wind and solar, and will significantly increase the amount of renewable generation connected to our electricity networks as we make the transition to a sustainable energy future.



Secure reliable energy supplies for our customers and deliver on future infrastructure needs

We will continue to make significant investments in infrastructure to ensure reliable and secure electricity supplies. Our objective is to build, maintain, operate, and develop the electricity network across the island of Ireland to meet the changing needs and expectations of society, today and in the future – adapting to climate change, and supporting increased renewable generation and increased demand.



Continued focus on consumer education and raising awareness of new technologies, energy solutions and energy efficiency

We will inspire, empower, and support our customers to manage their energy usage and efficiency in an attempt to change overall behaviours and help society become more sustainable. ESB will continue to embrace the latest and most innovative infrastructure, products and services to enable our customers to live more efficiently and sustainably into the future.



Provide affordable energy while supporting and protecting vulnerable customers

Electric Ireland, our retail brand in Ireland, is committed to delivering the best value and experience it can for our customers. Electric Ireland continues to provide flexible payment plans, Pay As You Go (PAYG) meters and a hardship fund was available for those struggling to pay their energy bills during 2024.



Operate to the highest standards of fairness, ethics and transparency

ESB is committed to the highest standards of corporate governance in all its activities. We comply in all material respects with the Code of Practice for the Governance of State Bodies and publish relevant documents on our website for transparency. ESB is also committed to respecting all internationally recognised human rights, and to implementing and enforcing effective measures in our supply chain, operations, and in the communities and locations where we operate to ensure human rights abuses are not taking place. ESB's employee Code of Ethics requires all employees to operate fairly and to respect human rights.

The Board is cognisant of our stakeholders' views when making decisions regarding strategy, investments/divestments or matters which may impact the wider economy or environment, increasing the likelihood of long-term sustainable success for ESB. The Board also recognises the need to maintain high standards of business conduct in its actions and decisions, and the need to act fairly between all of ESB's stakeholders. Feedback from all engagement activities and research is considered by the Board as part of its decision-making processes. Refer to page 107 for further details.

Risk Report

How ESB Manages Risk

The effective management of principal risks and uncertainties supports the development and implementation of ESB's strategy while protecting the interests of its stakeholders and stockholders.

The Board has overall responsibility and accountability for risk management and internal control. The UK Corporate Governance Code 2018 (the UK Code) (Clauses 28, 29 and 31) and related guidance sets out the Board's responsibility for determining the nature and extent of the principal risks it is willing to take in achieving its strategic objectives. The Code of Practice for the Governance of State Bodies (the State Code) (Section 7.2) also refers to the Board's oversight of risk management including the requirement to *"approve the risk management plan and risk register at least annually"*. The Board must also ensure that an appropriate culture has been embedded throughout the organisation to ensure that risks are assessed and managed effectively.

The Board ensures that the Group's risk exposure is proportional to the pursuit of its strategic objectives and creation of longer-term stockholder value. It has adopted a Risk Management Policy and Risk Management Framework to support its oversight of risk throughout the Group.

The Board delegates responsibility for oversight of its principal and emerging risks to Board Committees in accordance with the Committees' Terms of Reference and their respective areas of expertise. The Committee Chairs report to the full Board on key developments and matters requiring further discussion and consideration. The Audit and Risk Committee has overall responsibility for ensuring that enterprise risks and opportunities are properly identified, assessed, reported and controlled on behalf of the Board. The Audit and Risk Committee advises the Board on its consideration of the overall risk appetite, risk tolerance and risk strategy of the Group.

The details of the activities undertaken by the Board and the Audit and Risk Committee during 2024 in respect of their risk responsibilities are outlined on pages 117 and 118.

ESB's approach combines a top-down strategic assessment of risk and risk appetite, which takes account of the external business environment and any changes to the business model, along with a bottom-up identification and reporting process arising from a review and assessment of business unit operational risk registers.

ESB's risk management approach is dynamic. ESB regularly and proactively manages risks in a fast-changing business environment, updating and continuously improving risk information to support decision making at all levels. Business environment developments outlined on page 16 provide a backdrop for identifying and assessing risks and has an influence on risk appetite.

Risk Culture

The Board is ultimately responsible and accountable for setting the tone at the top of the organisation. ESB's risk culture determines the way in which employees identify, understand, discuss and act on the risks they take and are faced with on a daily basis.

To enhance risk awareness, ESB's values continue to be a focus for discussions with all employees to ensure there is a clear and consistent understanding of ways of working. To support the embedding of risk culture, ESB has adopted policies (such as ESB's Code of Ethics, "Our Code") which facilitate and encourage an environment where people can feel comfortable raising issues and where management treat concerns seriously, professionally and in accordance with legal obligations that apply under the Protected Disclosures Act, 2014.

Decision making is supported by having clear authority levels, conducting risk analysis as part of business/project planning and detailing the consideration of the alignment between investments and ESB's risk appetite for all Board approved submissions. Specific training is provided for high-risk activities including health, safety and wellbeing, cyber risk awareness, network operations, sustainability, data privacy and energy trading activities. This approach has ensured that risks and uncertainties are highlighted at an early stage so that prompt action can be taken to minimise any impact they might have on employees and other stakeholders.

Risk Appetite

ESB's Risk Appetite Framework is focused on setting the risk appetite at the Group level across the major sources of risk faced by ESB in the delivery of its purpose and strategic objectives (i.e. ESB's Risk Universe) and provides the basis for communicating risk appetite down through the organisation.

Risk appetite is embedded in day-to-day risk management decisions through the use of risk tolerances and limits for material risk types (e.g. energy trading and treasury operations). This ensures the risk profile remains aligned with risk appetite by balancing risk and returns. At a minimum, it is assessed on an annual basis.

The Group Risk Appetite Statement is approved by the Board on the advice of the Audit and Risk Committee. ESB's strategy is consistent with the Risk Appetite Statement approved by the Board. The principal risks continued to be monitored by reference to the approved Risk Appetite Statement throughout 2024.

Risk Report (continued)

ESB's risk appetite, as approved by the Board, is aligned with, and informed by, ESB's Net Zero by 2040 Strategy. The Risk Appetite Statement reflects ESB's appetite for risk under each of the six risk categories identified under ESB's Risk Universe – (1). Strategic, (2). Financial, (3). Environment, Social and Governance (ESG)/Climate, (4). Culture, People-Related and Safety, (5). Compliance, and (6). Operational and Technology.

Group Principal Risks in 2024

The Group principal risks for 2024 are set out beginning on page 26. These risks are considered material to understanding how ESB creates value. A number of principal risks remained constant over 2024. Revisions were made to the descriptions/ drivers of a number of other principal risks to take account of the latest developments in ESB's risk environment as part of a robust risk review process during 2024, in conjunction with the relevant oversight committees. They have been developed having taken into consideration ESB's strategy, external market developments, legal and regulatory matters and augmented by a 'bottom-up' review of operational risk registers. Emerging risks are also included insofar as possible.

The Group Risk Plan for 2024 was designed to ensure that:

- Specific consideration has been given to the risk of not achieving ESB's strategic objectives
- Risks have been appropriately identified and assessed on a bottom-up basis by the businesses and key functions and also adequately challenged and reviewed on a top-down basis by Group Risk, the Risk Management Committee and the Executive Committee Risk Forum. Risks have also been challenged, reviewed and input into by the Audit and Risk Committee and Board
- Risks and risk appetite have been aligned
- Appropriate controls and risk mitigations to reduce the probability of risks emerging and recovery mechanisms to reduce the impact of an event are in place
- Emerging risk developments over time are being tracked
- Management preparedness to manage risk is understood
- Responsibility for risk is allocated to ensure accountability
- A communications plan is in place to brief the Board and the relevant sub-committees on key risk topics throughout the year

Group Emerging Risks

The Risk Management Framework enables the Group to identify, analyse and manage emerging risks to help identify potential exposures as soon as possible. This is managed as part of the same process that identifies the principal risks. These are reviewed in conjunction with principal risks.

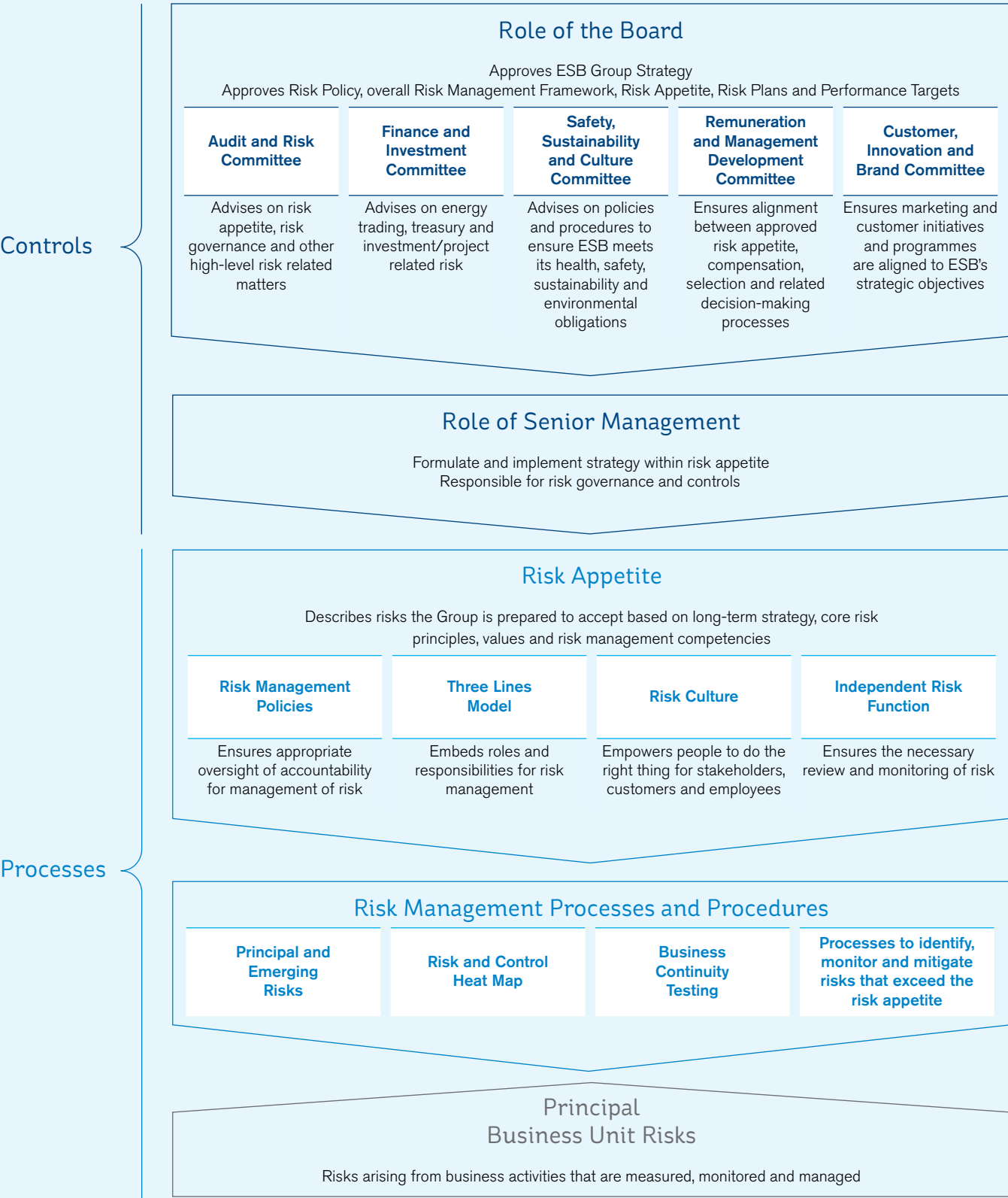
Business Continuity

ESB is responsible for the provision of critical infrastructure and disruptions to certain services and operations are potentially damaging to the economy, to customers, to society and to ESB's business. ESB has in place a robust set of business continuity plans and processes to ensure that ESB's response is well managed and executed. A number of these plans are exercised as part of an annual test plan and assess the degree to which these risks can be mitigated. Results and lessons learned arising from the annual review and testing programme are reported to the Audit and Risk Committee.

Recent severe storms require the full deployment of business continuity and emergency response plans in accordance with ESB's Risk Management Framework and processes. These plans were activated on a number of occasions, including December 2024 for Storm Darragh and January 2025 for Storm Éowyn - the two most damaging storms in ESB's history in terms of customer outages - and they required an exceptional response with all of ESB's available resources deployed and additional resources brought in from other countries. Ultimately, power was successfully restored to all customers and the emergency response plans proved effective in supporting business continuity. In line with risk management best practice, the storms will be reviewed, and the insights from this review will inform possible additional controls and mitigants for such future potential events.



Risk Management Framework



Risk Report (continued)

Principal Risks

The principal risks and uncertainties that have the potential to impact the Group's strategic objectives are set out below, together with an indication of the current strategic objective(s) to which they relate, any change in the risk climate during the year and who is responsible for monitoring the risk and the principal mitigations.

Financial Strength and Unfavourable Macroeconomic and Financial Environment		FC	Risk Climate
What is the risk? Failing to maintain ESB's financial strength and liquidity, due to under delivery of required performance, including Environmental, Social and Governance (ESG), low investment returns, and growing capital intensity or negative developments in the external macroeconomic and financial landscape (e.g. recession, sustained inflation and high interest rates, geopolitical tensions)	Risk of: - Operating margins compressed as energy prices stabilise, or negatively impacted by continued volatility in wider energy markets - Challenge of delivering larger CapEx and OpEx programmes in the networks' businesses within challenging regulated Price Control allowances, social resistance and competition for skilled resources - Increase in the competitive environment in supply businesses in Ireland and GB - Rising interest rates stemming from monetary policy - Inflation increasing cost levels faster than can be reclaimed under regulatory price indexing or in competitive markets - Increasing risk premiums on sovereign or ESB debt, potentially driven by some of the factors above - Reputation damage from any failures in ESG compliance, with resulting potential to limit ESB's access to funds		
Oversight: Finance and Investment Committee and Audit and Risk Committee	Mitigations - Implement appropriate hedging strategies - Ensure that a robust trading and risk management framework is in place - Continue ongoing engagement with Government, policy makers, regulators, investors and others - Dedicated ESG programme - Sustainability Transformation Enablement Programme (STEP) – is in place - Ensure stress testing of working capital facilities, ensuring ESB can absorb higher prices - Building flexibility into ESB's cost base and capital expenditure programme		

Strategic Objectives (SO)			Foundational Capabilities (FC)			
 Decarbonised Electricity	 Resilient Infrastructure	 Empowered Customers	 Our People	 Digital & Data Driven	 Financial Strength	 Sustainable & Socially Responsible
IT/OT Outage/Cyberattack/Data Leakage			SO 	FC 	Risk Climate 	
What is the risk? Extended outage of critical IT/OT systems arising from non-malicious infrastructure failures, successful cyberattacks and/or significant data leakage			Risk of: - Successful cyberattack, including ransomware or phishing attack - Malicious or non-malicious breach of personal or commercially sensitive data - Significant hardware issue, software error or networking failure, resulting in failure of IT or OT infrastructure/systems affecting critical business processes - Inadequate process and controls in place to manage the IT/OT risks appropriately across ESB (internal and with third party providers) - Increased threats due to hybrid working			
			Mitigations - Cyber policies, strategy and governance model in place and continued development of cyber IT/OT operating model - The cyber operating model in place to manage first line and second line of defence for IT and OT - Data protection policies and operating model in place across the organisation - Regular testing and simulation exercises for Critical Response Plans to test the organisation's readiness - Deployment of appropriate staff training, protection software and tools - Integrated Enterprise Security Council implemented - integrated governance of cyber, physical assets and personnel across IT and OT assets and sites			
Oversight: Audit and Risk Committee						
Climate Change Physical and/or Major Environmental Incidents			SO 	FC 	Risk Climate 	
What is the risk? Increasingly extreme and unpredictable weather patterns, and/or major environmental incidents (e.g. flooding, oil spill), impacting performance of ESB assets and societal energy security			Risk of: - The cumulative and individual risk of increased frequency of damage to electricity networks or generation infrastructure, and associated disruption in supply for customers, due to severe weather events such as high temperature events/drought, wildfires, flash flooding, ice, storms, wind events and increased lightning strike frequency - Increased potential for large-scale and prolonged interruptions of service impacting customers, posing significant inconvenience and risk to public and staff safety - Increased cost of maintaining, and repairing networks assets, or shorter asset lives, due to climate change and associated events - Reduced network reliability arising from climate change including storms may undermine pace of electrification - Plant and material specification changes to increase resilience and address impact on physical assets - Accelerated climate adaption measures imposed by national policy, potentially increasing costs for ESB and its customers - Impact of long-term sea-level rise on hydro generation and coastal assets			
			Mitigations - Review of maintenance policies, standards and materials specifications to ensure assets are fit for purpose in context of operating conditions - Accounting (in so far as practicable) for climate impact on asset operation and life - Continue to explore flood risk profile assessment for high voltage stations - Stakeholder engagements with relevant governmental and external bodies - Designing enhanced resilience into assets, minimum design specifications e.g. building bigger overhead lines (bigger conductors and structures) - Enhancing approach to vegetation management and timber policy review			
Oversight: Audit and Risk Committee and Safety, Sustainability and Culture Committee						

Risk Report (continued)

Climate Transition



Risk Climate ▲

What is the risk?

Failing to meet ESB's sustainability targets per ESB's Net Zero by 2040 Strategy or to inform or respond to climate change policies and/or capture opportunities and manage challenges presented by those policies, resulting in reduced performance along with growing public, customer and investor concerns and negative impact on the environment

Risk of:

- General planning and legal/social acceptance issues can delay, and increase the cost of, delivery of necessary low-carbon infrastructure
- Failure to achieve early market position due to lack of appropriate regulatory or policy regime change/clarity
- Lack of progress in implementing the Irish Government's Climate Action Plan
- Adverse external decisions (regulatory, economic, financial, environmental) that negatively impact market rules
- Failure to track and monitor changes in EU and national legislation/regulation in response to climate change

Mitigations

- Keep up to date with EU and national policy, regulatory and legislation developments
- Maintain stakeholder engagement with policymakers and regulatory authorities
- Regularly review climate risks and opportunities for improvement and track associated indicators
- Maintain strong strategic intelligence through external information sources
- Seek to lead or at least be heavily involved in the conversation on the net-zero power system

Oversight:
Audit and Risk Committee

Delivery of Complex Network Infrastructures



Risk Climate ◀▶

What is the risk?

Failing to deliver the growing and increasingly complex network infrastructures and systems required to meet future customer and societal needs of accommodating more renewables, demand growth, supporting wholesale electrification and distributed energy services

Risk of:

- Lack of available resources, skilled workers and capability needed to plan and deliver required works
- Requirement for meeting Enduring Connections Policy (ECP) deadlines for grid connection offers, as well as accelerated delivery of grid connections as a result of the Renewable Electricity Support Scheme (RESS) auctions in Ireland
- A possible lack of capacity on the low-voltage network to accommodate the large scale up-take of wholesale electrification
- Increasing lead times on materials/supply chain
- Security of supply risk or competition for plant outages preventing Transmission System Operator (TSO) and Distribution System Operator (DSO) from allowing outages to deliver works
- Increasing impact of major storms and other physical climate risks

Mitigations

- Integrated Business Planning, which informs the Strategic Resource Plan and succession planning
- Contractor Strategy and Procurement Strategy
- New planning legislation and community engagement
- Implementation of ESB Project Management Methodology
- Stakeholder management plans prepared and interaction with key stakeholders
- The National Network, Local Connections (NNLC) programme is delivering new capabilities to ensure that the distribution network is ready for wholesale electrification of heat and transport

Oversight:
Audit and Risk Committee

Strategic Objectives (SO)

Foundational Capabilities (FC)



Security of Supply



Risk Climate ◀▶

What is the risk?

Electricity generation capacity shortfall and/or fuel supply issues leading to potential demand management measures and negative impact on ESB's reputation

Risk of:

- Insufficient generation capacity on the transmission system to meet the forecasted peak demand
- Potential lack of firm generation capacity in the market – particularly at times of low wind and low interconnection availability
- Possible insufficient gas available on the island of Ireland

Mitigations

- Temporary Emergency Generation initiatives in recent years have increased peak load capacity, and partially addressed the risk
- DSO Load Shedding Plan as approved by the Commission for Regulation of Utilities (CRU)
- Engagement by ESB Networks with large distribution connected customers and critical infrastructure customers
- Mandatory demand curtailment methodology applied to customers
- Engagement with stakeholders
- Continued use of ESB's Project Management System to manage outage duration(s)
- CRU Security of Supply Programme of Actions

Oversight:
Audit and Risk Committee

Energy Market Volatility and Supply Chain Disruption



Risk Climate ◀▶

What is the risk?

Continued volatility in, and disruptions to, energy markets and other elements of global supply chains negatively impact ESB financial performance and ability to deliver ESB's strategic objectives

Risk of:

- Continued high wholesale electricity costs – due to increases in commodity (gas/carbon) prices as a result of international geopolitical situations (e.g. the Russia/Ukraine war)
- Geopolitical impacts on other elements of ESB's supply chain
- Trade tariffs could increase ESB input costs, and clean tech subsidies in other jurisdictions could place ESB at a relative disadvantage within global supply chains
- Regulatory action and intervention
- Suppliers becoming financially distressed or failing
- Competition for rare minerals and in-demand products increases construction lead times
- Increases in general manufacturing and product costs driven by supply/demand pressures and increases in energy, labour and compliance costs

Mitigations

- Consideration to more frequent price changes, ultimately moving to a more dynamic pricing model once systems/process allow
- Proactive regulatory, political, customer and media engagement during the period of market volatility
- Continued and enhanced levels of monitoring of supply chain disruptions/forecasts
- Appropriate approved hedging strategies to reduce the impact of volatility
- Avoidance of sole/single supplier type arrangements where possible, and the continued adoption of multi-supplier framework agreements

Oversight:
Audit and Risk Committee

Risk Report (continued)

Energy Affordability



Risk
Climate



What is the risk?

Increasing costs and wider economic pressures negatively impact the affordability of ESB's products and services, impacting ESB's customers and giving rise to political or regulatory intervention

Risk of:

- Ongoing pressure on the price of energy given wholesale energy prices continue to affect customer sentiment and experiences
- Energy prices remain high for a prolonged period
- Potential Supplier of Last Resort implications e.g. suppliers exiting market could lead to new unhedged customers moving to ESB as Supplier of Last Resort
- Increased levels of fuel poverty and high prices may lead to sustained negative traditional and social media coverage
- Increased likelihood of businesses failing due to increased energy costs
- Increased political, social and regulatory concerns
- Failure to deliver important network and generation investments due to concerns over affordability caused by high fuel costs

Mitigations

- Measures in place to support customers in financial distress
- Communications and stakeholder engagement plans in place
- Implementation of Government measures to assist with the high cost of energy
- Engaging positively with market-wide measures to support customers
- Constant review to ensure resources allocated to manage the cost of energy crisis are sufficient

Oversight:
Audit and Risk Committee

Delivery of Renewable Pipeline, including Project Quality Management



Risk
Climate



What is the risk?

ESB fails to deliver the scale and manage the project quality of renewable generation assets required to meet market and societal needs and achieve strategic objectives

Risk of:

- Failure to secure stakeholder/regulatory support for ESB's renewable generation strategy
- Failure to secure key contracts and contractors for project delivery
- Insufficient grid infrastructure to accommodate increase in renewables in some locations
- Inadequate project management oversight of large infrastructure projects leading to delays
- General planning and legal issues leading to delay in the delivery of necessary infrastructure, including low-carbon projects. Potential for delays to enabling policies for offshore wind (e.g. seabed allocation)

Mitigations

- Alignment of ESB strategic goals with the Irish Government's Climate Action Plan goals
- Stakeholder engagement to build support for ESB's renewable generation strategy
- Community and landowner engagement to facilitate building of critical network infrastructure
- Secure strategic technical resource/capability partners to complement ESB's capability and experience
- Carry out suitable and sufficient surveying, site investigations, wind monitoring, etc.
- Build and retain engineering and project management skills base
- Implement robust lessons learned transfer process from existing project to future opportunities

Oversight:
Audit and Risk Committee

Strategic Objectives (SO)



Decarbonised Electricity



Resilient Infrastructure



Empowered Customers

Foundational Capabilities (FC)



Our People



Digital & Data Driven



Financial Strength



Sustainable & Socially Responsible

Resourcing/Capability/Retention



Risk
Climate



What is the risk?

Failing to secure, retain or embed internal and external resources and adequate capability in the context of a tight labour market, given the extent of growth and complexity of delivery required to deliver ESB's strategy

Risk of:

- Failure to attract and retain key capabilities, specifically in engineering (e.g. renewables), IT/digital, sustainability/ESG and finance functions
- Failure to continuously develop ESB's capability to keep abreast of changing business needs
- Competition for resources due to external labour market being close to full employment, and unprecedented pay escalation in certain areas where skills are in intense demand
- Difficulty in recruiting/attracting specialised skills for roles where contracting is the predominant means of engagement

Mitigations

- Maintain strategic focus on future workforce trends
- Talent Management Strategy in place to drive attraction, growth and retention activity
- Appropriate resourcing model (total workforce) in place to ensure delivery of strategic intent
- Appropriate and attractive recruitment packages, including flexibility
- Contingent Labour Panel is in place
- Offshore Wind and Hydrogen Capability Action Plan in place

Oversight:
Audit and Risk Committee

Compliance (Laws, Regulations, Licence, Internal Policies)



Risk
Climate



What is the risk?

Failure of ESB personnel or agents to comply with applicable legal and governance obligations whether imposed by law, regulation, licence or internal policies against the backdrop of an increasingly complex compliance and governance landscape and stakeholder expectation resulting in reputational damage, prosecution/conviction and/or financial penalties

Risk of:

- Increasing levels of legal obligations - volume, complexity, and interconnectivity
- Increasing expectations regarding compliance standards by regulatory authorities
- Policy framework fails to keep up with the pace of change
- Human factors leading to inadvertent breach of regulations
- "Compliance fatigue" increases likelihood of governance failure
- Inadequate competence due to lack of training and awareness of obligations

Mitigations

- A separate Compliance Function has been established, with work ongoing to strengthen this function
- Annual review of compliance with the Code of Practice for the Governance of State Bodies
- Continued and ongoing engagement with relevant external stakeholders
- Confidential reporting mechanisms and investigation procedures in place
- Our Code and Our Values, together with ESB's Anti-Bribery, Anti-Corruption and Fraud Prevention Policy in place, with awareness training for staff

Oversight: Board

Strategic Objectives (SO)



Decarbonised Electricity



Resilient Infrastructure



Empowered Customers

Foundational Capabilities (FC)



Our People



Digital & Data Driven



Financial Strength



Sustainable & Socially Responsible

Health, Safety and Wellbeing

FC



Risk Climate



What is the risk?

Serious harm to the safety, health or wellbeing of employees, contractors or the public resulting from ESB's operations

Risk of:

- Inadequate policies and procedures
- Inadequate competence (training, knowledge and experience)
- Lack of compliance with standards and procedures
- Lack of maintenance (process and workplace, tools, plant and equipment)
- Lack of awareness, knowledge or due care and attention by a member of the public

Mitigations

- Adaptive leadership/open culture, risk assessments, safe systems of work including safety rules, supervision
- Contractor safety management processes
- Maintenance Management Systems, equipment inspection and certification, statutory inspections
- Training programmes and assessments for staff and contractor resources
- Assurance and audit process (external and internal)
- Critical incident management and response procedure and scenario testing
- Proactive health and wellbeing programmes

Oversight:
Safety, Sustainability and Culture Committee

Brand, Customer Satisfaction, Reputation, Stakeholder Trust

SO



FC



Risk Climate



What is the risk?

Damage to brand, customer satisfaction, reputation and stakeholder trust

Risk of:

- Failure to understand and respond to stakeholder and customer expectations (relating to material issues) or to manage expectations (relating to issues that are outside of ESB's control)
- Failure to live up to brand values
- Failure to engage effectively with communities regarding the benefits of public infrastructure projects
- Failure to proactively engage with politicians, policymakers and other key stakeholders on emerging energy risks

Mitigations

- Cross functional structures in place to manage and coordinate ESB's reputation and stakeholder engagement, and coordinate communications
- Stakeholder forum to coordinate and drive stakeholder engagement
- Media relations strategy in place
- Regular brand tracking, media monitoring and social listening tools in place to identify emerging issues
- Focus groups and research to seek customer and stakeholder feedback and opinions
- Brand and sponsorship programmes in place to drive community support

Oversight
Customer, Innovation and Brand Committee

Further details of ESB's stakeholder engagement activities can be found on page 20.

Operating and Financial Review

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Executive Committee

The Executive Committee focuses on the execution of the ESB strategy, technological and commercial developments, sustainability matters, financial and competitive performance, people development and organisational development.

The Executive Committee also has a role in overseeing business conduct matters across ESB including through the development of appropriate organisational structures and Group-wide policies (including ESB's Code of Ethics). The Chief Executive, the Deputy Chief Executive, the Executive Director, People and Sustainability, the Executive Director, Group Finance and Commercial, and the Company Secretary all have specific roles related to matters and policies pertaining to Enterprise Risk Management, internal control, people policies, sustainability, compliance, fraud, corruption and bribery, and general business conduct matters. All have experience in dealing with such matters and are supported by further expertise in specialised functions including Enterprise Risk, Group Internal Audit, People and Sustainability, Finance, Governance, Legal, Compliance and Company Secretariat.

Composition of Executive Committee (Gender)*



Length of tenure*



* Includes Managing Director, ESB Networks DAC



Paddy Hayes
Chief Executive

Appointed: August 2021
Career experience: Appointed Chief Executive in August 2021. Previous to this, Paddy was Managing Director of ESB Networks from 2018 and Executive Director, Generation and Wholesale Markets from 2012 to 2018. A Fellow of the Institute of Engineers of Ireland, he holds a master's degree in engineering from University College Dublin (UCD) and an MBA from the University of Warwick. Currently a member of the Board of Directors of EPRI, the Electric Power Research Institute, and is Chair of the Open Doors Initiative.



Jim Dollard
Executive Director, Generation and Trading

Appointed: July 2013
Career experience: Appointed Executive Director, Generation and Trading in May 2018. Prior to this, Jim held the position of Executive Director, Business Service Centre (BSC) and Electric Ireland for five years. An accountant, he began his career in ESB in 1992 and has held a number of senior management positions throughout the Group in both financial and managerial roles. Jim holds a B. Comm and a master's degree in business studies from UCD.



Marguerite Sayers
Deputy Chief Executive

Appointed: November 2014
Career experience: Appointed ESB Deputy Chief Executive in July 2022. Immediately prior to this, Marguerite held the role of Executive Director, Customer Solutions since 2018. She has worked in various technical and managerial positions in ESB for over 30 years, including Generation Manager, Head of Asset Management for ESB Networks and Managing Director of ESB Networks DAC. Holds a degree in electrical engineering from University College Cork (UCC). She is a Chartered Engineer, a Fellow and Past President of Engineers Ireland, a Fellow of the Academy of Engineers, a member of the Board of Energy UK and a Governor of the Irish Times Trust.



Pat Fenlon
Executive Director, Customer Solutions

Appointed: July 2016
Career experience: Appointed Executive Director, Customer Solutions in September 2022. Prior to this, Pat held the role of Executive Director, Group Finance and Commercial. He previously held a number of senior financial and general management positions across ESB including General Manager of Electric Ireland, Corporate Change Manager and Group Finance and Commercial Manager. A fellow of Chartered Accountants Ireland, he worked with PwC before joining ESB in 1993.



Paul Stapleton
Executive Director, Group Finance and Commercial

Appointed: October 2022
Career experience: Appointed Executive Director, Group Finance and Commercial in October 2022. Prior to this, Paul was Managing Director of Northern Ireland Electricity (NIE) Networks, an independent subsidiary of ESB. He joined ESB in 1991 and has worked in various finance and managerial roles across the Group including General Manager of Electric Ireland, ESB Group Treasurer and Financial Controller of ESB Networks. He is a member of the Chartered Institute of Management Accountants and an IOD (Institute of Directors) Chartered Director.



Sinéad Kilkelly
Executive Director, People and Sustainability

Appointed: April 2022
Career experience: Joined ESB in April 2022 as Executive Director, People and Sustainability. Prior to this, Sinéad was Chief People Officer with Bus Éireann, a position she held since 2018. Previously Sinéad held a number of senior leadership roles in Ireland and overseas including Vice President People Services at Etihad Aviation Group in Abu Dhabi, where her responsibility included leading major organisational change programmes. She also held senior HR roles in Ulster Bank and Intel Ireland. Sinéad has a B.Sc. (Management) and an MBA from Trinity College Dublin (TCD), is a Chartered Fellow with CIPD and a Board member of Self Help Africa.



Marie Sinnott
Company Secretary

Appointed: August 2019
Career experience: Appointed as Group Company Secretary in 2019. Prior to this, Marie was ESB's Group Head of Compliance and Enterprise Risk Management and previously held a number of senior management roles across the organisation. A UCD commerce graduate, she holds an M.Sc. in Economic Policy Studies from TCD and a Postgraduate Diploma in Corporate Governance from UCD Michael Smurfit Graduate Business School. Marie is a member of the Dublin City University (DCU) Governing Authority and a Director and Company Secretary of the board of the Institute of International and European Affairs.



Geraldine Heavey
Executive Director, Enterprise Services

Appointed: June 2018
Career experience: Appointed Executive Director, Enterprise Services in June 2018. Prior to this, Geraldine held the role of Group Finance and Commercial Manager. She has worked in various finance and managerial positions in ESB since 1993, including Financial Controller of BSC and Electric Ireland, Manager in ESB Trading and Financial Controller of ESB Power Generation. She is an accountant and holds a master's degree in business administration from DCU. Geraldine is an external member of the DCU Educational Support Services DAC and chairs its Audit Committee.



Paul Smith
Executive Director, Engineering and Major Projects

Appointed: January 2022
Career experience: Appointed Executive Director, Engineering and Major Projects in January 2022. Prior to this, Paul held a number of senior management roles in ESB including Manager of Generation Operations and Head of Asset Development, where he led the expansion of ESB's renewables portfolio in Ireland and the UK. He joined ESB in 1992 and holds a B.Eng. in Electrical and Electronics Engineering from Queen's University Belfast and an MBA from UCD Michael Smurfit Graduate Business School. He is a Council Member of the Irish Management Institute.



Nicholas Tarrant
Managing Director, ESB Networks DAC

Appointed: June 2018
Career experience: Appointed Managing Director of ESB Networks in September 2021. Prior to this, Nicholas held the positions of Executive Director, Engineering and Major Projects and Managing Director, NIE Networks. He has held a number of senior management positions including Generation Manager with responsibility for ESB's generation portfolio. He is a Chartered Engineer at the Institute of Engineers of Ireland, a Chartered Director and holds an M.Sc. (management) from TCD.

Note: The Managing Director, ESB Networks DAC is not a member of the Executive Committee but attends meetings as appropriate and subject at all times to compliance with relevant provisions of licences.

Operating Environment

Commodities

Fuel prices are driven by international commodity markets and have a critical influence on energy markets in I-SEM and GB and on the wholesale price of electricity.

Gas Prices

Having fallen during 2023, gas prices steadily increased over the course of the year influenced by geopolitical tensions in the Middle East and Russia. Gas prices (monthly average of daily values) averaged at 83.5p/therm, down from 99p/therm in 2023. The lowest monthly average price was 63.4p/therm in February, while the highest was 111.1p/therm in December.

Coal Prices

Coal prices remained stable over the course of 2024. Prices averaged \$113/tonne, down from \$129/tonne in 2023. The lowest monthly average was \$96/tonne in February, while the highest monthly average was \$123/tonne in August.

Carbon Prices

Within the EU Emissions Trading Scheme (EU ETS), generators are required to buy carbon allowances for the carbon that they emit while generating electricity. There was little volatility in carbon prices in 2024. The annual average carbon price for 2024 was €67/tonne, down from €85/tonne in 2023. The lowest monthly average was €58/tonne in February, while the highest monthly average was €73/tonne in May.

Operating Environment – I-SEM

I-SEM functions as the wholesale electricity market covering both the Republic of Ireland (ROI) and Northern Ireland (NI).

Demand

Demand was strong in 2024, with all months showing an increase in demand over 2023, with the largest increases in January and February (Figure 2). Overall, demand in 2024 was 3% higher than in 2023.

Generation Mix

In 2024, 51% of metered generation (Figure 3) in I-SEM was met by fossil fuels. Wind generation decreased to 29% of I-SEM volume in 2024 from 30% in 2023, with generation from gas plants increasing from 47% to 48% of the generation on the system. Interconnector imports remained strong, contributing 13% to the generation mix.

Figure 1: 2024 Gas, Coal and Carbon Prices

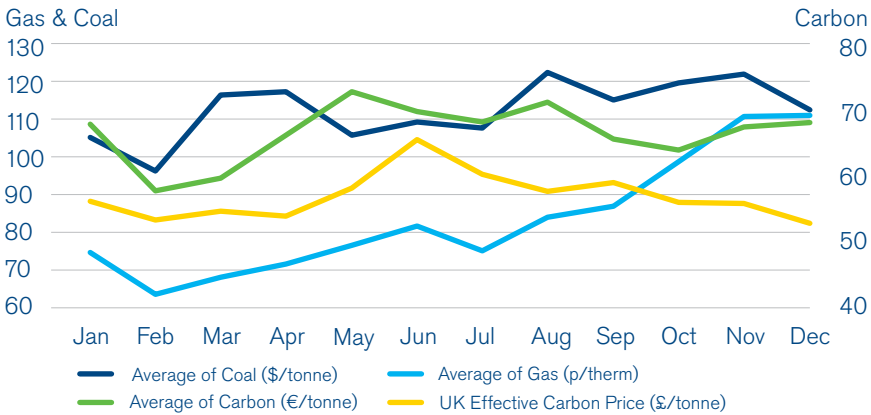


Figure 2: I-SEM Electricity Demand (GWh)

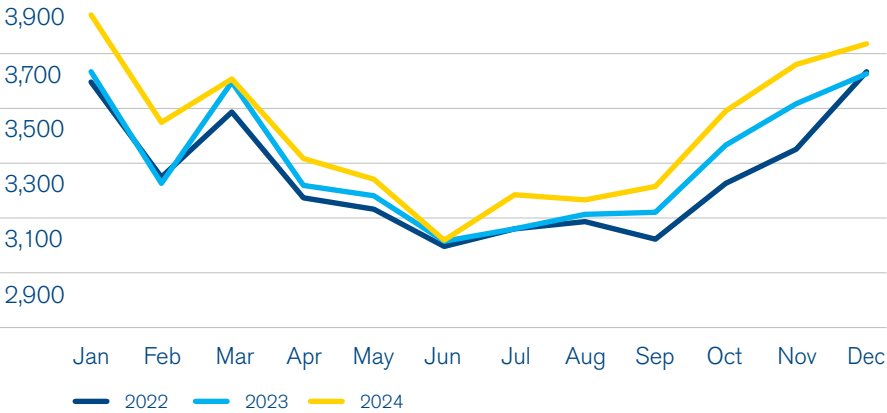
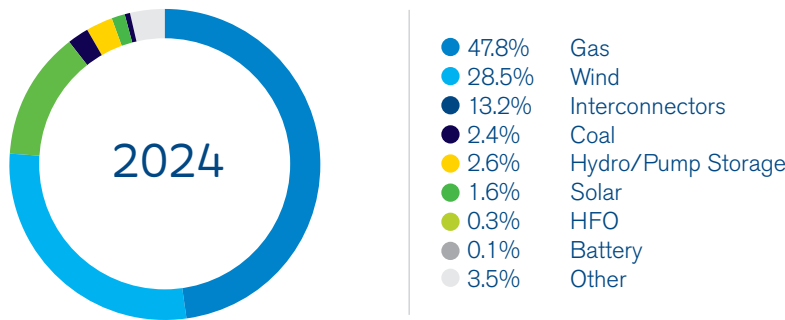


Figure 3: I-SEM Generation Mix¹



ESB's Generation Mix in I-SEM

ESB's generation fleet consists of 4.6 GW of generation assets across the I-SEM market. ESB's I-SEM renewable (wind, hydro, solar) and renewable enabling (battery, pump storage) generation portfolio totals 1.5 GW of installed capacity, an increase of 263 MW on 2023. Renewable (including renewable enabling) generation accounted for 23% of overall ESB generation in 2024 (Figure 4).

Power Markets and Prices

The Day-Ahead Market (DAM) price on average is fundamentally driven by the wholesale gas price, as can be seen from Figure 5, which shows how the monthly average DAM price has tracked gas prices across the year. However, on a day-by-day basis much greater variability between DAM price and gas price can be observed, depending on factors such as high wind and/or low demand.

Year on year, the DAM price has decreased by 11% to an average value of €109/MWh, from €122/MWh in 2023. This was primarily driven by a decrease in commodity prices. The DAM price generally followed prices in the gas market, with some deviations depending on the level of wind penetration during the month. The lowest monthly average DAM price was €85/MWh in February, with a monthly average high of €146/MWh in November.

Volatility continued to be a feature of the Balancing Market (BM) in 2024. During individual half-hourly periods, prices reached a low of minus €144/MWh and high of over €874/MWh, compared to a low of minus €5/MWh and a high of €500/MWh in the DAM.

Operating Environment - GB Demand

Demand on the transmission system at market level in GB in 2024 was 2% higher than 2023 (Figure 6). This is the first time in three years that demand has increased from the previous year.

Figure 4: ESB's Installed Capacity and Generation in I-SEM²

	Installed Capacity (MW) 2024	Electricity Generation (GWh) 2024
	%	%
Coal/HFO ³ /Gasoil	20	10
Gas	48	67
Wind/Hydro/Solar	19	20
Pump Storage/Battery	13	3

Figure 5: Average of DAM (€/MWh) and Gas (p/therm)

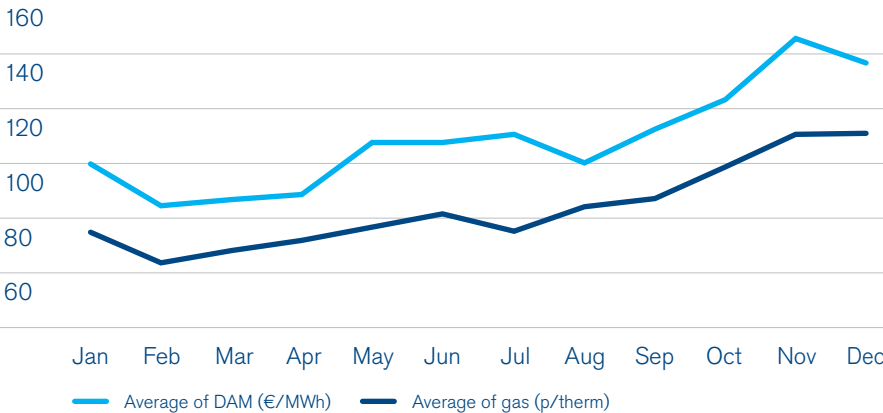
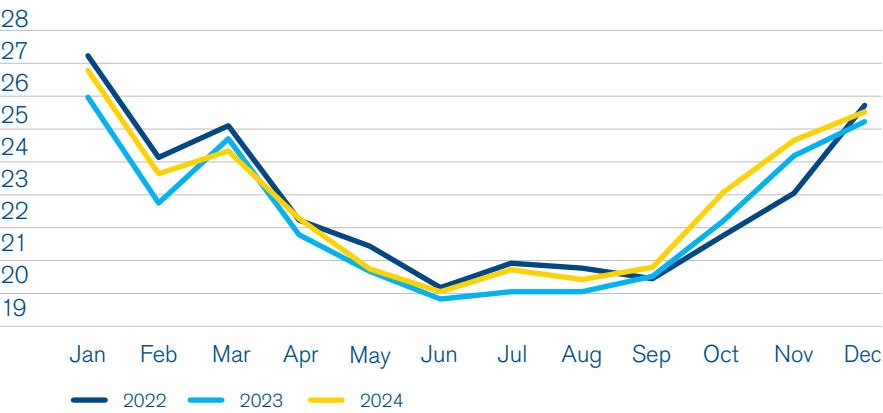


Figure 6: GB Electricity Demand (TWh)



¹ I-SEM generation mix is defined as the percentage of generation by units in the market grouped by fuel type, with the net generation of interconnectors as a distinct group.
² Joint ventures included based on ESB's shareholding in the relevant entity.
³ Heavy Fuel Oil used as secondary fuel in Moneypoint.

Operating Environment (continued)

Generation Mix

Figure 7 shows the GB generation mix in 2024, with 36% of generation coming from wind and solar. Wind and solar generation output in 2024 has been higher than the previous three years. Total wind generation in 2024 was 5% higher than 2023, while total solar generation increased by 7%.

Gas-fired generation contributed 27% of overall generation in 2024, down from 33%⁴ in 2023. This was primarily a result of GB being a net importer of power from continental Europe, as power prices were generally higher in GB, with Ireland being the only market GB was an exporter to as power prices in GB were relatively lower.

The last GB coal generating station closed during 2024 and coal generation made up less than 1% of the generation fuel mix in 2024.

ESB's Generation Mix in GB

ESB's generation fleet consists of 1.5 GW of generation assets in GB. The GB renewable (wind) generation portfolio totals 281 MW of installed capacity, an increase of 112 MW on 2023 reflecting on-going commissioning of the Neart na Gaoithe offshore wind project. Renewable generation accounted for 14% of overall ESB generation in 2024 (Figure 9).

Power Markets and Prices

GB wholesale power prices decreased in 2024 with a minimum average price of £50/MWh in April, due to high levels of wind generation in the month and a max average monthly price of £95/MWh in November driven by high gas generation. Overall, 2024 saw a fall of 24% in average wholesale power prices driven by average reductions of 23% in carbon prices and 33% in gas prices.

Figure 7: GB Generation Mix

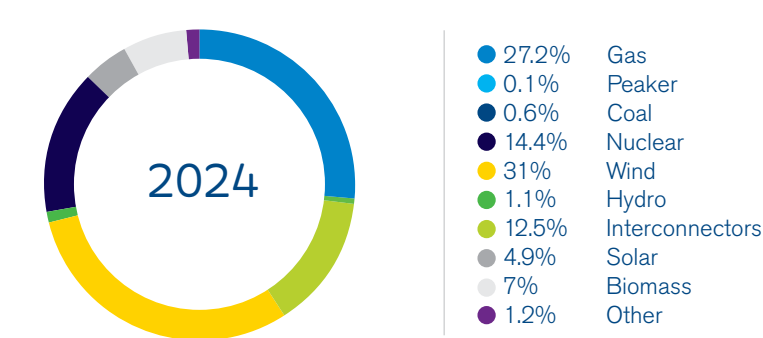


Figure 8: GB Baseload Power Prices (£/MWh)

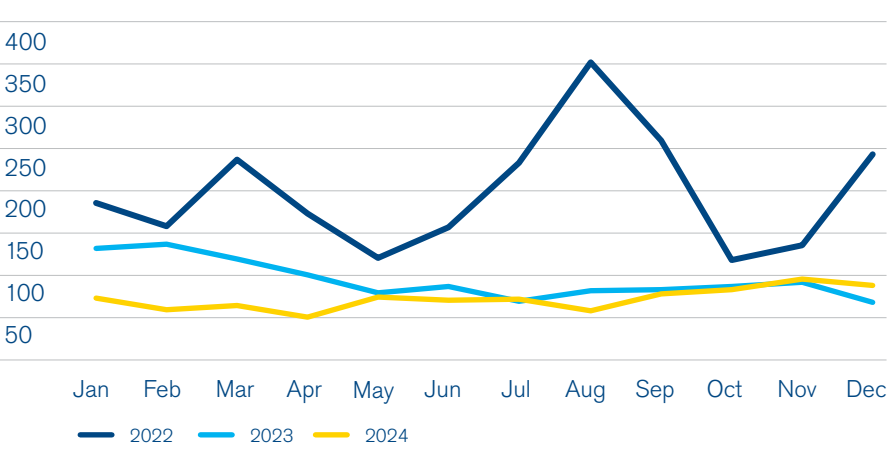


Figure 9: ESB's Installed Capacity and Generation in GB⁵

	Installed Capacity (MW) 2024	Electricity Generation (GWh) 2024
	%	%
Gas	81	86
Wind	18	14
Battery	1	-

⁴ Fuel mix restated to include interconnectors.
⁵ Joint ventures included based on ESB's shareholding in the relevant entity.



Financial Review

2024 saw relative stability in energy prices after the extraordinary volatility in global energy markets experienced in 2022 and into 2023. Consequently, our operating profit has returned to more normalised levels. Nevertheless, we have delivered a robust financial performance that has enabled a record capital investment of €2.2 billion (including our Joint Ventures (JVs)) in critical energy infrastructure. ESB's financial performance in 2024 provides a basis from which we can continue to invest at scale to provide a resilient energy system as we progress to net zero.

Paul Stapleton
Executive Director, Group Finance and Commercial



Highlights

EBITDA before exceptional items and certain re-measurements*

€1.9bn
(2023: €2.0 billion)

Operating Profit before exceptional items and certain re-measurements *

€975m
(2023: €1,100 million)

Profit after Tax

€706m
(2023: €868 million)

Capital Expenditure*

€1.8bn
(2023: €1.7 billion)

Recommended Dividend

€189m
(2023: €220 million)

Return on Capital Employed*

6.2%
(2023: 7.9%)

Consolidated Net Debt Percentage*

50%
(2023: 49%)

* Refer to Alternative Performance Measures on page 263 for definitions and calculations.

Operating profit in 2024 has returned to more normalised levels after the extraordinary volatility in global energy markets experienced in 2022 and into 2023. As expected, the exceptionally elevated levels of profitability in our generation business fell back, while the NIE Networks and Customer Solutions businesses significantly improved. There are continuing demands for enhanced liquidity and borrowing capacity as we invest at scale in critical low-carbon energy infrastructure in both Ireland and the UK. Broader macroeconomic issues, including supply chain disruption and a tight labour market, also continue to impact. We are monitoring and managing these risks closely.

In 2024, ESB delivered Earnings before Interest, Tax, Depreciation and Amortisation (EBITDA) of €1.9 billion and an underlying operating profit of €975

million (both before exceptional items and derivative movements), and capital expenditure of €1.8 billion. Shareholder loans advanced to ESB's joint ventures, which form part of ESB's long-term investment in these projects, amounted to a further €356 million. In addition to strong levels of underlying operating profit, there were gains on the disposal of the Thameside Energy Recovery Facility, and from non-cash fair value movements ("certain re-measurements") on energy price derivatives, offset by an expected credit loss on shareholder loans to the Neart na Gaoithe wind farm project.

Underlying operating profit before exceptional items and derivative movements has reduced by €125 million on 2023, driven by an over €360 million reduction in gross margin from the Generation business in Ireland and Great Britain (GB), reflecting a relative normalisation in energy prices. Linked

to, and partially offsetting this, there was a recovery in margin in our supply businesses including a further improvement in the performance of So Energy, our energy supply business in GB. There was also an increase in profitability in the networks' businesses, notably NIE Networks, as regulated tariffs allowed for the recovery of costs experienced during the inflationary surge of 2022 and 2023.

The level of Group profit after taxation (after exceptional items and certain re-measurements) at €706 million represents a €162 million (19%) decrease on 2023. From these profits, a dividend of €189 million is proposed to be paid to stockholders, 97.1% of which goes to the Irish Exchequer. This will bring the total dividends paid by ESB since 2014 to €1.8 billion.

The operating profit earned in 2024 is at the required level for the scale of capital investment being undertaken and the scale

of ESB's net debt position at €6.7 billion. Looking forward, increasing profits and further borrowings will be needed to enable the scale of investment necessary to deliver a net zero resilient energy system.

ESB's record level of capital expenditure in 2024 at €1.8 billion represents a 7% increase on 2023. Three quarters of this capital expenditure relates to investment in electricity network infrastructure in line with agreed regulatory programmes. This investment will enable economic growth, enhance network resilience and help to progress Government Climate Action targets. Further increases in network investment are envisaged in the next regulatory price control periods, including investment to enhance resilience in response to rising climate risk, as evidenced by recent storms. Over 85% of this capital expenditure was EU Taxonomy aligned, and 98% of it was on the island of Ireland.

In addition to this capital expenditure, €356 million was advanced by way of shareholder loans to joint venture projects, the majority of which related to our continued investment in the construction of onshore and offshore wind farms both in Ireland and GB. Taking this into account, investment in the Generation business amounted to over €700 million, and the total level of ESB Group capital investment surpassed €2 billion for the first time.

As Ireland's leading energy utility, ESB has a stable business profile with almost two thirds of earnings (EBITDA) accounted for by regulated electricity networks on the island of Ireland which operate under established and transparent regulatory frameworks. ESB remains financially strong with net assets of almost €6 billion at 31 December 2024. Credit ratings of A3 and A- (Baa1 and BBB+ on a standalone basis) with Moody's and Standard & Poor's respectively were reaffirmed again during 2024, with the outlook on ESB assessed as positive in each case.

ESB's financial position at the end of 2024 provides the basis for continued strong investment in a more sustainable and resilient energy future, while maintaining financial strength, consistent with ESB's strategic ambition to achieve net zero by 2040.

Figure 1: Five-year summary

Operating Profit before exceptional items and certain re-measurements ¹		Capital Expenditure ²	
2024	€975m	2024	€1.8bn
2023	€1,100m	2023	€1.7bn
2022	€847m	2022	€1.4bn
2021	€679m	2021	€1.2bn
2020	€616m	2020	€1.1bn
EBITDA before exceptional items and certain re-measurements		Net Debt ³	
2024	€1.9bn	2024	€6.7bn
2023	€2.0bn	2023	€6.4bn
2022	€1.7bn	2022	€6.8bn
2021	€1.5bn	2021	€4.9bn
2020	€1.4bn	2020	€5.1bn

- Before the following exceptional items and certain re-measurements: 2024: Neart na Gaoithe expected credit loss (€135 million), profit on disposal of subsidiary €59 million and fair value gain on fuel commodity and related trades €57 million. 2023: fair value gain on fuel commodity and related trades €21 million. 2022: Neart na Gaoithe impairment (€91 million). 2021: Profit on asset sales (including impairment reversals) €152 million, Neart na Gaoithe impairment (€154 million), So Energy impairment of goodwill and onerous contract provision (€61 million). 2020: Impairment charge (€188 million) and increased Asset Retirement Provisions (€59 million).
- 2020-2024 capital expenditure is gross of customer contributions for network connections (in line with IFRS 15 'Revenue from Contracts with Customers').
- 2020-2024 net debt includes lease liabilities recognised in accordance with IFRS 16 'Leases'; 2024: €117 million, 2023: €136 million, 2022: €129 million and 2020: €125 million. It excludes ESB share of debt associated with investments in joint ventures and associates all of which are equity accounted. It also excludes restricted cash of €207 million in 2024, €550 million in 2023, and €754 million in 2022.

Revenue (Figure 2)

Revenue, at €7.2 billion, has fallen by 17% compared to 2023 (€8.8 billion). The fall is primarily driven by the impact of three price reductions in a 14-month period since November 2023 for over 1.1 million Electric Ireland residential electricity and gas customers, and further price reductions for business customers in Ireland and So Energy residential customers in GB, together with a sharp fall in external revenues in Generation and Trading (GT) as hedged wholesale electricity prices normalised. Other operating income rose €59 million to €68 million in 2024, due to the exceptional gain on the disposal of ESB's stake in the Thameside Energy Recovery Facility, outside London.

Share of Equity Accounted Investees (Loss)/Profit (Figure 2)

This reflects ESB's share of the profits/ losses from its equity accounted investments. As Neart na Gaoithe achieved the first export of electricity in 2024, and the Inch Cape project reached Financial Close in early 2025, share of equity accounted investees' profit will be an increasingly important measure of ESB's financial performance in the years ahead.

Financial Review (continued)

Taxation (Figure 2)

The tax charge of €163 million is €29 million higher than 2023. ESB's effective tax rate on profits before JV profits and exceptional items has also increased on 2023, with the 2024 charge being impacted by a higher level of non-tax deductible items, and a higher proportion of UK profits (taxed at 25%) to Irish profits. A reconciliation of the total tax charge is provided in note 22 of the financial statements.

Operating Costs (Figure 2)

Overall operating costs at €6.3 billion have fallen by approximately €1.4 billion versus 2023.

- Fuel and other energy costs (excluding fair value gains) have reduced by €1.6 billion, reflecting lower hedged commodity costs in 2024 compared to 2023.
- Depreciation is up €63 million due to higher total assets in commission arising from ongoing increases in capital expenditure.
- Employee costs are up €81 million largely due to increased staff numbers across all business units - although average wages and salaries (including overtime) per employee were maintained substantially at 2023 levels - and higher costs associated with travel and subsistence arrangements.
- Operating and maintenance costs have increased by €71 million, partly due to higher repair costs in the networks' businesses arising from storms Isha (in January 2024) and Darragh (in December 2024), as well as increases in the provision for asset replacement obligations, and ongoing inflationary and supply chain price pressure on costs.

Fair value gains on energy trading derivatives of €57 million (2023: €21 million) are excluded from underlying operating costs. A breakdown of the operating costs by business segment is provided in note 3 to the financial statements.

Finance Costs (Figure 2)

Net finance costs are €36 million lower than 2023, driven by higher finance income on loans to joint venture projects and on cash deposits, and by fair value gains on inflation (RPI) linked interest rate swaps not qualifying for hedge accounting.

Partially offsetting these, there was an increase in interest payable on borrowings, due to the full year impact of the three Eurobonds raised in 2023. Further detail is included in note 9 to the financial statements.

Expected Credit Loss/Impairment related to Equity Accounted Investee (Figure 2)

An expected credit loss charge has been recognised in 2024 in respect of the net present value of interest-bearing shareholder loans due from the Neart na Gaoithe offshore wind project. This has been disclosed separately as an Exceptional Item. There was a smaller impairment of ESB's equity investment in Neart na Gaoithe in 2023, which was not disclosed as an Exceptional Item. See note 16 of the financial statements for further details. First power was achieved by the project in October 2024, and full commercial operations will commence later in 2025.

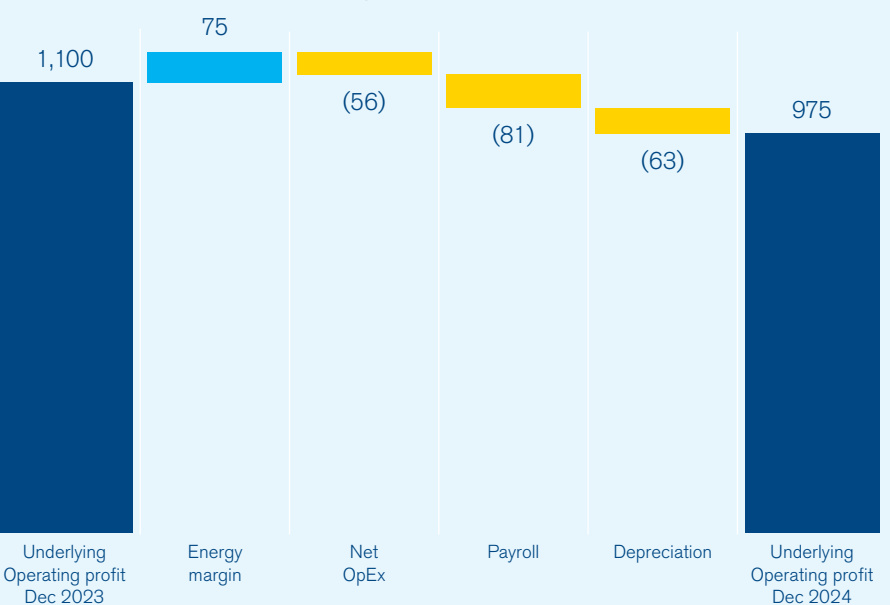
Figure 2: Summarised Income Statement

	2024	2023
	€m	(as restated) €m
Revenue and other operating income	7,259	8,785
Operating costs	(6,284)	(7,685)
Operating profit (before exceptional items and certain re-measurements)	975	1,100
Exceptional gain on disposal and fair value gains on energy derivatives	116	21
Operating profit (after exceptional items and certain re-measurements)	1,091	1,121
Finance costs	(82)	(118)
Exceptional expected credit loss (2024)/Impairment (2023) related to equity accounted investee	(135)	(15)
Share of equity accounted investees (loss)/profit	(5)	14
Profit before tax	869	1,002
Tax charge	(163)	(134)
Profit after tax	706	868

Operating Profit (Figures 3 and 4)

Underlying operating profit has reduced by €125 million on 2023, as set out in Figures 3 and 4.

Figure 3: Reconciliation of Underlying Operating Profit 2023 to 2024



Operating Profit by Business Unit (Figure 4)

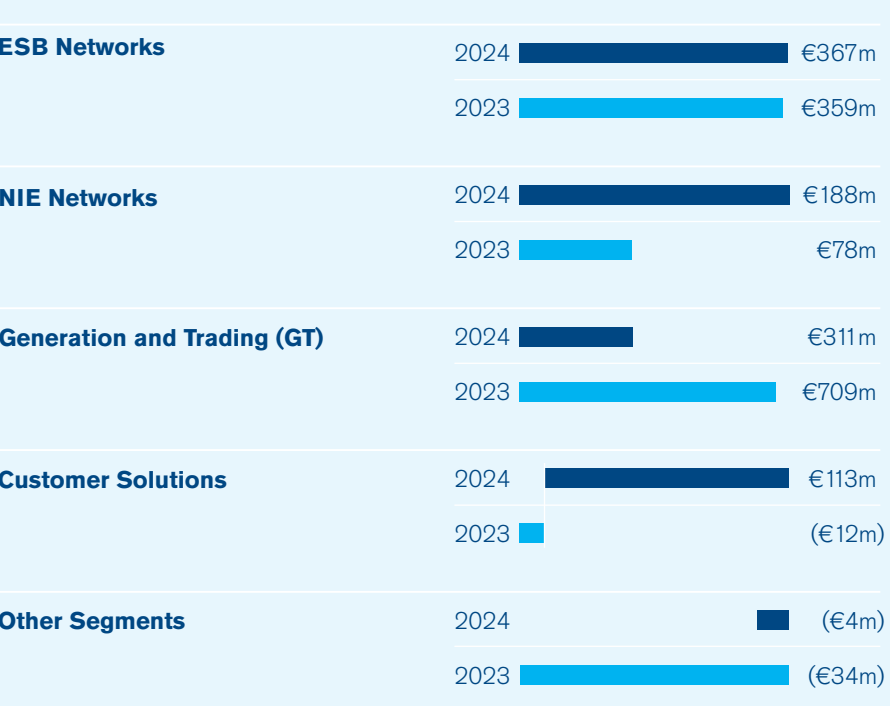
The Group is organised into five main reportable segments or strategic divisions, which are managed separately.

The fall of €125 million in underlying operating profit in 2024 was driven by GT, partially offset by increases in NIE Networks and Customer Solutions.

- GT's operating profit at €311 million is €398 million down on 2023 mainly due to lower gross margins on wholesale electricity market sales as hedged prices normalised from the high levels experienced in 2022 and into 2023.
- NIE Networks' operating profit for 2024 at €188 million is €110 million higher than 2023 primarily as a result of higher regulated revenue reflecting recovery of the impact of high inflation on operating costs in 2022 and 2023, and higher pass-through income via the Power Procurement Business Public Service Obligation mechanism.
- Customer Solutions made an operating profit of €113 million in 2024, up €125 million on 2023, driven by year-on-year improvements in Electric Ireland (€89 million) and So Energy (€36 million), reflecting the flip side of the relative normalisation of energy costs seen in GT. The achievement of an operating profit by So Energy for the first time since its acquisition in 2021 was a significant milestone in the face of a very competitive market in GB. During the year Electric Ireland made the difficult decision to exit the Northern Ireland residential market due to ongoing losses in that market.
- ESB Networks operating profit for 2024 at €367 million is slightly up on 2023 (€359 million), as higher regulated revenues were largely offset by an increase in payroll and operating (including storm repair) costs, and in provision (asset retirement obligations) charges and depreciation.
- There was a €30 million improvement across other segments, driven by a reduction in net operating costs in the support businesses and translation gains on GBP denominated intragroup loan balances.

Further details on the financial performance of the business segments are included in note 3 to the financial statements.

Figure 4: Underlying Operating Profit by Business Unit



Net Debt

Net debt has increased to €6.7 billion in 2024, from €6.4 billion in 2023, reflecting net utilisation of cash on hand (excluding restricted cash) during the year. The increase in net debt is due mainly to capital expenditure and negative working capital movements during the year, together with interest, tax and dividend payments, only partially offset by substantial cash profits, and positive cash collateral movements.

The consolidated net debt percentage has increased from 49% to 50% reflecting lower cash on hand, offset by increased net assets at year end. Refer to Alternative Performance Measures on page 267 for the calculation of this metric.

Capital Expenditure (Figure 5)

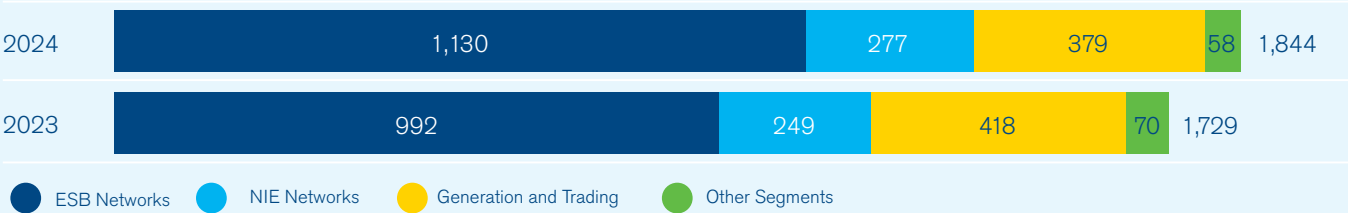
Capital expenditure (excluding joint ventures) was €1,844 million in 2024, an increase of €115 million on 2023.

Capital expenditure in ESB Networks has increased by around 14% compared to 2023, mainly due to an increase of over €100 million in investment in the electricity distribution network, which accounts for around half of ESB Networks' capital expenditure, driven by new connections, generation connections, and asset replacement. Investment in the transmission networks accounted for around one quarter of capital expenditure, and there was significant investment in the roll out of smart meters, with 326,000 installed in 2024, for a cumulative total installed to date of 1.9 million.

As a critical electricity infrastructure provider, NIE Networks reinvests profits into the electricity network with capital expenditure in 2024 of €277 million which is up almost €30 million (11%) on 2023. This investment is to build and enhance network Infrastructure for the benefit of customers, the economy and wider society.

Financial Review (continued)

Figure 5: Capital Expenditure



GT invested €735 million in 2024, including €356 million (2023: €124 million) in shareholder loans to joint venture projects, mainly Inch Cape, which achieved Financial Close in early 2025. While those loans are not accounted for as capital expenditure they do fund the construction of capital assets within the joint ventures. Excluding joint ventures, GT capital expenditure of €379 million was down almost €40 million year on year, largely because three new fast start gas fired turbines in Dublin with a total output of 190 MW, and a 150 MW battery storage project in Cork – in construction during 2023 - reached commercial operation in 2024. The majority of capital expenditure in GT during 2024 was on renewable generation projects in Ireland, notably the acquisition of Pallas wind farm in Co. Kerry, and the commencement of construction on the Drombeg (Co. Kerry), Bullstown (Co. Meath) and Middleton House (Co. Longford) solar projects.

Capital expenditure of €58 million in other segments includes investment in EV charging infrastructure and a Transformation project, to improve responsiveness and reduce Costs to Serve in Customer Solutions, and various Group projects, mainly IT and digitalisation investments.

EU Taxonomy Regulation

ESB has once again included disclosures on the sustainability of its activities in the Annual Report under the EU Taxonomy Regulation on a voluntary basis. While guidance on the EU Taxonomy continues to evolve, an alignment assessment has been completed and KPIs calculated outlining the proportion of ESB's turnover, OpEx and CapEx which relate to Taxonomy-Aligned activities. Based on this assessment, just over 85% of ESB's capital investment in 2024 relates to Taxonomy-Aligned activities (2023: 85%) including the continuing development of the electricity networks across the island of Ireland as well as investment in renewable generation projects. See page 84 for the full EU Taxonomy Regulation disclosure.

Liquidity and Funding Activities

The funding activities managed by ESB Group Treasury support ESB's capital expenditure programme, the refinancing of maturing debt and the maintenance of an appropriate liquidity buffer to guard against future economic shocks which may have an impact on cash flows and financial markets. ESB continues to pursue green financing options including Green Bonds and Sustainability Linked Loans where possible. Details of ESB's debt maturity profile as at 31 December 2024 is available on the ESB website.

A €1.4 billion Sustainability-Linked Revolving Credit Facility (RCF) is in place with a group of 13 international banks. This facility currently extends to February 2027. The cost of this standby liquidity facility is directly linked to the delivery by ESB of specific decarbonisation targets aligned with ESB's strategy. Including the RCF, at 31 December 2024 ESB had almost €2.5 billion of available liquidity, comprising €0.9 billion of cash on hand (excluding restricted cash), and other committed facilities of €0.2 billion.

In addition, at 31 December 2024, around €0.1 billion (31 December 2023: €0.6 billion) was receivable relating to net cash collateral amounts paid in respect of exchange traded gas, carbon and power contracts. These are temporary cash requirements which will reverse prior to the delivery of the related trades. A further €0.2 billion relating to the Irish Government's Electricity Credit Scheme and the UK Government's Energy Bills Support Scheme was on hand at year end. This cash (which is restricted) was not available to ESB and was to be distributed to Irish electricity suppliers and UK customers in 2025. Given this cash is restricted, it has not been included in the calculation of ESB's available liquidity, net debt or consolidated net debt percentage.

The weighted average interest rate on the Group's portfolio of outstanding borrowings at 31 December 2024 was 3.1%, (31 December 2023: 3.1%). No new bonds were issued during 2024. In recent years, the Group has been able to issue longer dated (10 to 20 year) bonds, reducing medium term refinancing risk. The average duration of the Group's debt portfolio is consistent with the long-term nature of Group assets. During 2024, Standard & Poor's and Moody's both reaffirmed ESB's credit ratings at A- and A3 (BBB+ on a standalone basis) respectively, the outlook with both agencies is positive.

Foreign Exchange (FX) and Interest Rate Risk Management

The Group's business is primarily located in Ireland, Northern Ireland, and Great Britain. Accordingly, the majority of operating and investing cash flows are denominated in euro or sterling. ESB's policy is to minimise Group wide FX risk. This is achieved by avoiding, recovering (e.g. networks regulatory model), matching (i.e., matching the currency of investments and associated debt) or hedging material FX exposures where economically feasible to do so. At 31 December 2024, approximately 72% of ESB's underlying debt is denominated in euro, with the remaining 28% in sterling.

Under the Board approved interest rate policy, ESB has a preference for fixed interest rate debt, and will target to have a significant majority of its debt at a fixed (or inflation linked) interest rate to maturity, with a minimum of 60% fixed maintained at all times. At 31 December 2024, almost 84% of Group borrowings were fixed to maturity, 9% was inflation linked and approximately 7% was variable rate debt. The Group continues to be exposed to future interest rate movements which may have an impact on the cost of future borrowing requirements, particularly as existing fixed rate debt matures, and is refinanced. Group Treasury monitors market conditions closely in this regard and may seek to pre-fund or pre-hedge future funding requirements if appropriate, subject to the necessary Board and stockholder approvals.

Commodity Price Risk

GT and Customer Solutions have separate teams responsible for the management of commodity and energy price risks in their business units.

The exposures to fuel price movements on future earnings are managed by ESB on a selective-hedging basis. ESB enters into forward commodity price contracts in relation to power, gas, coal and carbon emissions allowances for up to three years ahead in order to reduce the Group's exposure to movements in wholesale electricity prices arising from such commodity price fluctuations. ESB's hedging policies continue to help protect earnings.

Counterparty Risk

The Group is exposed to credit risk in respect of the counterparties with which it holds its bank accounts and trades within financial and commodity markets. ESB policy is to limit exposure to counterparties based on credit risk assessments and security arrangements (where appropriate). Exposures and credit limits are subject to ongoing review and monitoring in each business unit and, at Group level, by the Group Trading Risk Committee. Dealing activities are controlled by establishing dealing mandates with counterparties.

The majority of the Group's fuel commodity trades by value are transacted through energy market exchanges, rather than bilaterally. Exchange trading in general reduces, although it does not eliminate, counterparty risk, as well as providing trading liquidity and pricing transparency.

Using our Profits in a Sustainable Way

€1.8 billion in capital expenditure in 2024

Facilitating a more sustainable energy environment as well as supporting economic growth through providing, safe and reliable electricity supply to homes and businesses



Combined ROI and UK overall taxes paid €953 million*

Overall taxes borne €403m
Overall taxes collected €550m

UK taxes paid €292 million



ROI taxes paid €661 million

* In addition to the above, €76m was paid in January 2024 under the Irish Government's emergency energy market interventions. Note ESB also operates in jurisdictions outside of Ireland and the UK but profits and the taxes relating to these jurisdictions are immaterial. Tax burden means tax borne by ESB out of its own profits while taxes collected are taxes withheld from payments to others and paid directly to the tax authorities.

Recommended €189 million dividend for 2024

97.1% goes to the Irish Government as majority stockholder

€1.8 billion of dividends declared since 2014

Over €3 billion contributed to the Irish economy

in the form of payroll, taxes, dividends and purchases from domestic suppliers



ESB Networks

Key achievements for ESB Networks in 2024

Submission of regulatory Price Review (PR6)

Following extensive engagement with customers and stakeholders, ESB Networks submitted its PR6 Business Plan to the Commission for the Regulation of Utilities (CRU) outlining investment proposals for the period 2026-2030. The plan addresses the strategic objectives and outcomes identified by the CRU in their PR6 Strategy Paper and supports ESB Networks' own strategic vision as outlined in the Networks for Net Zero Strategy.

The proposed investment programme for PR6 is bigger in scale and ambition than any previous price review, reflecting the critical importance of the electricity network in enabling housing, economic growth and climate change targets. The CRU is currently reviewing the PR6 Business Plan with a final determination expected in the second half of 2025.

6.3 GW of grid scale renewables connected

534 MW of grid scale renewables were connected to the network this year, bringing the total to 6.3 GW. This includes 5.1 GW of wind, 235 MW of hydro, 849 MW of utility scale solar and 160 MW of other technologies. In addition, there is 1.05 GW of battery and pumped storage on the network (175 MW added in 2024).

Over 37,000 customer connections

91% of the 37,000+ homes and businesses connected to the network in 2024 applied for their connections through the ESB Networks Online Account. This end-to-end digital experience enables customers to execute connection agreements, make payments and track the progress of their applications online.

1.9 million smart meters installed

326,000 smart meters were installed in 2024, bringing the total number of customers with a smart meter to 1.9 million. 22% of these are now availing of a smart service or smart tariff and over 100,000 microgeneration customers are receiving accurate payments for rooftop solar. The second phase of the smart metering project went live in November 2024, enabling suppliers to offer a new 'pay as you go' service to their customers.

Over 156,000 customers signed up to Networks Online Account

Over 156,000 customers who have signed up to the ESB Networks' Online Account can now submit meter readings online, apply for new connections and access and download electricity consumption data. This data helps customers to understand their electricity usage patterns and shop around for the best supplier tariffs to meet their needs.

121,800 microgeneration connections

The number of microgeneration connections processed by ESB Networks has reached 121,800, with 43,800 new connections in 2024. Microgeneration is now contributing 500 MW of renewable energy to the system. 1,545 mini-generation connections and 245 small generation connections have also been energised, adding a further 43 MW and 29 MW respectively.

Support for electricity credit scheme

Through our retail market IT systems, ESB Networks supported payment transfers of c.€514 million to domestic customers under the Government's Electricity Cost Emergency Benefit Schemes during winter 2024/2025. €385 million of the credit was transferred by ESB Networks to electricity suppliers during winter 2024 with a further €129 million due to be transferred in early 2025.



Nicholas Tarrant
Managing Director,
ESB Networks

Overview

ESB's licensed functions as the owner of the transmission and distribution electricity networks in Ireland (Transmission Asset Owner and Distribution Asset Owner) are carried out by ESB staff assigned to the ESB Networks business unit, managed by ESB Networks DAC (an ESB subsidiary company). The ESB Networks business unit also carries out the functions of ESB Networks DAC as the licensed Distribution System Operator. ESB Networks works closely with EirGrid, the Transmissions System Operator (TSO) and plays a central role in supporting national policies relating to housing, economic growth and climate action.

2024 was the fourth year of the regulatory Price Review period 5 (PR5) and ESB Networks continued to make solid progress on the approved investment and maintenance programmes.

Details relating to ESB Networks' financial performance during 2024 are set out in the Financial Review section on page 40.

Operating Review

ESB Networks invested €601 million (2023: €498 million) on the distribution network in 2024 while €215 million (2023: €158 million) was invested in ongoing maintenance of the network. Transmission investment totalled €268 million (2023: €259 million). Progress continued on the Smart Metering Programme roll-out with expenditure of €117 million (2023: €138 million) in 2024.

The safety, health, and wellbeing of staff, contractors, and the communities we serve is paramount as ESB Networks scale up our delivery capability to meet growing demand. The ESB Networks' Safety Strategy outlines our commitment to maintaining a safe network and raising awareness about safety amongst all stakeholders. Throughout 2024, significant

improvements were made in the areas of compliance, engagement, communications, safety culture transformation, road safety, and public safety, while ensuring the provision of essential services to all network customers.

ESB Networks' employees (2024 average of 3,883) are vital to delivering the Networks for Net Zero Strategy and meeting customer needs. During 2024:

- 111 new apprentices started apprenticeships in ESB Networks
- Females made up 20% of the total apprentice population
- 249 new people joined ESB Networks, including 85 qualified electricians

Recruitment continues across ESB Networks to ensure there is sufficient capability and skills to meet the needs of customers and achieve a net zero ready electricity network by 2040.

ESB Networks' Networks for Net Zero Strategy recognises the critical role that the electricity network plays in supporting national housing, economic growth and climate targets. Key achievements during 2024 include:

- Connected a record 2 GW of new energy sources to the network including thermal and renewable generation.
- Connected two battery energy storage projects, bringing 175 MW of additional energy storage into service
- Connected 530 MW of solar generation (including Mini, Micro, Small-Scale and Utility Scale Generation) bringing the total amount of solar generation on the system to 1.5 GW

- Energised six generation projects totalling 530 MW to support Ireland's security of supply arrangements
- Completed the energisation of the Greenlink Interconnection project, providing a further 504 MW of interconnection from Great Island, Co. Wexford to Pembroke in Wales

Subsequent Event – Storm Éowyn

On 24 January 2025, the hurricane level winds of Storm Éowyn resulted in a peak of 768,000 ESB Networks customers losing electricity supply, making it the worst storm experienced in ESB's history. Despite every effort being made to restore electricity to customers as soon as possible, with resources from ESB Networks, our contract partners, together with support from UK, France, Norway, Finland, Germany and Austria, the prolonged disruption resulted in hardship and difficulties for many customers. By 11 February 2025, ESB Networks had restored power to all homes, farms, schools, and businesses. While it is too early to quantify, unplanned costs were and will be incurred by ESB Networks in reconnecting customers and repairing damage to network infrastructure. Looking forward, a comprehensive review of storm response procedures and any investment requirements to ensure a safe, secure, reliable, economical and efficient electricity network will be carried out during 2025 and the scope of the PR6 Business Plan, which was submitted to CRU in November 2024, will be re-assessed by the end of March 2025 in this context.



How ESB Networks is empowering the sustainable energy transition

ESB Networks has a central role in leading the transition to a clean electric future by enabling a net zero ready distribution network by 2040. ESB Networks continues to:

Strengthen Ireland's ability to meet climate action targets by continuing to ensure requirements to ensure a safe, secure, reliable, economical and efficient transmission and distribution network.

Decarbonise the electricity system by facilitating the connection of renewable generation in line with the Irish Government's Climate Action Plan (CAP).

Undertake network reinforcements to ensure that sufficient capacity is available to accommodate significant growth in renewable generation and demand connections.

Enhance customer experience by offering intuitive, insight-led products and services which empower customers to take more control over their electricity usage.

Support economic growth and national housing targets by providing new electricity connections for business and residential customers.

Collaborate closely with the TSO, EirGrid, to innovate and deliver the required investments in the transmission system to meet growing demand and facilitate renewable connections.

Improve our safety and sustainability performance by reducing the carbon footprint of our operations, developing public safety initiatives and progressing the Sustainable Grid Charter.

Northern Ireland Electricity Networks (NIE Networks)

Key achievements for NIE Networks in 2024

€202 million of network investment

NIE Networks continued to deliver on its commitments to customers in 2024 with a further investment of €202 million in networks infrastructure. This investment has increased the capacity and the resilience of the NI electricity system and maintained the amount of time customers were without supply (Customer Minutes Lost) at comparatively low levels. Capital investment in the network increased by 6% relative to 2023 (excluding FX movements).

RP7 Business Plan Final Determination

NIE Networks submitted its RP7 Business Plan to the Utility Regulator (UR) in March 2023, outlining proposed expenditure for the next price control period from April 2025 to March 2031. The UR published its Final Determination (FD) in October 2024 with total operational and capital (TotEx) allowances of £2,229 million (2021/2022 prices) and a real post tax cost of capital of 4.53%. The RP7 period will be a critical period on the pathway to achieving the NI Climate Change Act target of net zero carbon by 2050 and will require significant investment in the network.

Achieved Investors in People Platinum level

In 2024, NIE Networks was accredited at Investors in People Platinum level, a significant external recognition. This has been achieved through the dedication, commitment, knowledge and skills of all employees across NIE Networks. Platinum accreditation is held by only 6% of over 55,000 organisations accredited across 66 countries worldwide and 3% of organisations within NI.



Marguerite Sayers
Deputy Chief
Executive



Overview

NIE Networks is the owner of the electricity transmission and distribution networks in Northern Ireland (NI), transporting electricity from generators to over 920,000 customers, including homes, businesses and farms. NIE Networks also provides electricity meters and metering data to suppliers and market operators and develops and reconfigures the electricity network to facilitate the connection of further renewable generation and increasing quantities of low carbon technologies.

NIE Networks does not supply (sell or retail) electricity but provides services to all of the electricity suppliers operating in NI.

As required under its regulatory licences, NIE Networks is an independent business within ESB Group and has its own Board of Directors, management structure and employees.

Operating Review

NIE Networks is fully committed to protecting the health, safety and wellbeing of all of its employees, contracting partners, customers and the public, with an ambition of providing a zero-harm working environment where risks to health and safety are assessed, controlled and minimised. While a zero-harm environment is the ambition, there were unfortunately two Lost Time Injuries (LTIs) during the year (2023: seven LTIs). All such incidents are thoroughly investigated to seek continual improvement for future safety through gaining insights and applying learning. The Safer Together Cultural Journey continues to refocus NIE Networks' commitment to its safety values, through promoting an open and proactive safety culture with the full involvement of all. 'Safer Together' is an enabling action plan aligned to NIE Networks' safety values, aiming to reduce the risk of harm and improve the wellbeing of all staff within the organisation.

NIE Networks constantly seeks to minimise the length of time that customers are without supply either as a result of faults, or when supply has to be switched off in order to carry out necessary maintenance or to connect new customers. The average number of Customer Minutes Lost (CMLs) due to planned interruptions to supply during 2024 was 43 (2023: 43). The average number of CMLs due to faults in the distribution network in 2024 was 40 (2023: 37). No complaints were taken up by the Consumer Council for NI on behalf of customers during the year (2023: nil).

On January 24 2025, the electricity network experienced hurricane winds during NI's first ever Red wind alert. Storm Éowyn resulted in a loss of power to over 285,000 homes and businesses in NI, representing 31% of all properties. Within 48 hours, almost 75% of these had power restored by NIE Networks, rising to 99% of premises reconnected within seven days.

NIE Networks employs a highly skilled workforce of 1,582 people (2024

average) ranging from lines persons to meter readers, joiners to electrical engineers, and finance professionals to human resource experts. NIE Networks is an accredited 'Investors in People Platinum' business and has continued to increase its headcount (both internally and contracting partners) and is developing new capabilities to ensure it continues to deliver a high-quality service for customers throughout.

NIE Networks is committed to delivering a sustainable energy system for all, including behaving sustainably in its own practices. NIE Networks plays a critical role in decarbonising energy emissions in NI through the connection of renewable generation and low carbon technologies. In the past six years, NIE Networks has reduced its own greenhouse gas emissions per employee by c.25% against the 2019 base year. In terms of having significant impact from a climate action perspective externally, NIE Networks also successfully cumulatively connected over 24,000 customers who provide renewable generation capacity to customers for use in their homes and businesses.

NIE Networks achieved Platinum-level accreditation for the NI Environmental Benchmarking Survey in 2024, for the ninth consecutive year. The survey recognises and rewards those organisations that are going above and beyond their legal requirements to improve their environmental impacts and better manage their resources.

NIE Networks recently approved its sustainability strategy for 2025-2031. The new People, Planet, Places Plan 2025-2031 will incorporate its refreshed sustainability plan, along with broader ESG (Environmental, Social, Governance) objectives. The company continues to progress its fleet and buildings energy transition plans with a goal of halving Scope 1 and Scope 2 emissions by 2030 from 2019 baseline levels.

Details relating to NIE Networks' financial performance during 2024 are set out in the Financial Review section on page 40.

How NIE Networks is empowering the sustainable energy transition

NIE Networks' vision is to 'deliver a sustainable energy system for all' through further developing the electricity network to support meeting NI's energy needs and developing a sustainable network so that the people and businesses of NI can use electricity rather than fossil fuels for heat and transport. It aims to ensure getting access to the electricity system is easy for everyone and to ensure that it sits at the heart of the future energy system in NI. It is in this context that NIE Networks developed the RP7 price control submission, following significant engagement with key stakeholders, to support the delivery of its strategy.

The RP7 period (April 2025 to March 2031) will be a critical period on the pathway to facilitating the decarbonisation of society and will require significant investment in the network. NIE Networks' strategy will facilitate connecting more renewable generators, ensuring the network has sufficient capacity to facilitate growth, enabling greater electrification of heat and transport, ensuring a safe and reliable service and maintaining a strong focus on customer service

The NIE Networks' strategy includes transformative programmes focusing on creating the capability to deliver connections in a faster and more transparent manner, ensuring that customers and network users have access to connect, providing capacity to facilitate the decarbonisation of the electricity system and maintaining a safe and resilient network for staff and customers. It will entail the overhaul of the extensive overhead line network for NI, delivering significant additional capacity to rural communities, new approaches utilising customer flexibility and investment in digital, IT and innovation to deliver customer outcomes smartly including a substantive smart metering programme currently under consultation by the NI Department for the Economy.

Generation and Trading (GT)

Key achievements for GT in 2024

Contributing to energy security of supply in Ireland:

- Ensuring security of supply is key to a managed transition to net zero. GT is determined to play its role in terms of effectively managing and investing in the existing ESB dispatchable generation fleet, delivering new capacity to the system through normal market channels and the delivery of temporary emergency generation under arrangements with EirGrid
- 262 MW of temporary emergency generation capacity in Shannonbridge, Co. Offaly became operational during the year
- ESB has entered a Targeted Capacity Mechanism contract for the provision of capacity from the Moneypoint plant for the period 2025 to 2029. Planning permission for the conversion of the existing plant to oil firing only, was granted in September 2024. Coal operations will cease in 2025

Development and delivery of new projects for the capacity market:

- Construction was completed on the Aghada and South Wall battery projects and these have entered commercial operation adding a total of 180 MW of battery capacity, bringing the total ESB battery portfolio to c.300 MW
- Three separate fast start gas fired turbines which together contribute 190 MW of new generation capacity in the Dublin region were completed in 2024 and are now operational
- Construction commenced in 2024 on a new open-cycle gas turbine (OCGT) unit at Poolbeg totalling 299 MW generation capacity

Strategic energy storage

During 2024, ESB formed a JV company, Kestrel Energy Storage DAC, with partners dCarbonX/Snam (Italy) and BGE/Centrica (UK). The company is focusing on the development of strategic/seasonal scale underground storage of hydrogen in the Ballycotton gas field off the coast of Cork. Initially, pending the arrival of large-scale hydrogen production, the site has the potential for natural gas storage to enhance Ireland's security of supply.

Major progress in the delivery of GT's renewable strategy

ESB intends to have 5 GW of renewable energy assets across Ireland and GB by 2030. In order to deliver this target it is building a development pipeline across a range of technologies. Progress in 2024 towards achieving these targets included the following:

- Construction progressed on three wholly owned solar projects, totalling 115 MW of capacity, which were previously successful in RESS (Renewable Electricity Support Scheme) auctions. An additional two wholly owned solar projects, with capacity of 144 MW, were successful in the RESS 4 auction during 2024
- The first export of green electricity from the 70 MW Timahoe North solar project, a 50/50 joint venture (JV) with Bord na Móna, occurred in September 2024
- ESB acquired Pallas, a 52 MW onshore wind farm in Co. Kerry, in August 2024
- FuturEnergy Ireland, a JV between ESB and Coillte to develop up to 1,000 MW of onshore wind farm on Coillte lands in Ireland, was successful in securing contracts for three of its projects totalling 290 MW in the RESS 4 auction in 2024
- The 448 MW Nearth Gaoithe offshore wind project, a 50/50 JV off the east coast of Scotland, achieved first export of electricity in October 2024 and is expected to reach full commercial operation in 2025



Jim Dollard
Executive Director,
Generation and
Trading

Overview

The GT business develops and operates ESB's portfolio of wholly and jointly owned electricity generation assets. It also has a significant owned asset and third-party asset energy trading portfolio. The generation fleet consists of over 6 GW of generation assets across the Integrated Single Electricity Market (I-SEM) and Great Britain (GB), including 1.8 GW of renewables (wind, hydro, solar) and renewable enabling assets (batteries, pumped storage). ESB has more than 1,000 MW in construction across a range of technologies. With a strong focus on safety, GT delivers value by:

- Providing wholesale and traded products to meet market and customer needs
- Offering capacity and system services to support a robust electricity grid and facilitate the integration of renewables
- Optimising the operation of ESB's generation portfolio
- Delivering new energy assets to support the transition to low-carbon energy
- Engaging constructively in communities close to construction projects and operating assets

Operating Review

The Generation business is changing rapidly. Competition, regulation and decarbonisation have changed the landscape, creating a dynamic operating environment, particularly for thermal plants.

2024 has seen fuel markets continue on a downward trend since the highs of 2022 following the Russian invasion of Ukraine.

GT operates its business with a focus on minimising environmental impact, aiming to increase renewable generation and reduce the overall carbon intensity of electricity generation. ESB has ceased burning peat and will cease burning coal by 2025. CO₂ output from GT's generation plants in 2024 at c.5.1Mt CO₂e was lower than 2005 (reference year) by approximately 65%, and the carbon intensity of generation reduced by 46% to 362g CO₂e/kWh over the same period.

Significant progress was made during the year in ESB's offshore wind pipeline development projects, notably:

- Inch Cape, a 1,080 MW 50/50 JV offshore wind farm development project, was successful in the UK Allocation Round 6 CfD (Contracts for Difference) auction for the remaining 25 percent of its capacity and secured a suite of construction contracts. Financial Close was achieved in early 2025, with commercial operations commencing in 2027
- ESB's partnership with Ørsted to jointly develop a portfolio of offshore wind projects off the Irish coast has progressed well and has the potential to deliver up to 5 GW of capacity. The first of these projects will compete in the upcoming Offshore Renewable Electricity Support Scheme (ORESS) 2.1 auction in 2025

Details relating to GT's financial performance during 2024 are set out in the Financial Review section on page 40.



How GT is empowering the sustainable energy transition

GT is actively pursuing ESB's Net Zero by 2040 Strategy and has developed a pipeline of development assets of over 10 GW. GT is investing in renewable energy assets across a range of technologies. GT is also developing assets that will support the grid in transitioning to a low-carbon future, such as battery and green hydrogen storage assets, synchronous compensators and flexible gas fired units that respond quickly to system demand and will be key to facilitating large scale renewables in the future.

ESB is targeting the transformation of Moneypoint over the next decade through:

- The transition of the existing coal plant to Heavy Fuel Oil (HFO) and the cessation of coal burning in 2025
- The development of the site as an energy hub supporting the transition to renewables. This will entail deploying new generation technologies on the site itself, an onshore hub to facilitate construction of wind turbine foundations and assembly of the wind turbines, a floating offshore wind project and ultimately a green fuels facility onsite

ESB is progressing a pilot programme, Hydrogen Lighthouse Project, to support the future decarbonisation of Ireland's back-up power generation system. The project is in the process of deploying a demonstration-scale electrolyser (hydrogen production facility) in Aghada. As part of the project, ESB has taken delivery of hydrogen fuel cell units and commenced a programme of temporary deployment to third-party and ESB sites, demonstrating the use of zero-emission hydrogen power generation in different applications.

Customer Solutions

Key achievements for Customer Solutions in 2024

Two electricity and gas price reductions for over 1.1 million residential customers

in the Republic of Ireland (ROI) in 2024 resulting in a cumulative reduction of 19.3% in electricity prices and 20.4% in gas prices since November 2023.

Supporting over 60,000 customers

with new payment plans to meet their circumstances in 2024 and providing assistance through the Electric Ireland Hardship Fund.

77% residential electricity customer satisfaction rating over the year

Empowering over 190,000 customers

with electricity insights via Smart Meter Tariff.

Supporting over 40,000

microgeneration customers to continue their net zero journey.

Driving e-transport in Ireland with over 1,600 ecars charging points

with an average reliability rate of 98%.

Empowering customers

As customer expectations evolve, Customer Solutions recognises the need to continuously improve the customer digital journey and overall service offerings to meet the needs of a diverse customer base. The Electric Ireland mobile app has enabled up to 139,000 customers easily access bills and consumption data in 2024. Smart meter customers benefited from a higher price reduction in November 2024 which was aimed at encouraging more customers to optimise their energy consumption.

In GB, So Energy has continued to develop its customer facing platforms and will release a customer app in 2025, providing full control and access to all services whilst leveraging advances in artificial intelligence (AI) and other technology to empower customers in their energy management.

Delivering progress on the journey to net zero

As a trusted energy partner in both ROI and GB, Customer Solutions is supporting customers on their net zero journey, providing Solar PV to an increasing number of residential customers and all-inclusive home retrofits through Electric Ireland Superhomes and ECO (Energy Company Obligation) schemes in GB.

Customer Solutions continues to support the rollout and upgrading of Ireland's public e-car charging network, with high power upgrades in several locations over 2024. In June 2024, ESB announced a price decrease across its public EV charging network in ROI and also introduced contactless payment on high-power chargers making the charging experience as seamless as possible for drivers.

ESB's Smart Energy Services (SES) provides a variety of energy saving schemes to commercial customers.



Pat Fenlon
Executive Director,
Customer Solutions

Overview

Customer Solutions includes all of ESB's retail businesses in Ireland and Great Britain (GB), including Electric Ireland, So Energy, Electric Ireland Superhomes, ESB SES and ESB ecars, in addition to the ESB Telecoms business (wholesale).

Customer Solutions through its brands Electric Ireland and So Energy supplies electricity and gas to ROI and GB customers and electricity and gas to Northern Ireland (NI) business customers. Electric Ireland, with approximately 1.4 million customer accounts and an electricity all-island market share of 40%, serves all market segments in ROI, from domestic households to large industrial and commercial businesses and is refocusing on the business market in NI. So Energy, the GB retail brand, supplies over 0.5 million residential electricity and gas accounts.

Electric Ireland Superhomes is a "One Stop Shop" which project manages all of the key stages of a home energy retrofit, from design through to project completion and application for Sustainable Energy Authority of Ireland (SEAI) grant funding.

ESB ecars builds, owns and operates EV charging networks for public use across ROI, NI and GB. This network includes over 1,600 charge points on the island of Ireland, as well as almost 800 charge points in GB.

ESB Telecoms operates within the wholesale ROI telecoms market, maintaining and operating over 400 telecoms transmission structures and over 2,000 km of fibre optic network.

ESB's SES designs, develops and delivers integrated management solutions for large energy users in Ireland and the UK.

Operating Review

Geopolitical tensions continued to weigh heavily on global energy markets in 2024. Wholesale energy prices remained elevated and volatile when compared to pre-crisis norms but have softened from the extraordinary volatility and peaks in 2022 and early 2023. This enabled Electric Ireland to pass on savings to its customers through price reductions, supporting customers during what continues to be a challenging period following high inflation. Price decreases in November 2023, March 2024 and November 2024 resulted in a cumulative reduction of 19.3% in electricity prices and 20.4% in gas prices, delivering an annual saving of €376 and €337 on the average electricity and gas bill respectively.

Electric Ireland strives to offer the best variable price possible for households and have consistently provided one of the lowest standard variable electricity rates in the ROI market, as well as providing enduring discounts of up to 8.5% for customers opting in for direct debit and online billing.

Customer Solutions continued to successfully implement all Government support schemes in ROI, NI and GB including the Electricity Costs Emergency Benefit Schemes (III and IV) delivering credits to customer bills and continues to provide flexible payment plans, Pay as You Go (PAYG) meters and a hardship fund for those who are struggling to pay their energy bills.

Customer Solutions also supports communities through campaigns such as the Darkness into Light event for Pieta, and sponsorship of the GAA Minor Championship, the Higher Education League and Championship and the Camogie Minor and Third Level Championships.

So Energy is one of the few true challenger brands in the GB market and remains in a unique position to offer a real choice to customers. It has continued to offer solar and battery installations and is increasing its range of products for customers to complement its innovative, digital, customer-centric experience. During 2024, So Energy continued to offer competitive fixed price tariffs, including a discount to the Ofgem imposed regulatory price cap as it sought to consolidate its customer base.

Following a strategic review of its residential business in Northern Ireland earlier in 2024, Electric Ireland decided to focus exclusively on the business market and, over time, to no longer serve the residential market. Electric Ireland is continuing to supply and support its residential customers during this transition, working collaboratively with key stakeholders, including the Utility Regulator, as it exits the market.

Details relating to Customer Solutions' financial performance during 2024 are set out in the Financial Review section on page 40.

How Customer Solutions is empowering the sustainable energy transition

Electric Ireland remains focused on empowering its customers with competitive pricing and innovative solutions to make the best choices possible for their energy needs, and ultimately to reduce energy consumption and save money.

Electric Ireland's mobile app delivers an easy to use and customer friendly method of viewing bills and account details, making payments, submitting a meter reading and much more. Smart meter customers benefit from automatic energy reads keeping bills up to date and can access tailored energy insights as well as reduced prices. Progressing to paperless billing is an important way in which customers can support the journey to net zero.

Customer Solutions values its role as a trusted energy partner assisting residential customers invest in a sustainable future. Electric Ireland and So Energy install solar panels and batteries to further help customers manage their energy needs. Electric Ireland Superhomes provides deep retrofits to customers, creating more energy efficient homes.

For business customers, ESB's SES provides expert advice on Solar PV and other technologies. The ecars business is pivotal to the decarbonisation of transport by providing a national, public EV infrastructure on the island of Ireland, and working with a number of organisations and borough councils in GB to install charging networks. ESB Telecoms is in the process of adding solar panels to its Point of Presence cabins throughout the country which will reduce customer bills and contribute to its net zero goals.

Brands and
Businesses



ecars

Smart Energy Services

Engineering and Major Projects (EMP)

Key achievements for EMP in 2024

Security of supply and generation project delivery

During 2024, EMP, with Generation and Trading, progressed both the development and construction of a portfolio of generation projects spanning a variety of technologies located across Ireland and the United Kingdom (UK). Highlights include:

- Completion of three flexible gas turbine projects (190 MW) located at Poolbeg, Ringsend and Corduff, which transitioned into full commercial operation
- Construction and commissioning of 150 MW of battery storage at Aghada, Cork, now the largest battery facility in Ireland, and another 30 MW located at South Wall, Dublin
- Substantial completion of temporary emergency generation capacity (262 MW) at Shannonbridge

The delivery of these projects will contribute materially to securing electricity supply in Ireland. To further support system security, EMP recently commenced construction on a 299 MW open cycle gas turbine plant at Poolbeg.

In line with strategy, EMP secured planning permission during the year for the conversion of Moneypoint to operate on Heavy Fuel Oil (HFO) and cease burning coal by the end of 2025. This project has now transitioned into the execution phase. EMP also continues to support all aspects of the Green Atlantic @ Moneypoint project which will see the development of a green energy hub at the site.

EMP continued to support the development of both onshore and offshore wind projects located in the Republic of Ireland and the UK during the year, including Inch Cape (1,080 MW) as it progressed towards Financial Close, and Neart na Gaoithe (448 MW), which achieved first export of power in October 2024.

EMP are also currently delivering solar projects at Bullstown, Drombeg and Middleton House (totalling 115 MW of capacity) and there is a significant development pipeline of solar projects being prepared for future auction processes.

ESB Networks project development and delivery

EMP develops and delivers large transmission and distribution capital projects for ESB Networks, to enhance the resilience of the electricity network, connect renewables and empower customers. During 2024, EMP managed delivery of over €270 million of capital investment in the network, involving HV stations, overhead lines and underground cables, across more than 70 construction sites. Highlights include:

- Completion of the STATCOM in Thurles 110 kV substation; this cutting-edge technology helps to maintain grid stability and facilitates more renewable energy sources in the South-West
- Completion of the uprate of the Maynooth–Woodland 220 kV overhead line project which increases capacity for customers in the Kildare area
- Completion of the Finglas-Dardistown 110 kV distribution underground cable, which is a key project to enable greater capacity in North Dublin

Various contracting strategies were used including EPC (Engineering, Procurement and Construction), design and build, and construction-only contracts with internal EMP design. EMP engaged proactively with many external stakeholders to manage programme delivery including EirGrid, suppliers, contractors, local and national authorities, other utilities, other infrastructure owners, landowners and the general public.



Paul Smith
Executive Director,
Engineering and
Major Projects

Overview

EMP is the centre of engineering excellence and major project delivery for ESB. EMP provides services to support delivery of critical and complex projects across ESB, is responsible for ESB Group Property and Security and provides engineering and related professional services to external clients via ESB International. EMP has over 950 highly skilled staff who are working in partnership with the wider ESB business to deliver the Net Zero by 2040 Strategy.

Consultancy services

ESB International is a provider of engineering consultancy services both in Ireland and internationally, providing a range of services that are based on ESB's core capabilities of engineering, project management and project delivery across the electricity sector. ESB International underwent a strategic review in 2024, resulting in the decision to focus on supporting delivery of ESB's Net Zero by 2040 Strategy in Ireland. ESB International will continue to provide services for existing clients and will evaluate Corporate Social Responsibility (CSR) opportunities that arise.

Enterprise Services

Key achievements for Enterprise Services in 2024

As the centre of excellence for a wide range of key business processes and services that are critical to operations and strategy delivery across ESB Group, Enterprise Services' achievements in 2024, working in close partnership with the other business units in ESB, included:

Provision of advice and delivery of key business processes and services

The provision of advice in professional service areas such as Procurement, Insurance and IT to support the delivery of key projects and strategic priorities for ESB in 2024. Enterprise Services' plays a lead role in the achievement of sustainable procurement in ESB and is a founding member of the Irish Supply Chain Sustainability School, which officially launched in January 2024. Enterprise Services is also responsible for the provision of safe and sustainable workplace environments via the delivery of quality facilities management services across ESB's property estate in the Republic of Ireland, including the retrofit and BER upgrade of multiple ESB Networks' locations. During 2024, teams across Enterprise Services also successfully delivered a wide range of business processes and services critical to operations, performance and strategy delivery.

Digital and data driven

Aligned to ESB's ambitions to be digital and data driven, Enterprise Services plays a lead role in progressing digital transformation across ESB. In 2024, this included advancing digital culture and capability and the delivery of a significant IT and digital investment programme across ESB, which included investment to enhance customer experience and empower customers to achieve net zero via new digital and data products. In 2024, teams across ESB secured external awards in recognition of their achievements in advancing digital and data, including awards for best customer experience, excellence in digital learning and development and leadership in data. Enterprise Services also led the refresh of ESB's cybersecurity strategy and ensured the continued performance, security and resilience of ESB's IT landscape, while enhancing services to leverage new and emerging technologies such as Generative AI. 2024 saw the rollout to staff of Microsoft Co-Pilot, a Generative AI technology that enables greater productivity and collaboration.

Capability and growth

Enterprise Services' lead role in securing the capabilities needed across ESB to deliver the Net Zero by 2040 Strategy via talent acquisition and learning and development activities. During 2024, People Operations recruited 908 people externally. People Operations' excellence in recruitment was recognised at the 2024 Graduate Recruitment Awards where the team won awards in the category of 'Graduate Recruitment Award for Utilities, Energy and Renewables' and 'Best Internship Programme Intake over 50'.



Geraldine Heavey
Executive Director,
Enterprise Services

Overview

Enterprise Services' purpose is to enable ESB's Net Zero by 2040 Strategy by leading, advising and delivering in its core areas of expertise, thereby enabling and progressing the sustainable energy transition. Enterprise Services' core areas of expertise are:

- Advisor to ESB Group in relation to professional services, focused on strategy delivery and value creation
- Providing business critical processes and services to ESB Group, focused on operational efficiency and effectiveness
- Leading the digital transformation of ESB, leveraging technology and data, as well as leading operational excellence capability across ESB

Areas of expertise, as summarised in the table below, are provided across the Group in accordance with legal and regulatory licence obligations and complement business unit specific functions.

Enterprise Services: Overview

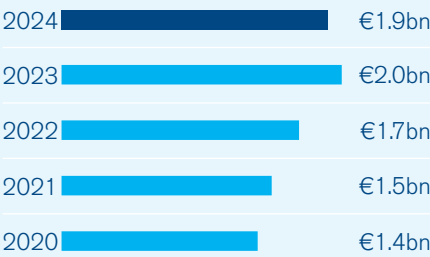
Business Operations	CIO and IT Delivery	Professional Services
Facilities Management	IT Strategy and Architecture	Procurement
Financial Planning and Analysis	Digital	Pensions
People Operations	Data and Analytics	Insurance
Requisition to Pay	Cybersecurity	Operational Excellence
Finance Operations	Service Delivery	Finance and HR
Treasury Risk and Operations	Product Delivery	Transformation

Key Performance Indicators (KPIs)

In addition to the Strategic Performance Indicators outlined on page 15 ESB employs financial and non-financial key performance indicators (KPIs), which signify progress towards the achievement of ESB's strategy. Each business unit has their own KPIs, which are in direct alignment with those of the Group.

Financial

EBITDA before exceptional items and certain re-measurements*



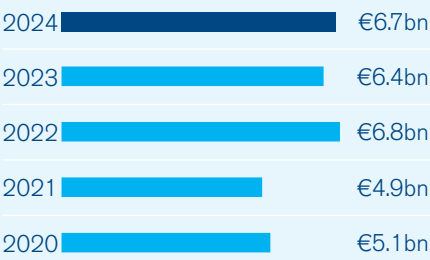
Definition
Operating profit before interest, taxation, depreciation, impairments (including non-trading net impairment losses on financial assets), amortisation, revenue from supply contributions and exceptional items and certain re-measurements separately disclosed in the Income Statement.

Strategic Relevance
EBITDA is a key measure of the cash generated in the Group during the year which is then available for strategic investments, repayment of debt and dividend payments.

Performance
The decrease in EBITDA is driven by factors impacting on operating profit. For further detail see Financial Review on page 40.

Foundational Capabilities  Financial Strength

Net Debt*



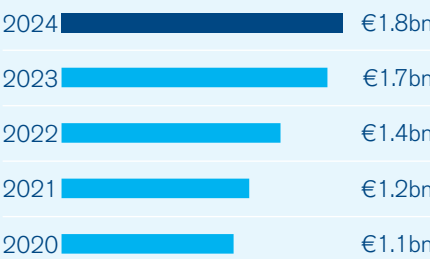
Definition
Total of borrowings and other debt plus lease liabilities less cash and cash equivalents (excluding any restricted cash) and short-term deposits.

Strategic Relevance
Net debt is a measure of how leveraged the Group is and if it is in line with its key covenants. Net debt will grow as ESB partly funds its capital investment programmes with borrowings.

Performance
Net debt has increased mainly due to capital expenditure and negative working capital movements during the year, together with interest, tax and dividend payments, only partially offset by substantial cash profits, and positive cash collateral movements. For further detail see Financial Review on page 40.

Foundational Capabilities  Financial Strength

Capital Expenditure*



Definition
Additions to property, plant and equipment, intangible assets (excluding emissions allowances) plus additions to equity accounted investees.

Strategic Relevance
ESB is in a period of significant capital investment for both its networks' businesses and Generation and Trading (GT).

Performance
The increase in capital expenditure primarily reflects the capital investment in the networks' businesses. For further detail see Financial Review on page 40.

Strategic Objectives  Decarbonised Electricity  Resilient Infrastructure **Foundational Capabilities**  Financial Strength

* Refer to Alternative Performance Measures on page 264 and 265 for calculations.

Operational

Plant Availability



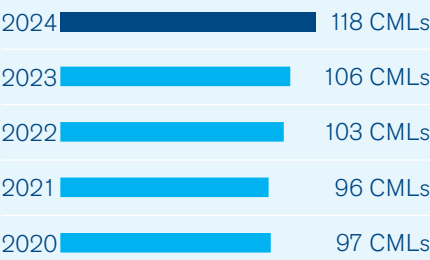
Definition
Percentage of the time in the year that generation plant was available to produce electricity, whether they generated or not.

Strategic Relevance
Delivering strong operational performance across ESB's generation plant through best practice operations and maintenance and timely completion of overhauls is critical to ESB's commercial performance.

Performance
Plant availability in 2024 was slightly improved on 2023 due to a lower level of scheduled outages through the year.

Strategic Objectives  Resilient Infrastructure

Customer Minutes Lost (CMLs) ESB Networks



Definition
The average duration of unplanned interruptions for all customers during the year.

Strategic Relevance
The reliability of the grid and minimising interruptions to customers is of key importance to ESB.

Performance
As is the case with many distribution networks across Europe, much of ESB Networks' existing network infrastructure is over 50 years old. This presents risks relating to asset quality, condition, and performance, affecting day to day reliability and making it more vulnerable to the impact of climate change. More extreme weather events (including storms, flooding, and increased wind speeds) are causing damage to the overhead network, while rising temperatures and higher rainfall are contributing to longer growing seasons, faster vegetation growth, and water damage.

To provide continuous, uninterrupted supplies of electricity to customers, ESB Networks needs to minimise the frequency and duration of customer interruptions caused by faults on the network. To this end, ESB Networks plan to further increase significant investment in asset maintenance and replacement, deliver more intensive timber-cutting programmes, install more automated self-healing technology schemes on the network, carry out targeted patrolling and corrective work to overhead network where customers are most impacted, and complete targeted asset replacement and maintenance programmes.

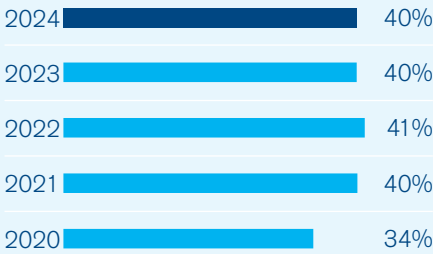
Strategic Objectives  Decarbonised Electricity

Key Performance Indicators (KPIs) (continued)

Customer and Market

Retail Market Share

Definition
Total Single Electricity Market (SEM) all-island market share.



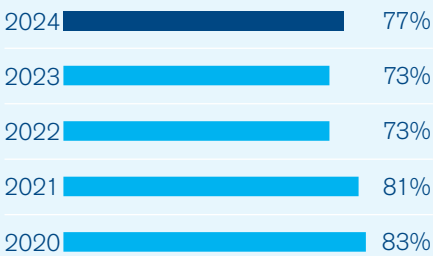
Strategic Relevance
Development of strong market share position is key to ESB so that it can compete within the all-island competitive environment and empower customers on their decarbonisation journey.

Performance
Overall market share is in line with recent years.

Strategic Objectives Empowered Customers

Residential Customer Satisfaction – Electric Ireland ROI

Definition
Provides a measure of residential customer satisfaction (Source: Residential CX Tracker monthly survey conducted by IPSOS B&A).



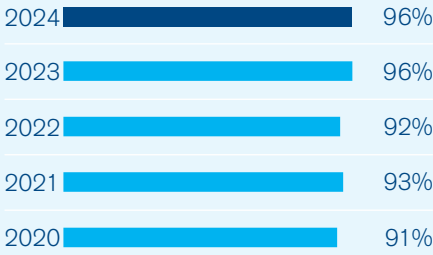
Strategic Relevance
ESB strives to provide excellent customer service and introduce new initiatives to improve the customer experience.

Performance
Electric Ireland significantly improved residential customer satisfaction in 2024, achieving an average annual score of 77%. Monthly scores rose notably in the latter part of the year, peaking at 85% in December. This increase is attributed to reductions in electricity prices and the introduction of service improvements.

Strategic Objectives Empowered Customers

Brand Awareness – Electric Ireland ROI

Definition
Awareness of Electric Ireland Brand as an energy supplier (Source: Electric Ireland Brand Tracker monthly survey conducted by Red C Research).



Strategic Relevance
ESB aims to maintain the Electric Ireland brand as Ireland's best known, market leading energy supply brand.

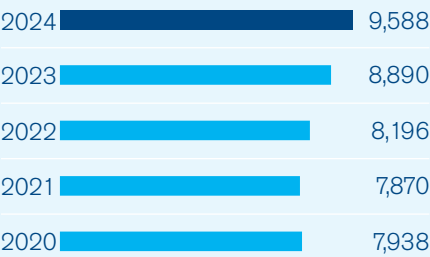
Performance
Electric Ireland remains the most recognised energy brand in the Irish market, achieving near universal brand awareness in a highly competitive environment. The brand is supported with strategic marketing, advertising, and sponsorship programmes to keep it top of mind with customers and stakeholders. Investment in a strategic media plan that leverages multichannel media, and effective management of Share of Voice, ensures Electric Ireland retains its market leadership position.

Strategic Objectives Empowered Customers **Foundational Capabilities** Sustainable & Socially Responsible

People

Average Number of Employees

Definition
Average number of employees in the year including temporary employees employed by ESB.



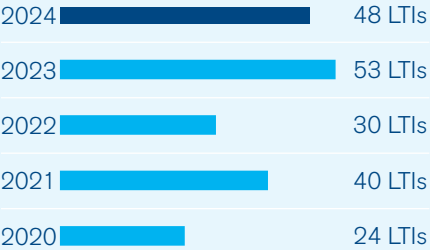
Strategic Relevance
The delivery of the strategy will require an organisation that is of a certain scale and is flexible, highly motivated and adaptable.

Performance
Headcount continued to increase in 2024 due to staff hires across all business units and disciplines to support the delivery of the Net Zero by 2040 Strategy. For further detail, see note 10 of the financial statements.

Strategic Objectives Our People

Employee Lost Time Injuries (LTIs)

Definition
Employee LTIs are work-related injuries that involve an absence of at least one day (not including the day the injury occurred).



Strategic Relevance
Safety is at the centre of what we do. ESB continues to focus on reducing risks in the business that gives rise to injurious incidents. For further detail, see the Health, Safety and Wellbeing section on page 78.

Performance
In 2024, the total number of employee LTIs was 48, a decrease from 53 the previous year. ESB continues to invest in initiatives to reduce the risk of injury to our employees.

Strategic Objectives Our People

Regular monitoring of Strategic Performance Indicators as well as Environmental, Social and Governance measures are included within the Strategy section on page 14 and ESB's Sustainability Data Disclosures for 2023 can be found on the ESB website.

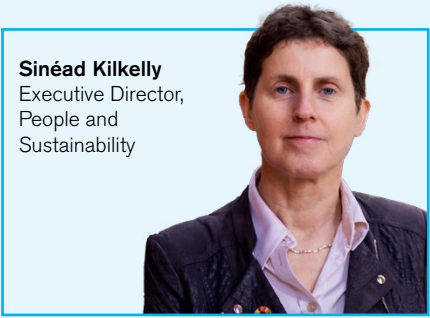


Planet Place People

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Planet, Place, People

As we continue on our journey of delivering net zero by 2040, ESB is committed to a regenerative or ‘net positive’ approach to our interactions with the planet, the places we operate, and the people we work with.



ESB understands that our impact on the world around us extends beyond our carbon footprint, to include our relationship to the land we own or manage, the resources we use, and how we engage with local communities. Delivering on our responsibilities at all levels means taking a holistic view and embedding sustainability across every part of the business. ESB also understands the fundamental link between sustainability and our people. Everyone in ESB has a role to play in achieving ESB's ambitious sustainability driven Net Zero by 2040 Strategy.

In 2024, ESB took another step forward in our commitment with the launch of our Sustainability Leadership Plan, which communicates our ambition across the three pillars of Planet, Place and People (see page 65).

Planet

The Planet pillar of the Sustainability Leadership Plan sets out ESB's goals in addressing climate change, resource use and the circular economy. Action to curb global warming is at the heart of the Driven to make a Difference: Net Zero by 2040 strategy, and the Net Zero Pathway Report published in spring 2024 outlined the concrete steps ESB are taking to eliminate carbon emissions from our own operations and support Ireland's broader decarbonisation. The actions taken in 2024 to expand ESB's renewable energy portfolio and ensure a resilient network to support it

are described in detail in the Operating and Financial Review section and in particular in sections on ESB Networks (page 48), NIE Networks (page 50) and Generation and Trading (page 52).

As ESB ramps up its investment in new infrastructure, we are seeking innovative ways to improve circularity in how we use resources – for example our collaboration launched in January 2024 with Cork-based start-up BladeBridge, which will repurpose old wind turbine blades to construct eMobility Hubs. A further important development this year has been the engagement throughout the business and with our suppliers to embed sustainability across ESB's procurement functions. Further detail is available in the Environment and Sustainability section (page 66).

Place

ESB's commitment to enhancing biodiversity and ecosystems in the local communities where we operate is laid out in the Place pillar of the Sustainability Leadership Plan. By 2030, ESB aims to be nature positive – meaning not just halting nature loss, but actively working to reverse it and restore the health, abundance, diversity and resilience of species and ecosystems. The publication, in September 2024, of ESB Networks' biodiversity strategy, Networks for Nature, marks a key milestone in this regard, providing a clear framework for the delivery of a wide range of biodiversity actions across the business.

Complementary initiatives throughout the year include ESB's participation in the Nature+Energy Project, looking at ways to strengthen biodiversity at onshore wind farms; our involvement in the Business for Biodiversity initiative, a forum for discussing best practice across sectors; and our support for the All-Ireland Pollinator Plan, with a number of sites around the country participating in 'No Mow May'.

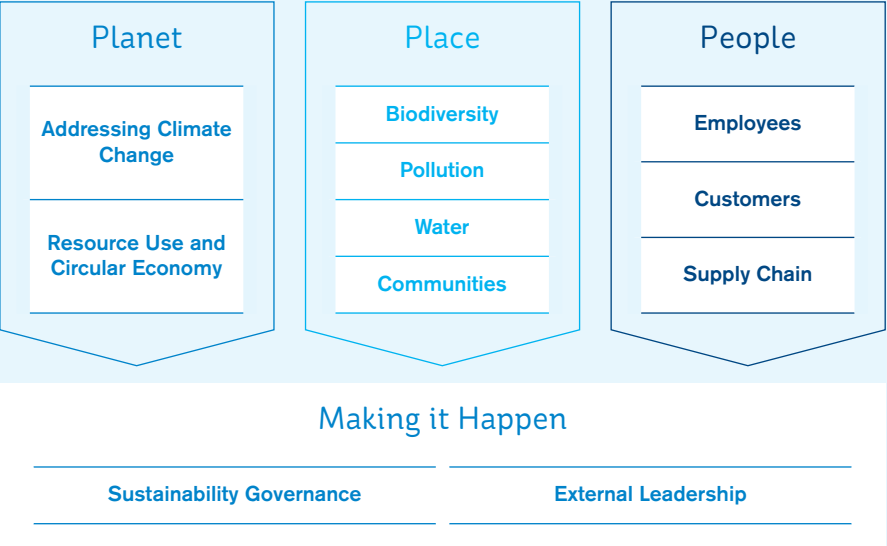
People

At ESB, our success is rooted in our people working together in sustainable ways. ESB's People Strategy is to enable the culture and capability required for sustained performance, where everyone can make a difference to achieve net zero by 2040.

Building capability is a key focus - developing our people, bringing in new skills and increasing the diversity of our workforce. This year, over 900 new people have joined ESB across multiple disciplines. ESB are making progress towards our target to increase to 30% women across the workforce and are particularly focused on increasing the number of women in Science, Technology, Engineering and Mathematics (STEM) and craft roles.

Our People Promise sets out ESB's commitment to our employees on their career journey, providing many attractive and unique benefits, flexible working and

Sustainability Leadership Plan



leave options, while supporting people's wellbeing and growth as they contribute to ESB's critical net zero purpose. Our most recent employee engagement survey shows a continuing upward trend in our engagement score at 7.6/10. This is a move in the right direction, with more to do to get to the target called out in ESB's strategy of an engagement score of 8/10. Further details are available in the People section on page 74.

At ESB, we are committed to ensuring the safety, health and wellbeing of our workforce, investing and driving continuous improvement in our safety performance and the range of proactive health and wellbeing programmes offered within our People Promise. Refer to the Safety, Health and Wellbeing section (page 78) for further information including details of initiatives implemented in 2024.

Looking forward to 2025, ESB's People Strategy will continue to focus on building capability and culture for sustained performance. A priority is further activating ESB's culture framework which identifies the priority cultural behaviours that underpin ESB's four values – we're courageous, we're caring, we're driven and we're trusted.

Looking to the broader value chain, ESB has continued to integrate Environmental, Social and Governance (ESG) standards across our sourcing activities during 2024.

ESB is a founding member of the cross-sector Supply Chain Sustainability School launched in January 2024, and this year also saw us update our policy on human rights and establish a steering group on human rights due diligence across all our operations. Further details are available in the Human Rights section on page 82.

The People pillar also speaks to how we engage with and support customers and communities. ESB is driven to inspire, empower and support our customers on their own journey to net zero. Throughout 2024, ESB have continued to evolve our funding supports, volunteering initiatives and sponsorships that are making a valuable difference in the communities where we operate. Details are available in the Community section on page 80.

Making it Happen

ESB's sustainability leadership ambitions are underpinned by a robust governance framework, with new structures and processes developed and built over the course of 2024. A key achievement during 2024 has been the preparations for the transition to enhanced sustainability reporting under the Corporate Sustainability Reporting Directive (CSRD).

Driven by our cross-functional Sustainability Transformation Enablement Programme (STEP), ESB are embracing CSRD as part of our journey to embed sustainability

leadership throughout the business. From year ending December 2025, as part of its annual report, ESB will publish a CSRD Sustainability Statement. Ultimately, the robust and detailed data captured through this process will allow ESB to accurately measure our sustainability performance and track progress against our targets – helping ensure we deliver on our Net Zero 2040 Strategy and our Sustainability Leadership Plan.

Throughout 2024, ESB have also continued our work to cultivate a culture of sustainability across the Group, helping all employees to understand and embrace their individual role in our shared mission. The high levels of engagement are a testament to the commitment of our people to these goals. Over 2,000 people completed ESB's in-house Sustainability Essentials Programme this year, over 300 business leaders were trained on sustainability business planning, and over 50 Sustainability Navigators from across the organisation achieved the highest level of Platinum Certification who in turn briefed c.2,000 people in their teams on sustainability matters.

Inculcating sustainability into every part of ESB's business, combined with continued focus on ESB's People Strategy, is crucial for a successful and sustainable transition to a net zero future and the foundations to achieve this level of ambition are well underway.

Environment and Sustainability

Executive Summary

ESB’s ambition is to integrate sustainability into every aspect of operations and build a resilient, innovative organisation prepared to navigate the challenges of the energy transition. In 2024, ESB made positive strides toward achieving its net zero by 2040 target, underpinned by a commitment to sustainability across three interconnected pillars: Planet, Place, and People.



Planet Driving Climate Action and Resource Efficiency

Climate action remains central to ESB’s strategy; Driven to make a Difference: Net Zero by 2040. In this regard, key developments in 2024 included:

- ESB published the Net Zero Pathway Report (available on the ESB website), detailing concrete steps to eliminate greenhouse gas (GHG) emissions and support Ireland’s broader decarbonisation goals
- Rating agency Moody’s carried out and published a Net Zero Assessment on ESB’s Net Zero Pathway Report assigning an NZ-3 score (significant), consistent with a well below 2 degrees Celsius ambition
- ESB expanded its renewable generation portfolio which now exceeds 900 MW of renewable energy in Ireland and Great Britain (wind and solar), supported by investments in battery storage and green hydrogen technologies, to ensure a sustainable and resilient electricity network
- Initiatives to enhance resource efficiency were launched, including a partnership with BladeBridge to repurpose old wind turbine blades for eMobility Hubs
- ESB’s programme to implement Corporate Sustainability Reporting Directive (CSRD) requirements in its 2025 Annual Report completed a Double Materiality Assessment (DMA) and progressed enhanced Environmental, Social and Governance (ESG) reporting solutions



Place Enhancing Biodiversity and Supporting Communities

ESB is committed to becoming nature positive by 2030, actively reversing biodiversity loss and restoring ecosystems in the communities where it operates. Key achievements in 2024 include:

- Launching ESB Networks’ biodiversity strategy; Networks for Nature, providing a roadmap for biodiversity actions across the organisation

- Participating in initiatives such as the Nature+Energy Project and the All-Ireland Pollinator Plan, ensuring biodiversity enhancement at ESB’s renewable energy sites and across operations



People Empowering a Skilled, Inclusive Workforce

People are central to success, and in 2024, ESB continued to foster a values-driven, inclusive culture that supports innovation and collaboration.

Highlights include:

- Establishing a structured Human Rights Due Diligence Framework aligned with global standards, with the aim of ensuring ethical practices across ESB’s operations and supply chain
- Engaging ESB’s workforce in comprehensive sustainability training, building sustainability leadership at all levels
- Supporting local communities through volunteering programmes, sponsorships, and funding supports that empower them on their journey toward sustainability

In 2024, ESB also implemented a new sustainability operating model to align governance, reporting, and accountability with its net-zero objectives. Milestones include:

- Strengthening sustainability leadership through the Learning and Development workstream of the Sustainability Transformation Enablement Programme, which engaged over 2,000 employees through training and upskilling initiatives
- Integrating climate risk into business planning, supported by disclosures aligned with the Task Force on Climate-Related Financial Disclosures

Looking ahead, 2025 will focus on accelerating renewable energy deployment, enhancing biodiversity efforts, and embedding sustainability and circular economy principles across all business functions. With a clarity of vision and robust governance, innovative solutions, and an empowered workforce, ESB is well-positioned to deliver a sustainable, net-zero future for all.

Sustainability Transformation Enablement Programme (STEP)

STEP is designed to enable outstanding environmental and social performance by delivering enhanced reporting standards, systems, processes, resourcing, organisation and governance arrangements for sustainability. It is about positioning environmental stewardship and social responsibility at the core of everyone’s role in ESB.

Some highlights from 2024 include:

- Supporting ESB’s sustainability leadership development through a Sustainability Essentials Programme for everyone in ESB, and the delivery of a Sustainability Leadership Programme to selected management teams
- The Sustainability Navigators Programme upskilled volunteers across the business to champion sustainability within their teams and actively engage in disseminating knowledge, reaching c.2,000 employees so far
- Implementing an ESG reporting solution, for data collection and internal/external performance reporting, and as ESB’s system of record for tracking GHG emissions
- Progressing preparations for CSRD, including the completion of a CSRD Gap Analysis, a DMA, and the establishment of working groups across the key sustainability topics, to gather and assess inputs for EU Sustainability Reporting Standards disclosures
- Progressing long-term climate asset risk screening, and climate transition risk assessments (see pages 70 and 71)
- Designing and implementing a new enhanced sustainability operating model for sustainability management, including a new sustainability organisation (outlined on page 68)



Climate Risks and Task Force on Climate-Related Financial Disclosures (TCFD)

With assets across Ireland and Great Britain (GB) and operating in a sector undergoing a historic climate transition, ESB is presented with a changing set of risks and opportunities arising from physical climate impacts and policy changes. These are generally addressed in normal business planning since the electricity sector has long asset lives and a practice of long-term planning. A detailed and structured examination of climate risks to all ESB assets was carried out in 2023. This assessment was updated in 2024 to include newly constructed assets.

This section describes ESB’s processes around climate risks and opportunities. It follows the format and guidance of TCFD which ESB is voluntarily applying. It is planned to build on these disclosures in future years, in line with the reporting requirements under CSRD.

1. Governance

Climate risk and opportunity is integrated into the strategic review process in ESB. It is also linked to the Enterprise Risk Management (ERM) process through two principal risks, one on climate transition

risk and one on the risk of physical climate change. Group principal climate risks are reviewed regularly within the ERM process, with inputs from ESB business units. The Group Sustainability Manager, the Group Safety, Health and Environment Manager and Environment and Sustainability Managers as well as Asset Managers across the business units input into these reviews.

The Safety, Sustainability and Culture Committee monitors the management of safety, environment and climate risk and opportunities. The Audit and Risk Committee oversees the overall ERM process for ESB Group and reviews risks throughout the year including climate risk. Details of the work of these Committees including the activities undertaken during the year has been included in Chapter 2, Corporate Governance. 2024 saw the introduction of the DMA process, conducted as part of CSRD compliance, which plays a key role in the identification of sustainability impacts, risks and opportunities and ensuring that sustainability risks are fully embedded within ESB’s governance structures and decision-making processes. Progress on a number of Sustainability Key Performance Indicators is reported to the Board on a quarterly basis.

Environment and Sustainability (continued)

Sustainability Organisation

During 2024, ESB designed and implemented an enhanced sustainability operating model embedding sustainability functions in critical parts of the organisation. This includes a new Group Head of Sustainability and a Centre of Sustainability team enhancing organisational strategic alignment across Sustainability Performance Reporting, Sustainability Culture and Transformation, and Sustainability Strategy. This is complemented by the appointment of Sustainability Managers in the ESB business units. The new functions are highlighted in the organogram below.

2. Strategy

ESB's strategy is a climate action and sustainability strategy. Its centrepiece is the target to achieve net-zero GHG emissions by 2040. It is a response to policy and physical changes brought about by climate change and is anchored in the Group's purpose to deliver a brighter

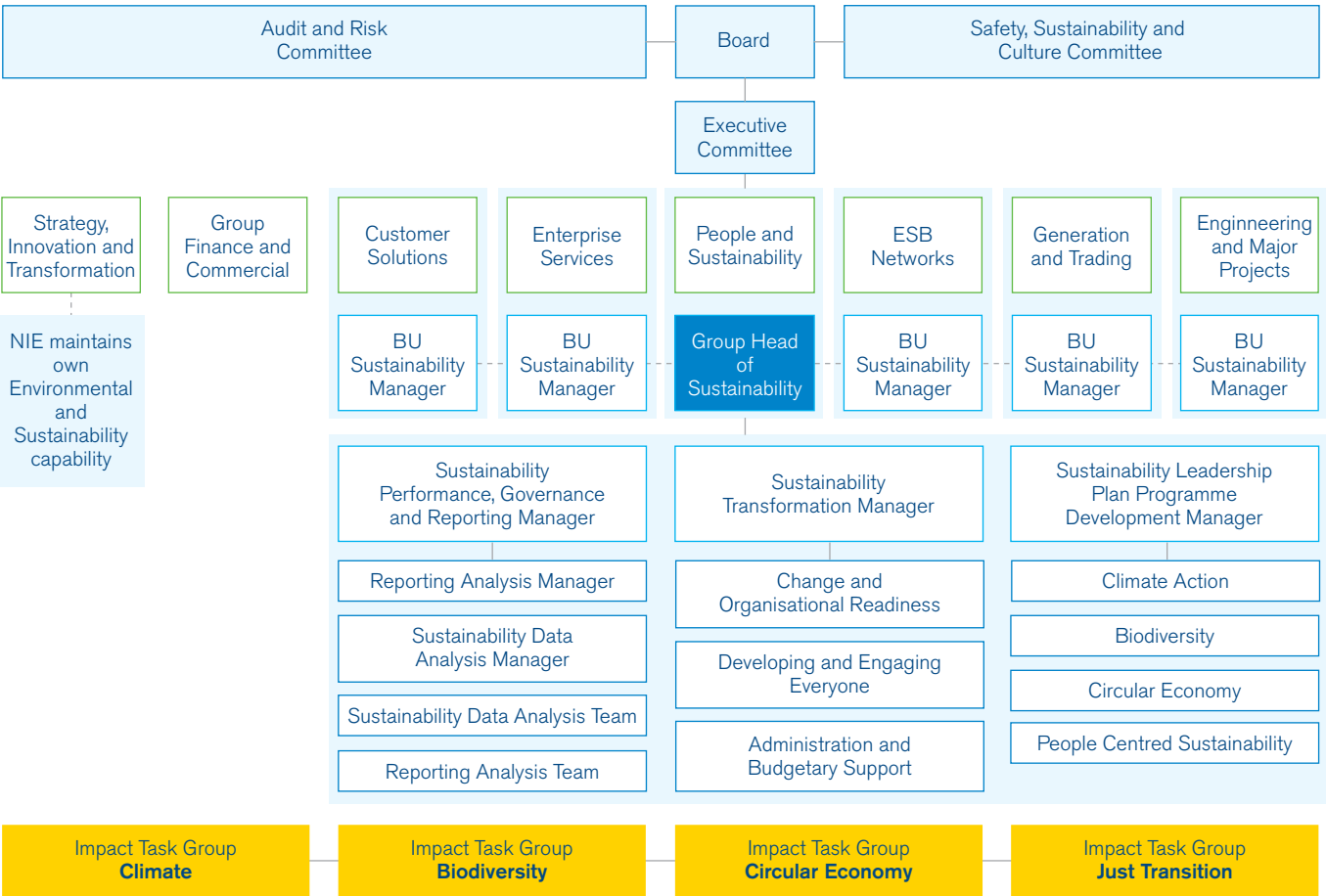
future for the customers and communities served. Further details on ESB's strategy, including strategic objectives, is set out in the Strategy section on page 14.

ESB's principal strategic goal is climate-led with three strategic pillars and four foundational capabilities which directly link with the UN Sustainable Development Goals (SDGs). The SDGs provide a global blueprint to achieve a better and more sustainable future for all by 2030. ESB is particularly focusing on three of the SDGs where a lasting and tangible difference can be made:

- Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all
- Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation
- Goal 13: Take urgent action to combat climate change and its impacts

ESB's foundational pillar of being Sustainable and Socially Responsible aligns the net zero objective with the broader approach to sustainability. In 2024, ESB published a summary of its Sustainability Leadership Plan. This was informed by the work undertaken by the Stockholm Resilience Centre which acknowledges that we must all look more broadly than climate when considering our impacts and actions across distinct environmental dimensions that support life on earth. The organisation is taking a regenerative or 'net positive' approach to actions as ESB wants to restore and regenerate communities and natural ecosystems to create the conditions for human and natural life to thrive. Through electricity, as an enabler of regeneration, ESB is driven to make a difference for planet, place and people. ESB's Sustainability Leadership Plan sets out its key ambitions and the actions it will take, as they relate to these three pillars across 11 topics as per the figure on page 65. The Sustainability Leadership Plan is available on the ESB website.

Sustainability Organisation



Double Materiality Process (DMA)

The DMA was conducted in accordance with the requirements of the European Union Sustainability Reporting Standards (ESRS).

Outlined below are the different stages and steps carried out to conduct the DMA:

1. Initial Review

- Conducted an assessment of peers to understand which sub-sub topic areas they report on, and therefore potentially reportable by ESB
- Reviewed ESB's previous materiality assessment, Sustainability Accounting Standards Board (SASB) Standards and media articles, to identify additional topics relevant and for which Impacts, Risks and Opportunities (IROs) were developed

2. Value Chain Mapping

2(a) Value Chain Analysis

- Prepared value chain maps identifying key actors and activities across the upstream and downstream value chain
- Held workshops with key individuals within the business to validate the value chain maps and key actors and activities
- Assessed the likelihood of each value chain actor being associated with material impacts on people or the environment
- Determined whether ESB has a key dependency on the identified value chain actor
- Determined which value chain actors should be considered in the development of IROs

2(b) Stakeholder Engagement

- Determined the stakeholder groups and how ESB would engage with each group

3. Identifying and Validating IROs

3(a) IRO Development

- Identified a long list of IROs linked to the relevant CSRD topics identified in the Top-Down Assessment. Time horizons were determined for each IRO
- Utilised relevant internal ESG-related information and external sources to determine IROs. This included internal and external ESG reporting and the ERM system

3(b) IRO Workshops

- Held workshops with Financial Controllers and Strategy Managers within the business to review the long list of IROs to determine applicability of IROs and ensure there were no omissions

4. Initial Long List

- Completed an initial double materiality assessment, scoring each IRO from an impact and financial perspective. Considered both positive and negative impacts as well as actual and potential impacts related to sustainability matters. Assessed sustainability matters that would reasonably be expected to cause material financial effects for the company in the short, medium or long-term

5. Stakeholder Engagement

- Following determination of stakeholders and their prioritisation in Step 2(b), ESB interviewed stakeholders and issued surveys
- Conducted the stakeholder engagement in conjunction with Reputation Inc to gather internal and external perspectives on the materiality of the topics determined at Step 1 and 3
- Incorporating feedback received through stakeholder engagement, IROs were rescored where necessary

6. Finalising the Results

- Validated the assessment of IROs and material topics through discussions with ESB management, who have a comprehensive understanding of the organisation's operations, strategies and risks across the different business units
- Consolidated the double materiality assessment and presented and discussed with the relevant stakeholders and management
- The full results of this assessment will be published in the annual report for year ending 31 December 2025 and will be subject to limited assurance from the external auditor as per CSRD requirements

Environment and Sustainability (continued)

Double Materiality Assessment (DMA)

In preparation for reporting in compliance with the CSRD, a comprehensive DMA was undertaken in 2024 which confirmed the sustainability matters most material to ESB. A DMA is a mandatory requirement of CSRD, involving the assessment of Impacts, Risks and Opportunities (IROs) to identify the most material sustainability matters for an organisation. The assessment requires objective analysis and the exercise of judgement to assess IROs and to identify the most material associated matters. A DMA covers both 'impact materiality' (how the company impacts on the environment and society) and 'financial materiality' (how environment and society can affect the company's financial performance). The DMA process will set out the material topics, sub-topics and sub-sub-topics for disclosure in the financial year 2025 Annual Report. Further details of the process are outlined on page 69.

3. Risk Management

ESB has identified and assessed the main physical and transition climate change risks and opportunities across the Group in the tables below and on page 71.

There are principal risks for both physical and transition risk within the ERM Framework as set out on page 25. These principal risks are identified and assessed as part of ESB's overall risk management processes as set out on pages 23 and 24.

ESB's Risk Management Policy defines how risks, including climate risks, are to be managed and the mitigations in place to manage these climate-related principal risks are set out on pages 27 and 28.

Physical Climate Risks

ESB has performed a robust physical climate risk and vulnerability assessment for its activities and the relevant hazards under two Inter-Governmental Panel on Climate Change (IPCC) scenarios (RCP2.6 (likely range: 1.3°C to 2.4°C)), RCP8.5 (likely range: 3.3°C to 5.7°C)). The assessment of risk posed by the relevant hazards considered both exposure and vulnerability factors. This assessment was completed in 2023 and updated in 2024 for newly constructed assets. The table of physical climate risks set out below is the result of this work to date.

Type	Category	Risk	Potential Impact
Physical Risks	Storms	Increased frequency of severe storms	Major disruption for customers and increased repair costs for networks and station assets
	Flooding	Increased riverine flooding and episodes of intense rainfall	Higher frequency of hundred year plus flood events on rivers with dams
	Flooding	Increased riverine, pluvial, and coastal flooding	Damage to network substations, customer outages. Damage to generation assets
	Changing weather patterns	Chronic changes in climate and weather patterns resulting in reduced wind speeds and lower river flows	Reduced renewable energy output and associated revenue

Transition Climate Risks and Opportunities

In line with the TCFD, and in preparation for annual reporting under the CSRD from 2025 onwards, ESB is continuing to provide information to support investors, lenders and insurance underwriters to appropriately assess ESB's risks related to climate change. In 2024, ESB conducted an assessment of climate-related transition risks and opportunities for two transition scenarios based on the International Energy Agency's World Energy Outlook 2024 (IEA-WEO 2024), one based on the Stated Policies Scenario and the second based on the Net Zero 2050 Scenario. Both scenarios align with Ireland's Climate Action Plan 2024 which assumes a 75% reduction in emissions from the electricity sector by 2030.

The Stated Policies Scenario accounts for current energy, climate and related industrial policies that are already in place or announced and to the extent that they are underpinned by adequate provisions for implementation. The Stated Policies Scenario is associated with a global temperature rise of 2.4°C by the end of the century. The Net Zero 2050 Scenario is a more ambitious scenario and provides a pathway for the global energy sector to achieve net zero CO₂ emissions by 2050 and is consistent with limiting global temperature rise to 1.5°C by the end of the century with limited overshoot.

Transition risks and opportunities have been assessed based on potential financial materiality for the current period and for both the Stated Policies and Net Zero 2050 Scenarios for two time horizons (2030 and 2050). The table below details the potentially most material risks and opportunities for ESB.

Type	Category	Risk/Opportunity	Potential Impact	Current	Stated Policies		Net Zero 2050	
				2024	2030	2050	2030	2050
Transition Risks	Policy	Pace of regulatory change	Potential delay in renewable energy and decarbonisation policies; mandates on and regulation of existing products and services	Significant	Significant	Significant	Significant	Critical
	Policy	Compliance with sustainability policy and regulatory exposure	Potential increase in costs to meet sustainability obligations and loss of value of existing gas generation assets due to regulatory exposure	Significant	Significant	Significant	Significant	Critical
	Technology	Pace of technological development and deployment	Potential delay in deployment of new low-carbon energy system, including network infrastructure	Informative	Significant	Critical	Critical	Critical
	Market	Volatility in supply chain	Increased costs and reduced availability of raw materials and services	Significant	Significant	Significant	Critical	Critical
Transition Opportunities	Products and Services	Development and expansion of new products and services to support increased electrification	Increased demand for electrification (heat and transport), EV charging infrastructure, and consumer production and consumption services	Important	Significant	Critical	Critical	Critical
	Policy/ Technology	New low-carbon energy system investment and development	Increased investment opportunities in zero-carbon generation, storage and network	Significant	Critical	Critical	Critical	Critical

Environment and Sustainability (continued)

4. Metrics and Targets

ESB's Greenhouse Gas (GHG)

Emissions

ESB's target of net-zero emissions by 2040 is as explained under Strategy on page 14.

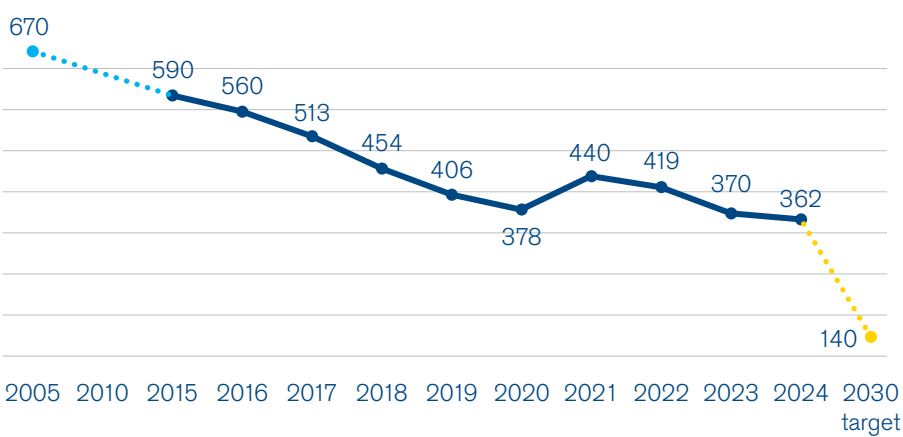
In 2005, when the EU's Emissions Trading System (EU ETS) was introduced, emissions were reported in respect of direct generation emissions only (c.14.6MtCO₂e). These emissions have reduced by 65% (c.9.5MtCO₂e) to 5.1MtCO₂e in 2024.

In 2023, ESB included GHG forecasting in its five-year Integrated Business Plan (IBP) process for the first time. The Board also set an ambitious internal target to reduce total ESB Group GHG emissions by 44% by 2028 (compared to 2022 levels) and 2024's updated business plan GHG projections for emissions over the period 2025-2029 are consistent with achieving this target.

ESB's Generation Carbon Intensity g/kWh

Considerable progress has been made in reducing the carbon intensity of generation, and ESB's carbon intensity from electricity generation reduced further to 362g CO₂e/kWh in 2024. This compares to a carbon intensity level of 670g CO₂e/kWh in 2005. ESB's target for 2030 is 140g CO₂e/kWh as shown on page 15.

ESB's Generation Carbon Intensity g/kWh*



Targets and Verification

ESB reports emissions based on the GHG Protocol methodology. Scope 1, 2 and 3 emissions are independently verified and reported annually. ESB's generation emissions are verified under the EU ETS and UK ETS and submitted to the relevant environmental protection authority annually. In addition, all other Scope 1, 2 and 3 emissions are verified to ISO14064-03.

ESB has since 2011 disclosed annually, on a voluntary basis, environment and sustainability information aligned to the Global Reporting Initiative (GRI) standards. Alignment with GRI standards is independently confirmed.

CSRD will change the need for and value of a standalone sustainability report. In the interim period before ESB reports under CSRD (from year ending December 2025), during 2024 ESB produced a data-centred version of its annual sustainability report focused on a Sustainability Data Disclosures Schedule for 2023 including metrics, a GRI cross reference index and an external review for GRI alignment. The Sustainability Data Disclosures for 2023 is available on the ESB website.

CDP Climate Change Disclosure

The CDP (formerly the Carbon Disclosure Project) underwent a major overhaul of their reporting platform and scoring approach during the 2024 disclosure cycle. ESB Group scored an A- in 2023, placing ESB's performance in the "Leadership" category, based on taking coordinated action on climate issues. At the time of publication, ESB's CDP score for 2024 was yet to be finalised, but will be published on our website when it becomes available.

Energy Management and Performance

ESB operates a group-wide energy management system for its buildings and transport fleet, which is certified to ISO50001:2018. In Q4 2024, the system successfully underwent a surveillance audit, maintaining their certification. ESB and other public bodies are subject to energy reduction targets under the transposition of the EU Energy Efficiency Directive SI426/2014, with amendments setting 2030 targets of a further 50% energy efficiency improvement and a 51% reduction in absolute carbon emissions associated with operational energy use. ESB's energy performance continues to progress, with a 56% cumulative energy reduction against baseline performance reported by the Sustainable Energy Authority of Ireland (SEAI). The energy management system will be used to drive further savings and performance improvements towards the 2030 energy and carbon targets.

* The output of joint venture projects is included in the carbon intensity calculations based on ESB's shareholding in the relevant entity. 2024 based on provisionally verified data.

The following tables report the energy associated with: (i) fuel inputs to thermal generation (by source) and (ii) operational energy usage as reported to SEAI under SI426/2014.

Operational Energy Consumption

Thermal Generation by Energy Source (GWh)*

	2024 (GWh)	2023 (GWh)	2022 (GWh)
Coal	1,867	3,659	6,561
Natural Gas	19,529	18,168	22,268
Oil	1,589	588	1,638

* Thermal generation fuel inputs data is reported for the current year. 2024 based on provisionally verified data.

Operational Energy (Primary Energy Equivalent (PEE) in kWh)**

	2023 (kWh PEE)	2022 (kWh PEE)	2021 (kWh PEE)
Electricity	36,991,956	40,097,212	38,215,335
Thermal	2,512,705	2,701,927	2,202,356
Transport	50,468,111	50,703,775	51,906,413

Energy Performance Indicator (EnPI) **

	2023	2022	2021
kWh/FTE Employee	13,463	15,150	15,467
% improvement against energy baseline	55.7%	50.2%	49.2%

** Operational Energy Consumption is reported to SEAI under public sector energy efficiency regulations (SI426/2014). 2023 consumption data reflects 2024 SEAI reporting cycle.



People

People Strategy at ESB:
Enable the culture and capability required for sustained performance, where everyone can make a difference to achieve net zero by 2040.

ESB's People Strategy is designed to attract, grow and retain the people we need to achieve ESB's ambitious net zero strategy. The priorities and initiatives under the eight goals of our People Strategy evolve in response to changing business needs, external environment and employee voice. The key areas of focus in 2024 for a number of these are described below.

ESB People Strategy – Building Blocks



‘At ESB, our success is rooted in people and the talent and behaviour of our people sets us apart. By nurturing and growing talent in ESB in a caring, inclusive and safe work environment, we grow and adapt to build a brighter future for our people, our customers and our communities.’

Sinéad Kilkelly
Executive Director,
People and Sustainability

Enabling Sustainable Transformation:
By engaging together and putting people at the centre of our decisions, we will transform and be empowered to do great work in new and sustainable ways

Transforming how ESB operates is critical as the organisation scales up to deliver on its net zero target. It requires innovative approaches, building on strengths and leveraging new technologies. All parts of the business in ESB are transforming, focusing on customer and employee experience, to ensure ESB is set up for the challenges ahead. The People function in ESB is undergoing its own transformation to ensure that it is enabling the business to deliver net zero by 2040 through agile, effective and responsive HR.

Compelling Proposition: Refining and communicating a compelling and future focused proposition, linked to ESB's purpose and values, to engage our people

'Our People Promise' (ESB's employee value proposition) is grounded in ESB's values and in creating a positive and flexible environment where everyone feels safe, empowered and that they truly belong.

ESB offers a competitive reward package together with comprehensive employee benefits and supports including health, wellbeing and diversity initiatives, family supports and flexible working arrangements. ESB operates a hybrid working model for office-based employees, providing flexibility to find the right balance between in-person and virtual (remote) working which is based on expectations and trust rather than a mandated approach. There is a commitment to career progression together with supports for ongoing development and every employee is expected to have a development plan.

ESB cares about the issues that our employees are interested in and provides volunteering opportunities and generous charitable contributions matching.

ESB seeks to understand how people feel about life in ESB through two-way engagement, focus groups and Our Voice employee surveys. This helps inform how ESB can improve its employee experience and live Our People Promise. The employee engagement score for 2024 is 7.6/10, a continuing upward trend on prior years.

ESB is an equal opportunity employer and respects each employee's right to associate and be a member of a Trade Union. ESB recognises and engages in collective bargaining with a number of accredited Trade Unions (the ESB Group of Unions). As part of the internal grievance procedures, an Industrial Council is utilised which includes management and employee representatives and is chaired by an external independent chair. As part of ESB's pay cycle, a three year pay agreement was reached for approximately 6,200 employees effective 1 January 2025.

Strengthening our Values-Based Culture: Connecting our people with ESB purpose, strategy, values and behaviours, placing them at the heart of the way we work and engage with each other

ESB's four values of being courageous, caring, driven and trusted underpin the way we work and the decisions we make in delivering for our customers and communities. In 2024, ESB developed a new culture framework, recognising the need to be intentional about culture and set clear direction about the behaviours, grounded in our values, that will maintain and strengthen ESB's strong culture for the future. The framework was developed in collaboration with people and teams across the organisation, against the backdrop of complex transformation underway in ESB and with consideration of the changing external environment that ESB is operating in.

The framework sets out five priority behaviours, that amplify ESB's four values and set the standard for the way we work and serve ESB's customers and communities. This will ensure an integrated approach to culture change across the organisation, supporting delivery of the net zero strategy.



People (continued)

Embedding culture behaviours started in 2024 with the launch of a programme called “Leading through our Values” which is being rolled out for all 1,400 people managers in ESB. This programme builds core leadership skills such as story-telling, deepening the understanding of how behaviours create the culture for sustained performance, where every individual feels valued, supported and empowered to contribute their best. In 2025, ESB will continue to embed the culture framework across the organisation, including through our people processes, ensuring that we connect everyone with ESB’s purpose, ambitious strategy and values.

Growing and Evolving Skills and Capability: Implementing a future facing, sustainable approach to grow key workforce and organisational capability and competence

ESB’s People Strategy is delivered through the Talent Management Framework in attracting, developing and retaining a high performing talent pool. ESB is committed to the personal and professional development of all employees and continuously enhances the company’s development plans and learning programmes to support continuous growth and sustainable skills building. Employees can grow and thrive with access to ongoing skills development, coaching

and mentoring programmes, innovation incubator programmes, rotations and funding for professional development, amongst other initiatives. ESB will continue to develop leadership capability at all levels across the organisation.

Recognising the importance of the coaching style of leadership for personal performance and development, since 2020 ESB has invested in an extensive internal coaching and mentoring programme. There are now 225 trained coaches and mentors across the company. The impact of the programme was recognised during 2024 with ESB receiving the Global Coaching Award 2023 from the European Mentoring and Coaching Council (EMCC).

ESB’s Graduate Programme is a key component of ESB’s Early Careers Strategy to build the future talent pipeline. In 2024, ESB welcomed an unprecedented number of graduates (104) across a range of disciplines. ESB also recruits in the region of 130 apprentices every year, including c.100 onto the ESB Networks Apprenticeship Programme. ESB also focuses on pathways to encourage young people into STEM. ESB is national sponsor of Science Blast which reached over 16,825 primary school children from 412 schools across Ireland in 2024.

Fostering Diversity, Equity and Inclusion (DEI): ESB’s DEI strategic goal is to build and sustain an increasingly diverse workforce, with equality of opportunity and an agile culture of inclusion and belonging so that together we can make a difference and deliver a brighter net future for all

DEI is a business imperative for ESB. While ESB has set specific targets for gender and the employment of people with disabilities, our strategy is to increase all aspects of the diversity of ESB’s workforce.

ESB has set a target of 30% women across the workforce by 2025. ESB is also committed to the public sector target of 4.5% employees with disabilities by 2024, rising to 6% by 2025. Publishing Gender Pay Gap (GPG) data helps to reinforce ESB’s focus on increasing diversity and equity, supporting an open and inclusive workplace. Current diversity and GPG metrics for ESB Group are as outlined in the table opposite and highlights include:

- ESB’s mean GPG for 2024 is 11%, a similar result to prior years, albeit an increase of 0.4% on 2023. When overtime and role specific allowances are excluded, the mean GPG falls to 3.0%. The median GPG is just 0.3%.

- The primary driver of ESB’s GPG is the lower representation of women across STEM roles (in particular network technicians), where due to the nature of the work, many roles with overtime and role specific allowances apply. In 2024, the GPG was negatively impacted by the increasing number and scale of major storm related events, resulting in additional overtime costs related to restoration of electricity supply, which is work completed by ESB Networks’ predominantly male workforce

There are lower numbers of women represented across ESB (27%), though this number is increasing over time. To further reduce GPG and increase representation, ESB is particularly focused on attracting more women into electrical and other craft apprenticeships, graduate programmes, engineering, technology and other STEM roles. ESB recognises that achieving this requires progressing its own programmes and a continued, concerted focus nationally at primary, secondary and third level education to encourage more females towards the opportunities and careers available in STEM.

ESB’s DEI Strategy has a wide range of initiatives including:

- Ensuring diverse talent is attracted by reviewing recruitment policies and practices and leveraging existing and new partnerships such as OpenDoors, Business in the Community (BITC), ASiAM and AHEAD.
- Introduction of the ‘Inclusion Principle’ for representation at interview stage: 40% women, 40% men, 20% any gender. This principle applies to both internal and external recruitment and progression processes.
- Completion of a pilot career development initiative, designed by women, for women. This programme ‘Pathways to Success’ aims to support women in building their personal brand, in their ongoing personal development and navigating their careers at ESB. The programme will be available for all women below senior management in 2025.
- ESB’s four Employee Resource Groups - BeMe@ESB LGBT+, gender, accessibility, and culture, diversity and ethnicity - continue to implement initiatives and inform ESB’s DEI Strategy.

GPG Reporting

	ROI (including overtime) ¹		ROI (excluding overtime) ¹		NIE Networks ²		So Energy ³	
	2024	2023	2024	2023	2024	2023	2024	2023
Mean GPG	11.0%	10.6%	3.0%	2.6%	6.2%	8.8%	14.5%	23.2%
Median GPG	10.6%	10.3%	0.3%	0.2%	1.2%	10.3%	0.3%	0.0%

- Reflects the requirements of Irish Gender Pay Gap Information Act, 2021 (and covers the 12-month reporting period ending 30 June 2024). ESB’s GPG report in full can be found on ESB’s website.
- While UK GPG requirements have been in place since 2017, there is currently no legal requirement in Northern Ireland to report on this. Calculations are based on salary data (basic pay) covering the 12-month reporting period ending 5 April 2024. In addition to the above, the mean bonus GPG is 11.4% (2023: 16.3%) and median bonus GPG is -7.09% (2023: 9.4%).
- Reflects the requirements of The Equality Action (Gender Pay Gap Information) Regulations 2017 (and covers the 12-month reporting period ending 5 April 2024). In addition to the above, the mean bonus GPG is 22% (2023: 19.8%) and median bonus GPG is 16% (2023: 2.2%).

Note: GPG reporting for ESB’s other UK employees (i.e. excluding NIE Networks and So Energy) is not currently completed as ESB does not meet the 250 employee threshold on the snapshot date.

Other reporting

	ROI		NIE Networks		So Energy	
	2024	2023	2024	2023	2024	2023
Female	27% ¹	27%	21% ³	20%	39% ⁴	38% ⁴
Senior Management Female	35% ¹	33%	39% ³	38%	31% ⁴	21% ⁴
Employees with disabilities	6% ²	4%	Not available		6% ⁵	4%

- Based on actual headcount as per GPG snapshot reporting date of 30 June 2024. Senior management includes all female employees in ESB’s senior level pay bands.
- Aligning with the Disability Act, 2005, this includes employees with a substantial restriction (both visible and non-apparent) in their capacity to carry on a profession, business or occupation or to participate in social or cultural life by reason of an enduring physical, sensory, mental health or intellectual impairment. Based on actual headcount as at 31 December 2024. Results derived from a survey which employees voluntarily responded to and a response rate of 35% (2023: 38%) was achieved. Figures are rounded up from 5.7% and 3.8% respectively.
- Based on actual headcount as per GPG snapshot reporting date of 5 April 2024. Senior management includes all females in roles classed as a senior manager role and excludes the executive team.
- Based on actual headcount as per GPG snapshot reporting date of 5 April 2024. Senior management is all females at the level of SLT-1 (Senior Leadership Team). 2023 comparatives have been restated to ensure consistency with current year presentation.
- Based on employees who have self-identified as having a disability.

ESB’s Culture Framework



- ESB has been awarded the highest level of bronze accreditation for DEI maturity by the Irish Centre for Diversity and is applying for silver accreditation in 2025.
- A Traineeship Programme for People with Disabilities is delivered through ESB’s longstanding partnership with AHEAD’s Willing, Able and Mentoring Programme for graduates with disabilities. Since its commencement, over 170 people have taken part in the six-month programme in ESB.
- Continued rollout of ESB’s Parenting Transition Programme – an evidence-based, award-winning, coaching-based programme to support successful transitions for all new parents, whatever their journey to parenthood has been.
- ESB has commenced two new three-year partnerships in 2024 through its social impact Energy for Generations

Fund. The first is with BITC supporting the EPIC programme, designed to support migrant jobseekers secure employment. The second partnership is with TuDublin supporting TrailblazHER, a programme designed to develop and embed initiatives that advance gender equality for females. Further details are outlined in the Community section on page 80.

Human Rights Due Diligence

ESB is in the process of establishing a formal Human Rights Due Diligence Process which is in line with UN Guiding Principles and OECD Guidelines. The Due Diligence Process will be embedded in the business in 2025. Refer to the Human Rights section on page 82 for more information.

Health, Safety and Wellbeing

Overview

ESB’s Board, management and employees are committed to protecting the health and safety of employees, customers, contractors, and the people ESB serves; their safety is always considered first in business actions and activities. ESB believes that all operational processes can be designed and operated in a safe manner. This belief guides the approach to safety across all business activities and is reinforced through strong and visible leadership throughout ESB.

The Chief Executive has overall responsibility for the management of health, safety and wellbeing in ESB. The ESB Group Safety Statement sets out the overall policy and general arrangements in ensuring the health, safety and wellbeing of all employees. Functional responsibility is shared with all senior management and, in turn, with each manager, supervisor, team leader and employee. The Safety, Sustainability and Culture Committee supports the Board’s monitoring and governance of health, safety and wellbeing. Further details of the Safety, Sustainability and Culture Committee are outlined on page 129.

Safety Performance in 2024

ESB uses the following leading Key Performance Indicators (KPIs) to track safety performance:

1	Good Catch Reporting:	A Good Catch is where an employee or contractor intervenes when they notice an unsafe act or unsafe condition. This helps to prevent a safety incident from occurring. 11,901 Good Catches were reported across the organisation during 2024, exceeding the KPI target.
2	P1 Investigation Closure:	A P1 incident is an incident which has the potential to cause life changing injuries. ESB categorises all incidents and near misses with a particular focus on high potential incidents that could lead to more serious outcomes. All P1 incidents are thoroughly investigated. The P1 investigation closure KPI reports on the timely completion of investigations. This KPI target was exceeded at the end of 2024 achieving an average of 82% on-time closure rate per month.
3	P1 Action Closure	When a P1 incident is investigated the findings often result in corrective actions. This KPI tracks the timely completion of all actions associated with P1 incidents. The P1 action closure target was exceeded in 2024 achieving an average of 86% closure rate per month.
4	Senior Management Leadership Activities	All senior managers in ESB are expected to demonstrate their safety leadership by conducting leadership activities each month. This KPI tracks completion of these activities. The senior management leadership activities target was exceeded at the end of 2024 achieving an average of 82% completion rate per month.
5	Audit Non-Conformity Closure	ESB is certified to externally accredited Safety Management Systems (SMS). Non-conformities associated with external audits of these SMS are tracked for on-time completion. All actions were completed on time in 2024.

Lost Time Injuries

Lost Time Injuries (LTIs) are occupational injuries which result in at least one day’s absence from work, not including the day that the injury occurred. The number of LTIs in 2024 was 85 compared to 87 in 2023, 61 in 2022 and 69 in 2021. This number includes contractor employees where ESB is a client and/or employer for the work being undertaken. Details of Employee LTIs can be found in Key Performance Indicators on page 61. The majority of LTIs were of low severity where the injured parties made a full recovery and quickly returned to work. The most common causes of LTIs were manual handling and slips, trips and falls.

High Potential Incidents (P1)

In 2024, 159 P1 incidents were recorded (2023: 183, 2022: 167 and 2021: 135). ESB investigates all P1 incidents to identify the causes and prevent recurrence. The most common hazards that lead to P1 incidents are electrical plant, equipment, and overhead lines. Human error is also the cause of many incidents.

ESB continues to invest in initiatives to reduce the risk of injury to our employees and contractors.

Public Safety

During 2024, ESB Networks continued to implement its Public Safety Strategy (2021–2025). This strategy sees the introduction of a management system framework approach to public safety. The strategy focuses on engagement and collaboration with key identified at-risk groups including the farming sector, construction industry, emergency services as well as informing the general public on the need to stay safe and stay clear of the electricity network via various media channels. The ESB Networks 24/7/365 emergency response service operated to the highest standards to ensure public safety. In 2024, an independent audit of the ESB Networks Public Safety Management Programme on behalf of the Commission for the Regulation of Utilities (CRU) was completed for its transmission asset owner activities, with zero non-conformances recorded.

There were no fatalities in 2024 involving members of the public and the electricity network maintained by ESB Networks, as has been the case for the previous eight years. However, there were 14 incidents of

contact with the network by members of the public that resulted in electric shock, six of which required hospital treatment.

In Northern Ireland, aspects of NIE Networks’ Public Safety Programme with the theme of “Look Out, Look Up” were delivered through a TV advertising campaign, radio messages, printed media and associated digital adverts. The TV and radio messaging was designed to give a spread across various demographics including the agricultural sector, and the print media included both mainstream and specific agricultural publications. This approach allowed NIE Networks to split its two main messages for agricultural/ farm safety and DIY thus reaching a higher audience number. In 2024, safety presentations were also delivered to contractors across the industry including other utilities and their contracting partners. The ‘Fish Safe’ campaign was also refreshed with new video content and new leaflet updates and was promoted via social media. The Public Safety Programme for 2024 allowed NIE Networks to deliver relevant safety messages to children through school visits and attending Council run BeeSafe events. The KidzSafe presentation was updated to incorporate more video elements to encourage more engagement and understanding of relevant NIE safety messages appropriate for the target audience.

Safe and Sound/Safer Together

Safe and Sound is ESB’s safety and wellbeing culture transformation programme. In 2024, ESB continued to develop Safe and Sound as part of its Leadership Academy, with employees taking part in leadership skills and culture development programmes.

NIE Networks continues to work with the culture transformation programme, ‘Safer Together’, which has been reinforced through strong and visible leadership and the development of a series of safety improvements since 2020. Internal capabilities have been built through the Safety, Culture and Leadership Coaches to ensure a sustained cultural journey and maintain and grow leadership teams and build on current foundations.

Key initiatives and programmes implemented or continued in 2024

- Business units maintained their SMS certification to ISO45001 standard
- ‘Good Catch’ proactive safety, health and wellbeing interventions encourage everyone to take responsibility for safety and wellbeing across ESB
- Centres of Competence provide leadership and direction to manage key safety and wellbeing risks
- Continued progress on improving safety performance through delivery of key improvement projects
- Principal risks and their management are reviewed and reported quarterly to the Group Risk Manager and the Audit and Risk Committee
- The Competence and Assurance Team continue to expand work activities covering all ESB Networks’ work programme activities
- Management of risks associated with fire, chemicals and asbestos is leading to improved risk mitigation
- The Culture Transformation Programme continues to be embedded throughout the organisation
- Road safety programmes and initiatives continue to be delivered to at-risk groups and stakeholders
- Continued investment in proactive health and wellbeing programmes

Community

Stepping forward on social responsibility is a key element of ESB's sustainability strategy. This means ensuring that ESB has a positive impact on the communities we serve. Since its foundation in 1927, ESB has supported communities and programmes that enhance the economic and social fabric of Ireland, helping to bring light and energy to the people it serves, allowing individuals and communities to fulfil their potential.

Community Support

Throughout 2024, ESB has invested over €2 million through its social programmes aimed at community support. This included €1 million from the Energy for Generations Fund¹, €0.3 million via ElectricAid and approximately a further €1 million via the Wind Farm Community Fund.

Energy For Generations (EFG) Fund

EFG is ESB's social giving fund, providing a wide range of support across projects within communities on the island of Ireland, with an annual budget of approximately €1 million. In 2024, the fund supported 62 projects focusing on three themes - Fighting Homelessness, Preventing Suicide, and Social Inclusion: Access to Education and Access to Employment.

Through EFG, ESB has commenced two new three-year strategic partnerships:

- EPIC, a Business in the Community (BITC) Ireland initiative, supports migrants obtain jobs in Ireland. This is a free six-week online training and education programme taught in English. The programme aims to help people with high barriers to employment, particularly asylum seekers, migrants, and refugees to get a foothold in the employment market, develop their skills, look for work and integrate into Irish society. In 2024, c.200 migrants took part in the programme, with 70% either obtaining employment or further education.

- TrailblazHER, with TuDublin, embeds initiatives that advance gender equality in sectors where women are significantly underrepresented. It is a community of people, organisations and enterprises who share a commitment to advancing gender equality in STEM (Science, Technology, Engineering and Mathematics) education and in the workplace. The partnership supports ESB's Diversity, Equity and Inclusion Strategy, recruitment objectives and links to existing pillars of investment in STEM. It provides a broad complement of experiences designed to engage female students in secondary and third level education, alumni, and innovators, supporting them as they approach the unique challenges women face as job seekers, job creators and leaders.

In addition to the above, EFG provided funding over the Christmas period to a wide range of charities including Capuchin Day Centre, St Patrick's Hostel Limerick, Cork Penny Dinners, Focus Ireland, and ISPCC.

International Community Support

ESB is a proud corporate partner of ESB and Eirgrid's staff social justice fund ElectricAid, a charity established by employees of ESB in 1987. Today, ElectricAid has a membership of c.2,000 serving and retired employees, with donations matched by ESB on a 2:3 ratio to a ceiling of €300,000 annually. In 2024,

ElectricAid provided funding of c.€942,000 to 86 projects within 37 countries. Each project directly addressed one or more of the United Nations Sustainable Development Goals. Additional funding was also provided for emergency humanitarian relief. Total funding released in 2024 amounted to €992,000 (including €50,000 to BITC Ireland to support volunteering programmes, Time to Read and Time to Count). A copy of the ElectricAid Annual Report is available from the ElectricAid website – www.electricaid.ie.

Employee Volunteering

Employees in ESB volunteer in many ways from the management of the EFG Fund and ElectricAid, to getting involved in a variety of volunteering initiatives and organising fundraising events. When ESB employees volunteer over 20 hours of their time per annum or fundraise at least €250 with a registered charity, they can apply to the EFG fund for a grant of €250 for that organisation, increased to €500 for the support of refugees.

ESB partners with BITC in both primary and secondary schools throughout Ireland, enabling employees to volunteer in the Time to Read, Time to Count and World of Work programmes. These programmes aim to improve literacy and numeracy skills in primary schools and prepare secondary school students for the world of work. In 2024, 139 ESB employees volunteered c.3,000 hours on these initiatives, supporting 224 students nationwide.

So Energy, ESB's Great Britain (GB) retail business, also has several initiatives to support employee volunteering. So Energy support employees to give blood during work hours twice a year under the Giving Blood programme. In addition, So Energy

will match employee donations from £50 to £2,000 up to an annual maximum of £6,000 under the So Charitable programme. Also, under the So Giving programme, So Energy offers three paid days a year for each employee to volunteer at charities, with a particular focus on environmental charities. In 2024, So Energy hosted 10 philanthropic events and teams logged over 250 hours of giving.

NIE Networks continues to be a member of BITC supporting many of their local projects and initiatives. BITC also support NIE Networks' diversity and inclusion journey in relation to ethnicity and age. NIE Networks partners with Disability Action, Autism Northern Ireland (NI) and Cara Friend through the Diversity and Inclusion Forum and employee resource groups. Donations have been made to each of these charities on behalf of employees. NIE Networks support these charities' clients through a range of initiatives, and with the NOW Group (a social enterprise supporting people with learning difficulties and autism) to roll out Just a Minute (JAM) training to NIE Networks' frontline employees. During 2024, employees raised over £10,000 for a number of local charities across Northern Ireland, as nominated by employees. Charitable giving by employees is also promoted through the Staff and Pensioners' Charity Fund, to which NIE Networks contributed £10,000 during the year. In 2024, the fund donated £33,000 to local charities. Through other partnerships with the Royal Society for the Protection of Birds (RSPB) and Ulster Wildlife, employees have volunteered their time to support several local environmental initiatives.

Wind Farm Community Fund

ESB's subsidiary wind farm companies operate in Ireland, NI and GB. ESB's Wind Farm Community Fund makes over €1 million available to communities neighbouring its wind farm sites for the development of local infrastructure and services for the benefit of communities. ESB's intention is that its wind farm investments will deliver long-term social, economic, and environmental benefits to the communities it serves.

Sponsorship

The Group manages an active sponsorship portfolio including the following:

ESB Science Blast

ESB Science Blast is a free and non-competitive educational programme, delivered by the RDS, which empowers primary school children, from 3rd to 6th class (Republic of Ireland) and Key Stage 2 (NI), to work together as a class to investigate the science behind a simple question. Their findings are presented at one of three showcase events in Dublin, Limerick, and Belfast. 2024 saw 673 school submissions and 16,825 children participating in the programme.

Quavers to Quadratics

Quavers to Quadratics is an innovative educational programme that explores the intersection of the worlds of music and science through a series of hands-on workshops. Delivered by the National Concert Hall, University College Dublin and Trinity College Dublin Schools of Education, the programme brings the science of music into primary-level classrooms.

Arts Partnerships

ESB collaborates with artists and arts organisations to engage communities around sustainability, climate change and the energy transition. In 2024, this included Future Limerick, a week-long festival exploring the climate crisis through the arts, presented by Sunday's Child in association with Lime Tree Belltable. Bringing together local audiences and artists to creatively engage on building a sustainable future, the programme featured climate-themed theatre, music, and poetry, attracting over 900 attendees and supporting 40 artists.

Pieta Darkness into Light

Pieta is one of Ireland's leading mental health charities, providing free, accessible support to people affected by suicide and self-harm in communities across Ireland. The 5 km 'Darkness into Light' walk is held each year to raise funds for Pieta. Electric Ireland has proudly supported Darkness into Light for more than a decade, and, in 2024, the event raised €4.5 million with over 98,000 people participating.

Young St Vincent de Paul

Electric Ireland sponsors St Vincent de Paul's (SVP's) Youth Development Programme designed for use in school and

youth groups. The Young SVP Programme aims to educate 4th and 5th year students about social justice and provide them with an opportunity to take part in social action projects in their local communities.

GAA Higher Education Championships and Leagues

Sponsored by Electric Ireland, the GAA Higher Education Championships involve over 7,000 players from universities and institutes around Ireland, annually competing for the Sigerson and Fitzgibbon Cups, alongside other Higher Education Leagues, and Championships.

GAA Minor Championships and the Celtic Challenge

Electric Ireland has long supported the development of future inter-county stars across the country through its sponsorship of the GAA Minor Championships and continues to successfully do so through its Minor Moments #ThisIsMajor campaign. Electric Ireland also sponsors the GAA Celtic Challenge, a developmental hurling competition which plays a crucial role in the GAA's Player Pathway for all 32 counties.

Women's Football in NI

Electric Ireland, in partnership with the Irish Football Association (IFA), continued to sponsor women's and girls' football across all levels in NI throughout 2024. Through its Game Changers campaign, it has worked to increase participation, attendance at games and media coverage.

Camogie Minor Championships and Third Level Championships

Through partnership with The Camogie Association, Electric Ireland supports the game across grassroots, Higher Education and intercounty levels, and is the title sponsor of the Electric Ireland Camogie All-Ireland Minor Championships, the Electric Ireland Camogie Third Level Championships, and the Camogie Association's 'Hurl with Me' programme. 'Hurl With Me' is a four-week programme for 7–10 year-old girls which encourages parents and their daughters to get involved in camogie and learn the basic skills through expert coaching and mentoring. This partnership aims to develop and promote camogie at all levels by inspiring current and future generations to preserve the game's long-standing heritage.



1 In addition to the above, ESB provides financial support to the Business in the Community volunteering programmes ("Time to Read" and "Time to Count").

Human Rights

ESB has committed to respect human rights, and to implement and enforce effective control measures in its operations, supply chain and in the communities and locations in which ESB operates to ensure human rights abuses are not taking place. This commitment is supported by a range of policies and by ESB's employee Code of Ethics ("Our Code").

In 2024, ESB began the process of establishing a structured Human Rights Due Diligence (HRDD) process, to help ESB to identify and manage any potential and actual adverse human rights impacts caused or associated with its business activities. ESB's HRDD process is designed in line with UN Guiding Principles on Business and Human Rights (UNGPs) and OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. It incorporates six core components:

1. Embedding responsible business conduct into policies and management systems
2. Identifying and assessing adverse impacts in operations, supply chains and business relationships
3. Ceasing, preventing or mitigating adverse impacts
4. Tracking implementation and results
5. Communicating how impacts are addressed
6. Providing for or co-operating in remediation when appropriate

As part of the HRDD process, ESB has conducted a human rights saliency assessment¹ to help better understand its human rights impacts. ESB's approach to saliency is aligned with UNGPs which state that the saliency of a human rights issue is determined by its significance and importance to stakeholders who may be affected by a company's activities, and which emphasise the importance of identifying and prioritising human rights issues based on their potential severity (i.e. scope, scale and remediability), as well as their likelihood.

Human Rights Assessment

ESB also assessed its business areas and locations to identify potential human rights issues and risks and preventive measures, both within the Group and in its supply

chain. ESB's assessment of the potential human rights and equality issues (relating to business activities) and the policies, plans and actions in place or proposed to address those issues in compliance with Section 42(s) of the Irish Human Rights and Equality Act, 2014, is published separately on ESB's website.

Supply Chain

ESB is committed to respecting human rights and to implementing and enforcing effective control measures in its operations, supply chain, and in the communities and locations in which ESB operates taking steps to prevent and address human rights abuses. ESB is also in the process of establishing a structured HRDD process.

ESB remains engaged in a formal complaint resolution process in relation to the Cerrejón mine with the Global Legal Action Network and other Non-Governmental Organisations (NGOs). This complaint is being managed by Ireland's National Contact Point (NCP) for the OECD's Guidelines for Multinational Enterprises on Responsible Business Conduct. NCP is currently formulating its final assessment. ESB works proactively in collaboration with major coal buyers through the Bettercoal industry group and is an active participant on Bettercoal's Colombia Working Group. ESB is committed to ceasing the use of coal at its Moneypoint station by the end of 2025.

Modern Slavery

ESB has a zero-tolerance approach to the abuse of human rights including human trafficking and modern slavery, which are criminal offences under Irish and United Kingdom (UK) law. In accordance with the UK Modern Slavery Act, 2015, ESB publishes an annual statement (available on the ESB website) setting out the steps taken during the previous financial year to ensure that slavery and human trafficking is not operating within ESB's own business or its supply chains. No incidents of modern slavery have been found to date through the due diligence process.

OECD Due Diligence Process and Supporting Measures



1. Salient human rights issues are defined in the Glossary on page 269.

Source: OECD Due Diligence Guidance for Responsible Business Conduct 2018, Page 21



EU Taxonomy Regulation

The EU Taxonomy

The European Commission has established a classification system of environmentally sustainable economic activities known as the “EU Taxonomy”. This list of activities, which can be considered sustainable, is an important enabler to supporting the scaling up of sustainable investment and the implementation of the European Green Deal.

The EU Taxonomy Regulation establishes six environmental objectives as follows:

- 1. Climate change mitigation
- 2. Climate change adaptation
- 3. The sustainable use and protection of water and marine resources
- 4. The transition to a circular economy
- 5. Pollution prevention and control
- 6. The protection and restoration of biodiversity and ecosystems

The Commission adopted the Climate Delegated Act in June 2021 establishing the criteria that define which activities substantially contribute to the first two of the above objectives. A Complementary Delegated Act, amending the Climate Delegated Act, was published in February 2022 and effective from 1 January 2023, which brings into scope specific reporting obligations for gas and nuclear activities. In June 2023, the Environmental and Climate Delegated Act was adopted relating to economic activities which contribute to the final four of the above objectives and is effective since 1 January 2024, making all six environmental objectives in scope for 2024 reporting. Collectively these Acts are referred to as the Delegated Acts throughout this section.

A Taxonomy-Eligible activity is one that is listed in the Delegated Acts, irrespective of whether the economic activity meets the criteria to become Taxonomy-Aligned. An activity shall qualify as a Taxonomy-Aligned economic activity if it:

- 1. Is carried out in compliance with minimum safeguards
- 2. Complies with technical screening criteria (specific environmental performance requirements) that have been established by the Commission, including that it:
 - contributes substantially to one or more of the above environmental objectives
 - does not significantly harm (DNSH) any of the above environmental objectives

The EU Taxonomy requires Key Performance Indicators (KPIs) to be disclosed relating to the share of Turnover, CapEx and OpEx associated with activities that are Taxonomy-Aligned, Taxonomy-Eligible but not Taxonomy-Aligned (i.e. Taxonomy-Eligible but not environmentally sustainable activities) and Taxonomy Non-Eligible (i.e. an activity not described in the Delegated Acts).

ESB's EU Taxonomy Work to Date

ESB seeks to follow best practice in reporting on Environmental, Social and Governance (ESG) information and has elected to disclose on a voluntary basis under the EU Taxonomy, although as a statutory body ESB is not currently subject to the provisions of the relevant regulations. ESB's EU Taxonomy disclosures comply with the requirements of the Delegated Acts. ESB has undertaken an assessment of all significant economic activities and classified which of these can be categorised as 'Taxonomy-Aligned', 'Taxonomy-Eligible but not Taxonomy-Aligned' and 'Taxonomy Non-Eligible'.

It should be noted that guidance on the application of the EU Taxonomy continues to evolve and varying interpretations of the EU Taxonomy application are emerging. Therefore, judgement must be applied in interpreting some requirements and it is on this basis that an assessment of eligibility and alignment with the EU Taxonomy has been completed. ESB will develop its eligibility and alignment assessments further in future years as further guidance becomes available and industry practice evolves. As such, the KPIs and tables presented represent ESB's current interpretation of the requirements of the Delegated Acts.

Changing temperature	Storms	Fluvial flooding
Heat stress/heat wave	Changing precipitation	Coastal erosion
Cold wave/frost	Sea level rise/coastal flooding	Landslide
Wildfire	Drought/water stress	Lightning
Changing wind patterns	Heavy precipitation/pluvial flooding	

The assessment of risk posed by the Relevant Hazards to the Eligible Assets, and by extension Taxonomy-Eligible Activities, was undertaken and considered both exposure and vulnerability factors under two Intergovernmental Panel on Climate Change scenarios (RCP2.6 (likely range: 1.3°C to 2.4°C) and RCP8.5 (likely range: 3.3°C to 5.7°C)). Further details of these reviews are set out on pages 70 and 71.

Eligibility and Alignment (Technical Screening and DNSH) Assessment

In 2024, ESB identified the activities which were deemed to be Taxonomy-Eligible by comparing ESB's activities to the definitions set out in the Delegated Acts. This built on the list of Taxonomy-Eligible activities identified in previous years, considering which of these activities remained relevant and if there were further activities which could be considered Taxonomy-Eligible.

ESB then performed an assessment as to which activities could be deemed to be Taxonomy-Aligned. As per the Delegated Acts, this included an assessment for each activities' compliance with the alignment criteria set out opposite. Climate change mitigation has been identified as the most relevant climate objective to ESB and therefore each activity was assessed against the technical screening criteria for this objective. In this way, ESB has ensured no double counting across a number of environmental objectives.

ESB completed the physical climate risk and vulnerability assessments required under the DNSH criteria for climate change adaptation. A robust climate risk and vulnerability assessment was performed in 2023 for assets associated with Taxonomy-Eligible activities (“Eligible Assets”) and the hazards that are most relevant to these assets based on their location and operation (“Relevant Hazards”). An additional assessment was performed in 2024 for any new Eligible Assets to identify Relevant Hazards. These assessments identified 14 Relevant Hazards, as follows:

Materiality

In the absence of clear guidance related to materiality thresholds for EU Taxonomy reporting, ESB has applied management judgement regarding the activities and values which would have a material impact on the KPIs presented. While certain activities were excluded from the Taxonomy-Eligible assessment on materiality grounds, ESB is satisfied that activities which are material to ESB's operations have been included.

In addition, certain activities were excluded from the Taxonomy-Aligned assessment to the extent that they would have an immaterial impact on the KPIs disclosed. Notably, those related to the installation, maintenance and repair of renewable energy technologies in ESB's Smart Energy Services business, have been included as Taxonomy-Eligible but not as Taxonomy-Aligned given the volume and materiality of individual projects (relative to the impact on the KPIs reported) and the effort involved in ensuring alignment criteria are met in all cases.

Minimum Safeguards Assessment (Group Level)

The EU Taxonomy establishes a set of minimum safeguards against which organisations must assess their economic activities to ensure compliance with the following international standards and guidelines:

- 1. The OECD Guidelines for Multinational Enterprises on Responsible Business Conduct;
- 2. The UN Guiding Principles on Business and Human Rights;
- 3. The principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work; and
- 4. The International Bill of Human Rights.

In 2023, ESB undertook an in-depth Group-level minimum safeguards assessment and in doing so considered the requirements of the international standards and guidelines listed above, along with the Final Report on Minimum Safeguards by the Platform on Sustainable Finance (PSF). ESB reviewed compliance with each of the substantive minimum safeguards topics in 2024 in light of developments in the business during the

year. The following is a summary of the results of ESB's assessment in respect of the substantive minimum safeguards topics:

Substantive Topic	Comments	Assessment
Human rights including labour and consumer rights	ESB is committed to respecting all internationally recognised human rights as set out in the Board Members' Report on page 134, with further detail in the Planet, Place, People section starting on page 63 and on the ESB website. This commitment is underpinned by adopting and embedding human rights into policies and procedures such as ESB's Policy on Human Rights, Modern Slavery Policy and ESB's Code of Ethics (Our Code).	Criteria substantially met
Bribery, bribe solicitation and extortion	Whistleblowing and Protected Disclosures, and Anti-Bribery, Anti-Corruption and Fraud Prevention Policies are in place which detail the safeguards and controls to mitigate and reduce risks in this regard, including the allocation of roles and responsibilities to specific individual roles. Both policies were updated during 2024.	Criteria met
Fair Competition	Our Code sets out ESB's principles in relation to competition, notably that ESB never unfairly or illegally competes in any market in which it operates. ESB Group's Procurement Policy and Competition Law Compliance Manual are key documents in this regard. Guidance and training is made available to employees so that high standards are maintained.	Criteria met
Taxation	ESB's Tax Strategy (July 2024) is available on the ESB website and outlines commitments to: ▪ Be a responsible and transparent taxpayer ▪ Sustainable tax arrangements reflective of ESB's ownership, the regulatory environment and the legal jurisdictions in which it operates ▪ Comply with relevant tax laws and international regulations ▪ Pursue an open and constructive dialogue with tax authorities that is based on respect, transparency and trust ▪ ESB has a zero-tolerance approach to tax evasion or facilitation of tax evasion by third parties Under its Terms of Reference, the Audit and Risk Committee review and approve the Group Tax Strategy on an annual basis.	Criteria met

Overall, ESB is satisfied that it is substantially compliant with the minimum safeguards but acknowledges that work is ongoing in respect of the HRDD process.

EU Taxonomy Regulation (continued)

ESB's Taxonomy-Eligible and Taxonomy-Aligned Activities

ESB's work to date has determined that the following are the economic activities (along with the related KPIs and EU Taxonomy activity number (reference number as set out in the EU Taxonomy)) which are Taxonomy-Eligible:

Activity	Related KPIs	Activity number
Transmission and distribution of electricity	Turnover, CapEx and OpEx	4.9
Electricity generation from wind power, hydropower, solar photovoltaic technology and fossil gaseous fuels	Turnover, CapEx and OpEx	4.3, 4.5, 4.1, 4.29
Storage of electricity	Turnover, CapEx and OpEx	4.10
Infrastructure enabling low-carbon road transport and public transport	Turnover, CapEx and OpEx	6.15
Installation, maintenance and repair of renewable energy technologies	Turnover, CapEx and OpEx	7.6

Following the completion of the alignment assessment, all of the above activities are deemed to be Taxonomy-Aligned with the exception of electricity generation from hydropower¹, the installation, maintenance and repair of renewable energy technologies (as set out in the Materiality section on page 85) and electricity generation from fossil gaseous fuels².

The predominant Taxonomy-Eligible and Taxonomy-Aligned economic activity for ESB Group is the transmission and distribution of electricity. ESB meets the substantial contribution criteria for this activity under the climate mitigation objective as both the ESB and NIE Networks' systems are interconnected to the European system i.e. the interconnected control areas of EU Member States and the United Kingdom. CapEx associated with infrastructure dedicated to creating a direct connection or expanding an existing direct connection between a substation or network and a power production plant that is more greenhouse gas intensive than 100g CO₂e/kWh measured on a life cycle basis is not compliant and has not been included as aligned. A corresponding adjustment to the Turnover KPI has also been made as set out in the Accounting Policy section on page 94.

Given that the Delegated Acts focus on specific activities only, ESB has identified a number of activities which are outside the scope of the Delegated Acts but which would have a material impact on the KPIs reported by ESB if they were to be included:

- Retail sales to electricity and gas customers (note: ESB does not include retail sales to electricity customers accompanied by Guarantees of Origin as Taxonomy-Eligible)

- Certain activities associated with portfolio-level wholesale market trading, hedging and optimisation
- Expenditure related to joint venture investments (see Taxonomy-Aligned CapEx section opposite)

Data used in the calculation of the KPIs has been extracted from ESB's financial systems which capture Turnover, CapEx and OpEx by general ledger line item or by project. Given that the KPIs are extracted from these financial systems, ESB is satisfied that it has avoided double counting across activities in calculating the numerator used to determine each of the ratios.

KPIs

Taxonomy-Aligned Turnover

Taxonomy-Aligned Turnover as a percentage of total turnover is 24% reflecting revenue from the transmission and distribution of electricity and wholesale market income from renewable generation (notably wind power). Taxonomy Non-Eligible Turnover primarily relates to retail sales to electricity and gas customers and is a material component of ESB's revenue.

The turnover numerator predominately consists of revenue from Use of System charges to customers (€1,431 million), revenue from supply contributions (€94 million), revenue from power generation (notably wind power) (€192 million) and other Taxonomy-Aligned Turnover (€25 million).

Refer to the Accounting Policy for further details regarding the calculation and allocation of turnover relating to ESB's generation portfolio.

Taxonomy-Aligned CapEx

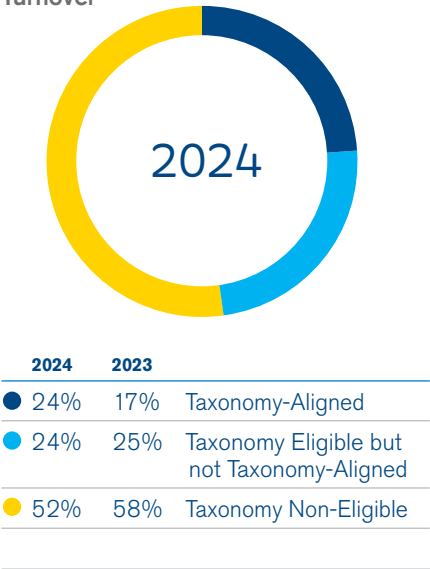
ESB's Taxonomy-Aligned CapEx as a percentage of total CapEx is 85%. This reflects ESB's investment in developing the electricity network on the island of Ireland along with continued investment in onshore wind, battery and solar projects in line with ESB's Net Zero by 2040 Strategy.

1 Under the DNSH on water criteria, activities related to the generation of electricity from hydropower are required to comply with the provisions of the European Water Framework Directive (2000/60/EC). ESB's hydropower schemes predate the introduction of the Water Framework Directive and are authorised under Irish legislation. ESB will be taking a prudent approach and completing the licensing of its schemes, by the appropriate national agencies, under the Water Framework Directive before including the generation of electricity from hydropower as an aligned activity. A Bill, transposing the provisions of the Water Framework Directive into Irish law, enabling the licensing of such schemes has been passed by the Oireachtas (Irish Parliament) and regulations have been published by the appropriate government department. ESB is currently preparing its submissions under these regulations and is engaging with the relevant authorities.

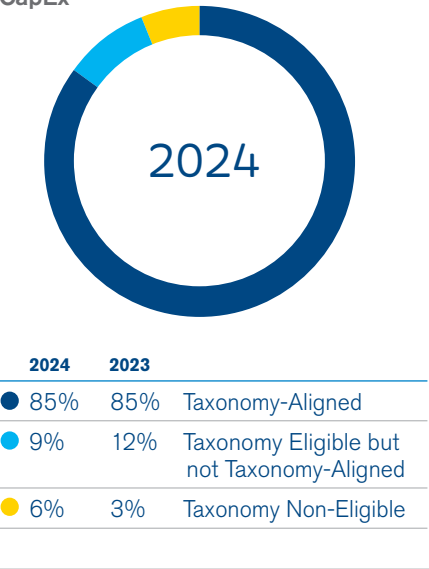
2 In February 2022, the European Commission passed a supplementary Delegated Act which formally includes criteria for gas and nuclear power. ESB has completed an assessment of electricity generated from gas against criteria set out in the 'electricity generation from fossil gaseous fuels' activity in the EU Taxonomy. ESB has determined that its gas activities are Taxonomy-Eligible but not Taxonomy-Aligned as the upper threshold of 270g CO₂/ kWh is not met.

Financial KPIs

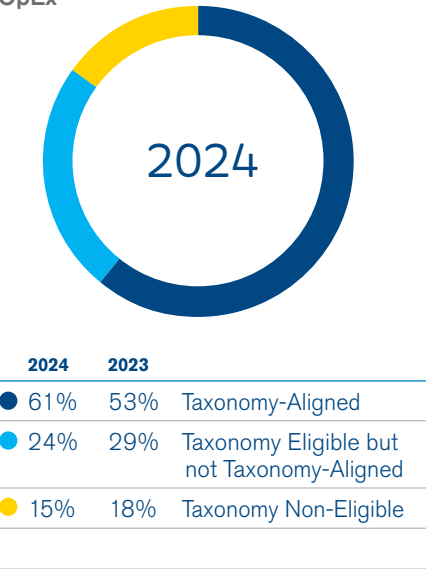
Turnover



CapEx



OpEx



The CapEx numerator consists of additions to the below:

Economic Activities	Property Plant and Equipment (note 12 of the financial statements) €m	Intangible Assets (note 13 of the financial statements) €m	Right of Use Assets (note 14 of the financial statements) €m
Transmission and distribution of electricity	1,264	144	-
Storage of electricity	23	-	-
Electricity generation using solar photovoltaic technology	70	-	-
Infrastructure enabling low-carbon road transport and public transport	12	-	-
Electricity generation from wind power	65	-	-

Financial KPIs

CapEx KPI Adjusted for Green Bond Financing^

	2024 €m	2024 %	2023 €m	2023 %
Taxonomy-Aligned CapEx	1,578	85	1,446	85
Taxonomy-Aligned CapEx adjusted for green bond financing	1,452	79	1,228	72*

^ Initial allocation of spend presented prior to final allocation which will be published in ESB's Green Bond Report.
* Previously the denominator was adjusted in addition to the numerator for projects financed by way of green bonds. Reflecting official EU Taxonomy guidance, only the numerator is now adjusted and restating 2023 accordingly.

As there is no provision for the inclusion of capital expenditure related to joint ventures in the Delegated Acts, investments (by way of equity investments and shareholder loans) are excluded from this KPI. The CapEx KPI therefore does not provide a complete picture of ESB's sustainable activities as joint ventures are a key component of ESB's strategic ambition.

Refer to the Accounting Policy on page 94 for further details regarding the calculation of CapEx KPIs.

Taxonomy-Aligned OpEx~

ESB's Taxonomy-Aligned OpEx as a percentage of total OpEx is 61% primarily reflecting OpEx supporting the transmission and distribution systems and power generation assets.

The OpEx numerator predominantly consists of direct expenditures relating to the day-to-day servicing of assets (€172 million) and other OpEx (€21 million).

Refer to the Accounting Policy on page 95 for further details regarding the calculation of OpEx KPIs.

~ OpEx as prescribed in the Delegated Acts.

EU Taxonomy Regulation (continued)

Taxonomy-Aligned Economic Activities (numerator)

Row	Economic activities	Turnover				CapEx				OpEx			
		Amount and proportion		Climate change		Amount and proportion		Climate change		Amount and proportion		Climate change	
		CCM + CCA	Climate change mitigation (CCM)	adaptation (CCA)	CCM + CCA	Climate change mitigation (CCM)	adaptation (CCA)	CCM + CCA	Climate change mitigation (CCM)	adaptation (CCA)	CCM + CCA	Climate change mitigation (CCM)	adaptation (CCA)
		Amount €'million	Amount €'million	%	Amount €'million	Amount €'million	%	Amount €'million	Amount €'million	%	Amount €'million	Amount €'million	%
1.	Amount and proportion of Taxonomy-Aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
2.	Amount and proportion of Taxonomy-Aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
3.	Amount and proportion of Taxonomy-Aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
4.	Amount and proportion of Taxonomy-Aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
5.	Amount and proportion of Taxonomy-Aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
6.	Amount and proportion of Taxonomy-Aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
Amount and proportion of other Taxonomy-Aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI		1,742	100%	100%	1,742	100%	-	-	1,578	100%	1,578	100%	100%
Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI		1,742	100%	100%	1,742	100%	-	-	1,578	100%	1,578	100%	100%

Taxonomy-Eligible but not Taxonomy-Aligned Economic Activities

Row	Economic activities	Turnover				CapEx				OpEx			
		Amount and proportion		Climate change		Amount and proportion		Climate change		Amount and proportion		Climate change	
		CCM + CCA	Climate change mitigation (CCM)	adaptation (CCA)	CCM + CCA	Climate change mitigation (CCM)	adaptation (CCA)	CCM + CCA	Climate change mitigation (CCM)	adaptation (CCA)	CCM + CCA	Climate change mitigation (CCM)	adaptation (CCA)
		Amount €'million	Amount €'million	%	Amount €'million	Amount €'million	%	Amount €'million	Amount €'million	%	Amount €'million	Amount €'million	%
1.	Amount and proportion of Taxonomy-Eligible but not Taxonomy-Aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
2.	Amount and proportion of Taxonomy-Eligible but not Taxonomy-Aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
3.	Amount and proportion of Taxonomy-Eligible but not Taxonomy-Aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
4.	Amount and proportion of Taxonomy-Eligible but not Taxonomy-Aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1,544	90%	90%	1,544	133	82%	133	82%	-	40	55%	-
5.	Amount and proportion of Taxonomy-Eligible but not Taxonomy-Aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
6.	Amount and proportion of Taxonomy-Eligible but not Taxonomy-Aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-	-	-	-	-	-	-
Amount and proportion of other Taxonomy-Eligible but not Taxonomy-Aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI		167	10%	10%	167	28	18%	28	18%	-	34	45%	-
Total amount and proportion of Taxonomy-Eligible but not Taxonomy-Aligned economic activities in the denominator of the applicable KPI		1,711	100%	100%	1,711	161	100%	161	100%	-	74	100%	-

Taxonomy Non-Eligible Economic Activities

Row	Economic activities	Turnover Amount €'million	%	CapEx Amount €'million	%	OpEx Amount €'million	%
1.	Amount and proportion of economic activity that is Taxonomy Non-Eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
2.	Amount and proportion of economic activity that is Taxonomy Non-Eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
3.	Amount and proportion of economic activity that is Taxonomy Non-Eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
4.	Amount and proportion of economic activity that is Taxonomy Non-Eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
5.	Amount and proportion of economic activity that is Taxonomy Non-Eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
6.	Amount and proportion of economic activity that is Taxonomy Non-Eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	-	-	-	-	-	-
Amount and proportion of other Taxonomy Non-Eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI		3,797	100%	106	100%	49	100%
Total amount and proportion of Taxonomy Non-Eligible economic activities in the denominator of the applicable KPI		3,797	100%	106	100%	49	100%

EU Taxonomy Regulation (continued)

Accounting Policy

The basis for the denominator and numerator for each of the KPIs is set out below.

Turnover

The turnover denominator includes the total revenue recognised pursuant to International Accounting Standard (IAS) 1, paragraph 82(a). The related financial statement line item is set out in note 4 to the financial statements. In determining the KPI for turnover, the share that is Taxonomy-Aligned (numerator) is divided by the denominator.

The following is included within Taxonomy-Aligned Turnover (numerator):

- Revenue from Use of System charges to customers (including revenue from supply contributions and excluding intergroup Use of System revenue)
- Revenue from power generation primarily relating to renewable assets such as wind farms
- Revenue relating to other Taxonomy-Aligned activities. See table on page 88 for further detail

The following is included within Taxonomy-Eligible but not Taxonomy-Aligned Turnover (numerator):

- Revenue from power generation relating to fossil gaseous fuels
- Revenue from power generation relating to hydropower activities
- An adjustment relating to transmission and distribution of electricity revenue derived from infrastructure dedicated to creating a direct connection or expanding an existing direct connection between a substation or network and a power production plant that is more greenhouse gas intensive than 100g CO₂e/kWh measured on a life cycle basis. It is not possible to calculate this precisely but instead is calculated by reference to the proportion of such CapEx spend in the current year compared to the total Taxonomy-Eligible CapEx for this activity
- Revenue related to other Taxonomy-Eligible but not Taxonomy-Aligned activities (including those for whom an alignment assessment has not been completed on materiality grounds)

It should be noted that given that ESB's generation portfolio is traded on a portfolio basis, certain turnover has had to be apportioned to Taxonomy-Eligible or Taxonomy-Aligned activities based on an allocation methodology. In relation to power generation assets trading within I-SEM, the amount of turnover included relating to Taxonomy-Eligible and Taxonomy-Aligned activities relates to energy revenue earned directly from the I-SEM wholesale electricity market along with capacity income and ancillary income (as described in note 1 of the financial statements). It does not include the impact of any trading/hedging activities (as noted below) or the impact of any elimination adjustments of wholesale power purchases in Customer Solutions and wholesale power sales in Generation and Trading.

In addition to the Taxonomy-Aligned and Taxonomy-Eligible but not Taxonomy-Aligned Turnover above, the following Taxonomy Non-Eligible Turnover contributes to the denominator:

- Revenue from retail sales to electricity and gas customers
- Revenue from power generation relating to thermal activities (excluding power generation from fossil gaseous fuels)
- Certain activities associated with portfolio-level wholesale market trading, hedging and optimisation
- Other revenue relating to Taxonomy Non-Eligible activities

See further details on ESB's revenue accounting policy in note 1 of the financial statements.

CapEx

The CapEx denominator includes additions to tangible and intangible assets during the financial year considered before depreciation, amortisation and any re-measurements, including those resulting from revaluations and impairments, for the relevant financial year and excluding fair value changes. The denominator includes additions to tangible and intangible assets resulting from business combinations. It includes amounts accounted for based on IAS 16 (73: (e)(i) and (iii)), IAS 38 (118: (e)(i)), and IFRS 16 (53: (h)) and the related financial statement line items are set out in notes 12, 13 and 14 to the financial statements.

In determining Taxonomy-Aligned CapEx (numerator), ESB includes all CapEx incurred in ESB Networks and NIE Networks, including CapEx which, while not directly on the network (e.g. IT/OT systems, vehicles, maintenance of buildings etc.), is required for the successful operation of the electricity distribution and transmission networks. ESB considered the impact of the inclusion of these items noting that the direct expenditure on the network is the most significant element of CapEx for this activity (it should also be noted that it is not possible to accurately disaggregate the revenue for these CapEx items from total regulated income for these businesses). CapEx spend includes capitalised employee costs that are directly attributable to the relevant activity (as per the treatment in the financial statements).

In determining the KPI for Taxonomy-Aligned activities for CapEx, the share that is Taxonomy-Aligned (numerator) is divided by the denominator.

The following is included within Taxonomy-Aligned CapEx (numerator):

- CapEx incurred on the transmission and distribution system (excluding movements relating to asset retirement provisions)
- CapEx incurred on power generation relating primarily to renewable assets (excluding movements relating to asset retirement provisions)
- Other CapEx relating to other Taxonomy-Aligned activities

The following is included within Taxonomy-Eligible but not Taxonomy-Aligned CapEx (numerator):

- CapEx from power generation relating to fossil gaseous fuels (excluding movements relating to asset retirement provisions)
- CapEx from power generation relating to hydropower activities (excluding movements relating to asset retirement provisions)
- CapEx associated with infrastructure dedicated to creating a direct connection or expanding an existing direct connection between a substation or network and a power production plant that is more greenhouse gas intensive than 100g CO₂e/kWh measured on a life cycle basis

- CapEx related to other Taxonomy-Eligible but not Taxonomy-Aligned activities (including those for whom an alignment assessment has not been completed on materiality grounds)

In addition to the Taxonomy-Aligned and Taxonomy-Eligible but not Taxonomy-Aligned CapEx above, the following Taxonomy Non-Eligible CapEx contributes to the denominator:

- CapEx incurred on power generation relating to thermal plants (excluding power generation from fossil gaseous fuels)
- IT CapEx incurred on Taxonomy Non-Eligible activities
- Other CapEx relating to Taxonomy Non-Eligible activities

See further details on ESB's Property, Plant and Equipment, Intangible Assets and Right of Use Assets accounting policies in note 1 of the financial statements.

The Taxonomy-Aligned CapEx is adjusted for green bond financing by excluding the share of CapEx from the Taxonomy-Aligned assets which are financed with green bonds from the total Taxonomy-Aligned CapEx (numerator).

OpEx

The OpEx denominator includes direct non-capitalised costs relating to research and development, building renovation measures, short-term leases, maintenance and repair, and other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment that are necessary to ensure the continued and effective functioning of such assets. It is not possible to cross reference the definition of OpEx as per the EU Taxonomy to the financial statement line items.

In determining the KPI for Taxonomy-Aligned OpEx, the share that is Taxonomy-Aligned (numerator) is divided by the denominator.

The following is included within Taxonomy-Aligned OpEx (numerator):

- OpEx incurred in maintaining the transmission and distribution system related assets
- OpEx incurred in maintaining power generation assets primarily relating to renewable assets notably wind farms
- Proportion of other OpEx relating to other Taxonomy-Aligned activities

The following is included within Taxonomy-Eligible but not Taxonomy-Aligned OpEx (numerator):

- OpEx relating to power generation from fossil gaseous fuels (including day-to-day servicing)
- OpEx relating to hydropower activities (including day-to-day servicing)
- OpEx related to other Taxonomy-Eligible but not Taxonomy-Aligned activities (including those for whom an alignment assessment has not been completed on materiality grounds)
- Business development expenditure on Taxonomy-Eligible activities (namely electricity generation from wind power and solar photovoltaic technology). Given the early-stage nature of such projects, it is not possible to complete an alignment assessment on such expenditure

It should be noted that Taxonomy-Eligible activities within OpEx are included only to the extent that they are considered material.

In addition to the Taxonomy-Aligned and Taxonomy-Eligible but not Taxonomy-Aligned OpEx opposite and above, the following Taxonomy Non-Eligible OpEx contributes to the denominator:

- OpEx incurred on power generation relating to thermal plants (excluding power generation from fossil gaseous fuels)
- Other OpEx relating to Taxonomy Non-Eligible activities

EMPOWERING THE SUSTAINABLE ENERGY TRANSITION THROUGH RESILIENT INFRASTRUCTURE

Safe, reliable, and resilient electricity infrastructure is a cornerstone of Ireland's modern economy and a key requirement for economic growth, housing, and the delivery of the Climate Action Plan. As customers adopt low-carbon technologies such as heat pumps, electric vehicles, and renewable generation, demands on the network will increase and the quality, condition, and performance of the network will be critical. ESB Network's PR6 Business Plan proposes a significant increase in investment to enhance the reliability, resilience and capacity of the electricity network to meet the needs of customers and society.

Chapter 2 Corporate Governance

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ESB Board Members

Board members in 2024



R&MD

Terence O'Rourke
Chairman

Appointment to the Board
November 2020 as Board member and Chairman.

Tenure (as at 31 December 2024)
4 years and 2 months.

Career experience
A Fellow and past President (2004-2005) of Chartered Accountants Ireland. Joined KPMG in 1975, became an audit partner in 1988 and was elected Managing Partner in 2006. A member of KPMG's Global Board, Global Executive Team, and EMA Board, from 2007 to 2013. Has a wide breadth of business skills with high-level experience in commercial, finance, decision making and strategy development roles working with clients in Ireland and abroad.

External appointments
Currently Chairman of RTÉ, Kinsale Capital Management, Ballymore (Ireland) and former Chairman of Enterprise Ireland. Led the Arts Council 2014 Strategic Review Group and is and has been involved in a number of charity and cultural boards. A Patron of Chapter Zero Ireland, a community of non-executive directors that lead Irish boardroom discussions on the impacts of climate change. Dublin City University (DCU) conferred Terence with the award of Doctor of Philosophy (Honoris Causa) in October 2023, acknowledging his contribution to Irish business, education, the arts, and public services.



SS&C F&I

Paddy Hayes
Chief Executive

Appointment to the Board
March 2022.

Tenure
3 years and 5 months as Chief Executive. 2 years and 10 months as Board member.

Career experience
Appointed Chief Executive in August 2021. Previous to this, Paddy was Managing Director of ESB Networks from 2018 and Executive Director, Generation and Wholesale Markets from 2012 to 2018. A Fellow of the Institute of Engineers of Ireland, he holds a master's degree in engineering from University College Dublin (UCD) and an MBA from the University of Warwick. He worked in the steel industry in the UK before moving to the energy sector in 1999 to lead the Synergen joint venture between ESB and Statoil.

External appointments
Member of the Board of Directors of the Electric Power Research Institute (EPRI). Chair of the Open Doors Initiative.



A&RC F&I

Michael Barry
Independent Board Member

Appointment to the Board
January 2023.

Tenure
2 years.

Career experience
A Chartered Accountant, who trained with PwC, a University College Cork (UCC) commerce graduate and a Chartered Director. Retired in 2019 from the role of Chief Financial Officer of Bord na Móna plc, having held that position for 13 years and was also Interim Managing Director of the Company in 2017/2018. Prior to that, Michael held several senior financial positions in Ireland, the UK and the United States in a range of industries including pharmaceuticals, medical devices, property development and hospitality.

External appointments
A member of the National Paediatric Hospital Development Board since February 2021.



SS&C CI&B

Aisling Curtis
Independent Board Member

Appointment to the Board
April 2023.

Tenure
1 year and 8 months.

Career experience
More than 20 years' experience in the telecommunications and technology sectors including global, regional, and Irish market roles. Formerly held roles as Microsoft Strategy and Sustainability Director, Global Partner Solutions Director, and Commercial Director. Currently Market Leader for PwC's Strategic Alliances. Has a master's in business economics from UCC, studied at the Insead Data and Artificial Intelligence School and is a graduate of the Cambridge University Sustainability Leadership 2022 Programme.

External appointments
Board member of The Shannon Airport Group. Previously held non-executive roles in the UK, Netherlands, South Africa and more recently sat on the National Maternity Hospital Board and held an advisory role on the IMI Council. Serves on the 30% Club Technology Steering Group.



A&RC R&MD F&I

Annette Flynn
Senior Independent Board Member

Appointment to the Board
April 2023 as an Independent Board Member and Senior Independent Board Member from 18 December 2024.

Tenure
1 year and 8 months.

Career experience
An executive career spanning Kerry Group plc and UDG Healthcare plc over 25 years across various roles as Executive Managing Director, Corporate and Strategy Development Officer and Financial Controller in Ireland, UK, Europe, and US. Appointed as an Executive Director to the Board of UDG Healthcare plc in 2004. Retired from her executive career in 2011 and subsequently held several non-executive directorships with UDG Healthcare plc, Grafton Group plc, Irish Life, Aryzta AG, and The Irish Times DAC. She is a Fellow of the Association of Chartered Certified Accountants, holds a B. Comm from UCC, is a qualified Chartered Director and holds two professional diplomas in business and executive coaching from Smurfit Business School.

External appointments
Currently a Non-Executive Director of Dairygold Cooperative Society Ltd and CEO of Highflier Executive Coaching, focusing on c-suite clients.

Key to Committee Membership

A&RC	Audit and Risk Committee Page 122
CI&B	Customer, Innovation and Brand Committee Page 128
SS&C	Safety, Sustainability and Culture Committee Page 129
R&MD	Remuneration and Management Development Committee Page 130
F&I	Finance and Investment Committee Page 131

ESB Board Members (continued)



Pat Gaynor
Independent Board Member

Appointment to the Board
December 2024.

Tenure
1 month.

Career experience

Former Managing Director at Bank of Ireland, Corporate Banking where he headed up its Irish and UK corporate lending businesses before retiring from that position in November 2020. A recognised senior leader and influencer in banking and financial services with over 40 years' experience across retail banking, credit risk, business and corporate banking, both domestically and internationally and across all sectors. He is a Fellow of both the Chartered Association of Certified Accountants and the Institute of Bankers and a 2017 graduate of Harvard Business School's Advanced Management Programme.

External appointments

Non-Executive Director of Dairygold Co-Operative Society Ltd, ATC Transport and Logistics Ltd and Dunport's Pandemic Recovery and Growth Fund. He is a Trustee of the Bank of Ireland Staff Pension Fund and acts as advisor to the boards of a number of Irish private companies.



Karen Halpenny
Worker Board Member

Appointment to the Board
January 2023 under the Worker Participation (State Enterprises) Acts, 1977 and 1988.

Tenure
2 years.

Career experience

Worked in ESB International since 2001, primarily in the area of overhead line development. Currently working in Engineering and Major Projects in the HV cables area as a cable specialist. Holds a Bachelor of Arts (Honours) Degree in HRM Strategy and Practice from the National College of Ireland (NCI) and a Higher Advanced Diploma in Applied Employment Law from King's Inn School of Law. Holds a Certificate in Management and Industrial Relations from NCI, a Certificate in Health and Safety from UCD and a Mediators Institute of Ireland Certificate in Mediation.

External appointments

Former President of the Energy Services Union of Ireland (ESU) 2017–2021, ESU representative on the Group of Unions forum and ESU representative on the Irish Congress of Trade Unions (ICTU) Health and Safety Committee. Trustee of Electric Aid, ESB's staff charity, and Secretary of the National Worker Director Group.



Owen Kilmurray
Worker Board Member

Appointment to the Board
January 2023 under the Worker Participation (State Enterprises) Acts, 1977 and 1988.

Tenure
2 years.

Career experience

Joined ESB in March 1982. Worked as a general worker, charge hand linesman, electrician and as a Networks Technician in ESB Networks for over 40 years.

External appointments

Active member of the ESB Group of Unions. Vice Chairman of the SIPTU Energy Branch Committee, member of SIPTU's Transport, Energy, Aviation and Construction (TEAC) Committee and Treasurer of the National Worker Directors Group.



Paul Lynam
Independent Board Member
(to 13 December 2024)

Appointment to the Board
October 2016, re-appointed for a second term in December 2021.

Tenure
8 years (tenure completed on 13 December 2024).

Career experience

Currently Managing Director of Jungheinrich Lift Truck (Ireland) and Jungheinrich UK Limited, both subsidiaries of the German based Jungheinrich AG. A Councillor of the German Irish Chamber of Commerce and former President. Has over 30 years' experience in business in Ireland and internationally. Previously served as Director of Operations of the International Industrial Services business with Brand Energy and Infrastructure Services, was CEO of the Whitfield Clinic, CEO of Siemens Limited Ireland and CFO of Siemens Limited Ireland (2008-2010). Spent 14 years in Germany in various management roles with Smurfit Group and Kappa Packaging. Holds a BSc in Analytical Science from DCU, a postgraduate diploma in business studies from UCD and an MBA from City University Seattle.

External appointments

Director at Jungheinrich Lift Truck Limited (Ireland) and Jungheinrich UK Limited, Councillor/Director of the German Irish Chamber of Commerce and previously served as Director of Siemens Ireland and Director of Whitfield Clinic associated companies.



Jim Meade
Independent Board Member

Appointment to the Board
December 2024.

Tenure
1 month.

Career experience

Joined Iarnród Éireann/Irish Rail as an apprentice fitter in 1979. Worked up through the mechanical engineering section over 18 years to Head of Fleet. Moved to strategic planning for three years before transferring into operations and service delivery. Appointed Director of Operations in 2013 and appointed Chief Executive Officer in May 2018.

External appointments

Appointed by the Minister for Further and Higher Education, Research, Innovation and Science as a Director of SOLAS Board. Chairman of the Board of CIRO (Chartered Institute of Railway Operators). Irish Ambassador to UITP (Union Internationale des Transports Publics), the International Association of Public Transport. Board member of UITP Policy Board.

Key to Committee Membership

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ESB Board Members (continued)



Gráinne O'Shea
Worker Board Member

Appointment to the Board
January 2023 under the Worker Participation (State Enterprises) Acts, 1977 and 1988.

Tenure
2 years.

Career experience
Joined ESB as a graduate engineer in 1989. Holds a primary degree and master's in engineering from Trinity College Dublin and DCU respectively and a Diploma in Asset Management from the Institute of Asset Management. A Chartered Engineer (Engineers Ireland), Gráinne has worked in ESB Networks, Power Generation and Supply. Currently Business Strategy Manager for ESB Networks.

External appointments
Irish representative on the General Assembly and on the Strategic Advisory Group of the EU DSO Entity (EU Distribution System Operators Entity). Vice Chair of the Eurelectric Working Group on Regulation and Network Customers and a member of the Distribution and Market Facilitation Committee. Member of the EU DSO Policy and Regulation Committee. Member of the Electricity Association of Ireland Policy Committee. Past Chair of the networks sub branch of the Energy Sector Professionals Association. Previously director of ESB Fullabrook Wind Farm and Derrybrien Wind Farm (2012-2016).



Alf Smiddy
Senior Independent Board Member (to 13 December 2024)

Appointment to the Board
October 2016, re-appointed for a second term in December 2021.

Tenure
8 years (tenure completed on 13 December 2024).

Career experience
A Chartered Accountant, who trained with PwC. Former Chairman and Managing Director of Beamish & Crawford plc for over 12 years, and on the Board of its parent company, Scottish & Newcastle (UK) Ltd. Member of the National Executive Council of IBEC, Director of Cork Chamber of Commerce, Chairman of the Cork Local Government Committee and served on the Board of Cork Airport Authority. A Fellow of the Irish Marketing Institute. A commerce graduate from UCC, with a master's in Executive Leadership from Boston College and the University of Ulster.

External appointments
Appointed in June 2021 as Adjunct Professor at the College of Business and Law, UCC, Director of the Government-backed Rethink Ireland (Social Innovation) and Director of Oxfam Ireland. Chairman and/or Director of various independent companies including Bridgewater Construction, Fohnitech and Granite Digital (digital marketing). Previously served as Senior Independent Non-Executive Director and Director with designated responsibility for workforce engagement at Dalata Hotel Group plc.



Dr Sara Venning
Independent Board Member

Appointment to the Board
December 2021.

Tenure
3 years and 1 month.

Career experience
CEO and Board member of Northern Ireland (NI) Water since 2010. Experience in regulated utility management driving delivery in customer service and efficiency. Holds an MEng in Electrical and Electronic Engineering from Queen's University, Belfast and received an honorary degree from Queen's University in 2023. Energy networks experience gained working with NIE Networks from 1996–2010. A Fellow of the Institution of Civil Engineers.

External appointments
President of the NI WaterAid Committee.



Trevor Walsh
Worker Board Member

Appointment to the Board
January 2023 under the Worker Participation (State Enterprises) Acts, 1977 and 1988.

Tenure
2 years.

Career experience
Technical Service Supervisor in ESB Networks. Previous roles included System Manager, Customer Service Supervisor, Training Officer, and Network Technician. Started his career as an apprentice electrician and has accumulated over 20 years' experience within ESB.

External appointments
Chairman of the ESB Connect Technical Supervisor Branch. Connect representative in the ESB Group of Unions. Connect representative at the Irish Congress of Trade Unions. A member of the National Worker Director Group.

Key to Committee Membership

	Audit and Risk Committee Page 122
	Customer, Innovation and Brand Committee Page 128
	Safety, Sustainability and Culture Committee Page 129
	Remuneration and Management Development Committee Page 130
	Finance and Investment Committee Page 131

Chairman's Corporate Governance Statement



Terence O'Rourke
Chairman

Good governance is good business and remains a priority for me as Chairman. The ESB Board, guided by good corporate governance, focuses on business integrity, transparency, and accountability. The Board provides leadership and oversight, ensuring alignment with ESB's purpose and values while management is responsible for the executive leadership and day to day management of the business.

The Board's focus remains on ensuring that key decisions, including strategy, sustainability, and financial matters, contribute to long-term value creation for stakeholders and support ESB's overall strategy. Once again, the Board reviewed the process to develop and monitor implementation of ESB's strategy with a view to refining and improving the Board's approach to major decision-making during the year.

Governance Standards

ESB's governance structures are designed to comply with the highest governance standards and the relevant governance codes as set out in the Board's Governance Report. In this way, ESB adheres, insofar as relevant, to listed company governance standards and appropriate measures have been put in place to comply with these standards. As set out in the Board's Governance Report, ESB proposes to adopt the Irish Corporate Governance Code 2024 (the Irish Code) on a voluntary basis from 1 January 2025.

Reports on compliance with relevant governance standards are made annually to the Audit and Risk Committee and the Remuneration and Management Development Committee as appropriate. The Board is satisfied that ESB has complied, where appropriate, with the requirements of the State Code and a report is issued annually to the Minister for Climate, Environment and Energy (the Minister), which confirms such compliance. Confirmation is provided to

the Minister where certain aspects of the Code are not easily enforceable in respect of strategic alliances, joint ventures or other shareholding arrangements with shareholders other than other State entities.

The Board is satisfied that appropriate steps have been undertaken to ensure ESB's Irish subsidiaries' compliance with the applicable requirements of the Companies Act, 2014.

A detailed description of our governance framework is set out on pages 106 to 121.

Board Effectiveness

The Board continually strives to improve its performance and effectiveness. An external evaluation took place in 2024 led by Governance Ireland. Governance Ireland were impressed by the calibre and capabilities of the ESB Board members and their commitment to governance excellence, underpinned by robust processes, strategy oversight, and a culture of collaboration, transparency and accountability. Their overall assessment is that the ESB Board's performance is consistent with best governance practice by reference to the benchmarks used. Further detail on the process adopted and the key findings are set out on page 115.

The Board and its Committees

Alf Smiddy and Paul Lynam completed their tenures as Board members in December 2024. I would like to thank them both for their very significant contributions to the Board, including as Chairs of various Board Committees. I am particularly grateful for the role Alf Smiddy played as Senior Independent Board Member during 2023 and 2024. I would also like to welcome Pat Gaynor and Jim Meade as new Board members, and I look forward to working with them on the challenges that lie ahead.

Following these changes, Annette Flynn was appointed as Senior Independent Board Member in December 2024.

The Board Committees play a central role in ensuring good governance. Several changes were made to Committee membership in December 2024 including:

- Annette Flynn was appointed as Chair of the Finance and Investment Committee
- Following his appointment to the Board, Pat Gaynor was appointed to the Audit and Risk Committee, the Remuneration and Management Development

Committee and the Finance and Investment Committee

- Following his appointment to the Board, Jim Meade was appointed to the Safety, Sustainability and Culture Committee and the Customer, Innovation and Brand Committee

Mindful of the Board's Inclusion and Diversity Policy, due consideration was given to gender balance in the make-up of the Committees when making these changes. Details of the Committees and their activities during the year are set out on pages 122 to 131.

The Board retains ultimate responsibility for the decisions, performance and outcomes of its Committees and monitors their activities. Each Board Committee has an annual workplan, setting out their priorities for the year ahead and to support them with their oversight responsibilities. Quarterly updates are provided on progress against the agreed workplan. Committees report to the Board on their performance against the workplan and on their effectiveness in delivering on their mandate as set out in their Terms of Reference.

Board Diversity and Succession Planning

The Board's Inclusion and Diversity Policy (available on ESB's website) promotes an inclusive and diverse Board, and an annual review highlighted ongoing efforts to embed inclusion and diversity in the Board's makeup, structure and ways of working and engagements it has supported.

In advising the Minister on the role specification for new Board members and Board succession plans, inclusion and diversity in all its aspects is emphasised having regard to the Annex to the State Code "Gender Balance, Diversity and Inclusion". ESB is committed, subject to the Ministerial stockholders' support, to having no less than 40% female representation on the Board. As outlined on page 114, at 31 December the Board had five (42%) female and seven (58%) male members. The Board is also conscious of the importance of addressing future skills requirements as part of its succession planning.

Risk Management and Internal Control
ESB's approach to risk is set out in the Risk Report on pages 23 to 32. During the year, a revised Risk Management Framework

and Internal Control Framework Policy were approved by the Audit and Risk Committee. These are key frameworks which underpin the systems of risk management and internal control across the organisation.

Culture and Board Engagement

The Board is informed of the views of colleagues through reviews of regular employee surveys (ESB's "Our Voice" survey and NIE Networks' staff survey), and updates on investment in systems, talent and the capability of our people. The Board (via the relevant Committees) continues to monitor progress in areas such as ethics and compliance, safety, customers and reputation, employee engagement, diversity, equity and inclusion, and people and performance. The Board is fortunate to have four elected Worker Board Members who also strengthen the Board's engagement with ESB's people and who share colleagues' views and perspectives in Board discussions.

The Board has an active employee engagement plan in place. Board members were pleased to be able to meet face to face with people from across the business during 2024. The Board met with members of ESB's four Employee Resource Groups (accessibility, cultural, diversity and ethnicity, gender and LGBT+) at a business breakfast in ESB's Head Office to discuss the role of the Board and Employee Resource Groups in bringing ESB's Diversity, Equity and Inclusion Strategy to life. A site visit to the NIE Networks office in Belfast allowed for an informal gathering with NIE Networks colleagues and a unique insight into NIE Networks' culture, including safety. A further site visit to Ardnacrusha Hydro Generation Station took place during the year where the Board learned about the operation of the station and the work being done in the station to enhance the environment, including the support of salmon and eel stocks, and recent improvements made to support fish connectivity. The Board also held a staff engagement event with ESB Sustainability Navigators to hear from employees who are taking on leadership roles in sustainability, fostering a culture of accountability and innovation within their teams. A site visit to the under construction Neart na Gaoithe offshore wind farm also took place during 2024 where Board members had the opportunity

to meet the teams involved in project managing the construction. Through these interactions, the Board had the opportunity to gauge employees' engagement with ESB's Net Zero Strategy and their role in driving delivery.

Recognising the importance of culture as an enabler of ESB's strategy, the Board acknowledges the need to be intentional and set clear direction about the behaviours of its people. In 2024, an update on ESB's Culture Framework was presented to the Board. The framework identifies five cultural priority behaviours, grounded in ESB's values. An activation plan to bring the cultural priorities to life was developed and implementation commenced during the year with priorities including the launch of enhanced 'Our Code' training and a leadership programme 'Leading Through Our Values' in which all managers across ESB will participate. Work will continue to strengthen ESB's culture and build on the framework in 2025 by embedding required behaviours in business processes. In 2024, the Board also considered ESB's People Strategy in depth at one of its strategy sessions. The opportunity was taken to review the People Strategy in the context of an overall strategy review, rapid societal changes, and the significant transformation underway in ESB including cultural transformation. The Board also considered staff engagement scores, and the insights provided from this together with feedback from employee engagement sessions in their review.

ESG Reporting

As a statutory body, ESB is not subject to the disclosure requirements prescribed in the European Union (Disclosure of Non-Financial and Diversity Information by certain large undertakings and groups) Regulations, 2017 as amended. However, ESB discloses a wide range of non-financial information. See table on page 4 for details. ESB also continues to make initial disclosures on a voluntary basis under the EU Taxonomy Regulation and the Taskforce on Climate-Related Financial Disclosures.

ESB is making preparations for reporting, on a voluntary basis reflecting ESB's status as a statutory body, under the Corporate Sustainability Reporting Directive (CSRD) for financial year end 2025. During 2024, the Board, via the Safety, Sustainability and Culture Committee and the Audit and

Risk Committee, oversaw ESB's Sustainability, Transformation and Enablement Programme which continues to progress preparations for new requirements under CSRD. This included ensuring appropriate Board Committee structures are in place as well as completing a double materiality assessment. The Board also undertook specific training on CSRD during 2024 as outlined on page 115.

Stakeholders

Stakeholder engagement remains a priority for the Board in the context of the transformational changes required to deliver ESB's Net Zero by 2040 Strategy. The Board places a high level of priority on effective communications with stockholders and recognises the mutual benefits of engagement to foster understanding of ESB's strategy. I was delighted to welcome stockholder representatives to the AGM in May. In 2024, the Board also met with Michael McGrath (then Minister for Finance) for a wide-ranging discussion on the economic, energy and climate landscape. I also met with Eamon Ryan (then Minister for the Environment, Climate and Communications) for a discussion on Government policies and plans and ESB's role in delivering on climate targets through the Net Zero by 2040 Strategy. These meetings provide opportunities to engage with stockholders on the contribution ESB is making and will continue to make to the energy transition.

We also seek other stakeholder views so that we can make better informed decisions. During 2024, the Board was updated on management's stakeholder engagement plan and was pleased to see management continue to engage proactively with stakeholders to identify the issues which are material to them and to maintain strong stakeholder support for ESB's Net Zero by 2040 Strategy.

Conclusion

In the following pages, we outline in detail how the Board and its Committees have fulfilled their responsibilities during the year to ensure that robust governance practices are embedded in ESB.

Chairman
26 February 2025

The Board’s Governance Report

Principles of Governance

ESB, in pursuit of its governance objectives, complies with the Code of Practice for the Governance of State Bodies 2016 (the State Code) together with additional arrangements agreed with the Department of Environment, Climate and Communications in 2017, and, for 2024 and insofar as is reasonably applicable, with the UK Corporate Governance Code 2018 (the UK Code) and the Irish Corporate Governance Annex (the Irish Annex). As a statutory corporation established under the

Electricity (Supply) Act, 1927 it was not obliged to comply with the UK Code or the Irish Annex but did so on a voluntary basis. Explanations for any exceptions are set out in the tables on pages 116 and 117. From 1 January 2025, ESB proposes to adopt the Irish Corporate Governance Code 2024 (the Irish Code) on a voluntary basis. A copy of the State Code can be found on the Department of Public Expenditure, NDP Delivery and Reform website www.per.gov.ie. A copy of the UK Code can be found on the Financial Reporting Council's (FRC) website www.frc.org.uk and copies of the Irish Annex and the Irish Code are available at www.euronext.com.

ESB also complies with the Corporate Governance Guidelines and other obligations imposed by the Ethics in Public Office Act, 1995, the Standards in Public Office Act, 2001 and the Regulation of Lobbying Act, 2015.

The UK Code sets out five key principles of governance: (1) Board Leadership and Company Purpose, (2) Division of Responsibilities, (3) Composition, Succession and Evaluation, (4) Audit, Risk and Internal Control and (5) Remuneration. The Board's Governance Report is structured accordingly.

1. Board Leadership and Company Purpose

The Board

The Board provides the leadership of the Group and, either directly or through the operation of Committees, applies independent judgement on matters of values, strategy, performance, resources and governance. During 2024, the Board comprised of the Board members, detailed on pages 98 to 103, of whom the Chairman and the independent Board members were appointed by the Government and the four Worker Board Members were appointed pursuant to the Worker Participation (State Enterprises) Act, 1977 and 1988. The Board size and structure is governed by the ESB Acts 1927-2014, the Worker Participation (State Enterprises) Acts, 1977 and 1988 and the Worker Participation (State Enterprises) Order, 1978 (S.I. No. 186/1978).

The Board continues to spend considerable time annually reviewing progress against ESB's Net Zero by 2040 Strategy. The strategy continues to be anchored in ESB's purpose to deliver a brighter future and to support the customers and communities we serve to achieve net zero (as defined in the

Glossary). The strategic objectives are aligned to the Irish Government Climate Action Plan and underpinned by the requirement for financial strength, the capability of ESB's people, leveraging data and digital technologies and a commitment to sustainability and social responsibility. Detail on progress during 2024 is outlined in the Strategy section starting on page 14 and the Environment and Sustainability section starting on page 66.

Engagement with Stakeholders

In line with the State Code and the UK Code, the Board aims to ensure that ESB maintains open and positive dialogue with stakeholders. The Board ensures a structured and robust Stakeholder Engagement Programme is in place and operating successfully via periodic reviews of the Stakeholder Strategy and reports on ESB's corporate reputation derived from customer and stakeholder surveys. Details of ESB's key stakeholders and engagement with them as well as the results of this engagement and other stakeholder research is outlined on pages 20 to 22. Further detail is also available on ESB's website.

Stakeholder engagement is a key priority for the Board in terms of explaining ESB's strategy and assisting in its successful implementation. This engagement has also proven to be an effective way of providing the Board with an opportunity to understand the issues which matter most to ESB's stakeholders. Feedback on matters including ESB's strategy, affordable supplies of energy, environmental, social and governance (ESG) issues, and sustainability and climate action is received from these stakeholder engagements.

The Board is committed to acting to promote the success of ESB for the benefit of all of its stakeholders, amending strategy and the business model as required. The feedback and insights gained from stakeholder engagement and research during 2024 was used by the Board in its decision making throughout the year. In particular, the Board was cognisant of the impact that continually elevated energy prices have on its customers and wider society (in terms of energy affordability), and the role ESB plays in the sustainable energy transition in line with the Irish Government's climate

The Board engages with stakeholders directly or is kept informed about the views and interests of stakeholders in several ways including as follows:

Stakeholder	How the Board is informed of their views
Employees	- The Board keeps a pulse on employee sentiment, views and areas of interest through face-to-face meetings with people from across the business at off-site Board meeting days and attendance at organised events (e.g. the Board business breakfast with Employee Resource Groups and visits to the NIE Networks office in Belfast and Ardnacrusha Hydro Generation Station during 2024) - The Safety, Sustainability and Culture Committee supports the Board with employee engagement - The views of employees are also represented on the Board through the four Worker Board Members who ensure workforce's experience are incorporated directly into board discussions and decision making
Stockholders	- The views of stockholders are garnered through bi-lateral meetings between the Board, the Chairman and Chief Executive with various representatives of the Irish Government (as main stockholder) and the ESB Employee Share Ownership Plan (ESOP) - Michael McGrath (as Minister for Finance) attended a Board meeting during 2024. The Chairman also met with Eamon Ryan, then Minister for the Environment, Climate and Communications, during 2024
Debt Investors and Rating Agencies	The views of debt investors and rating agencies are brought to the Board via the Finance and Investment Committee. The Committee is briefed on the ongoing engagement by management with debt investors and rating agencies
Other Stakeholders	- Extensive engagement was undertaken during 2024 as part of the Double Materiality Assessment (DMA) which is a requirement under the Corporate Sustainability Reporting Directive (CSRD). It is intended to review the DMA periodically. Insights are also gained from surveys of the general public (three times per annum). The views of other stakeholders such as customers, suppliers, communities and the wider energy industry are garnered through these processes. These views are brought to the Board through the Customer, Innovation and Brand Committee - The Chief Executive meets with regulators during the year to share views and perspectives on energy market developments and industry regulation - The Chief Executive also meets with a wide array of stakeholders including with representatives from numerous business and civil society organisations each year

plans for the benefit of the communities ESB serves; these topics were again to the fore in stakeholder engagements during 2024. Examples of the key matters considered and/or approved by the Board and the stakeholders considered are listed on pages 111 and 112.

In making decisions, the Board has regard to:

- the likely consequences of any decision in the long-term
- the interests of employees
- relationships with suppliers, customers and others
- the impact of operations on the community and the environment

- maintaining a reputation for high standards of business conduct
- the need to act fairly between ESB's stakeholders

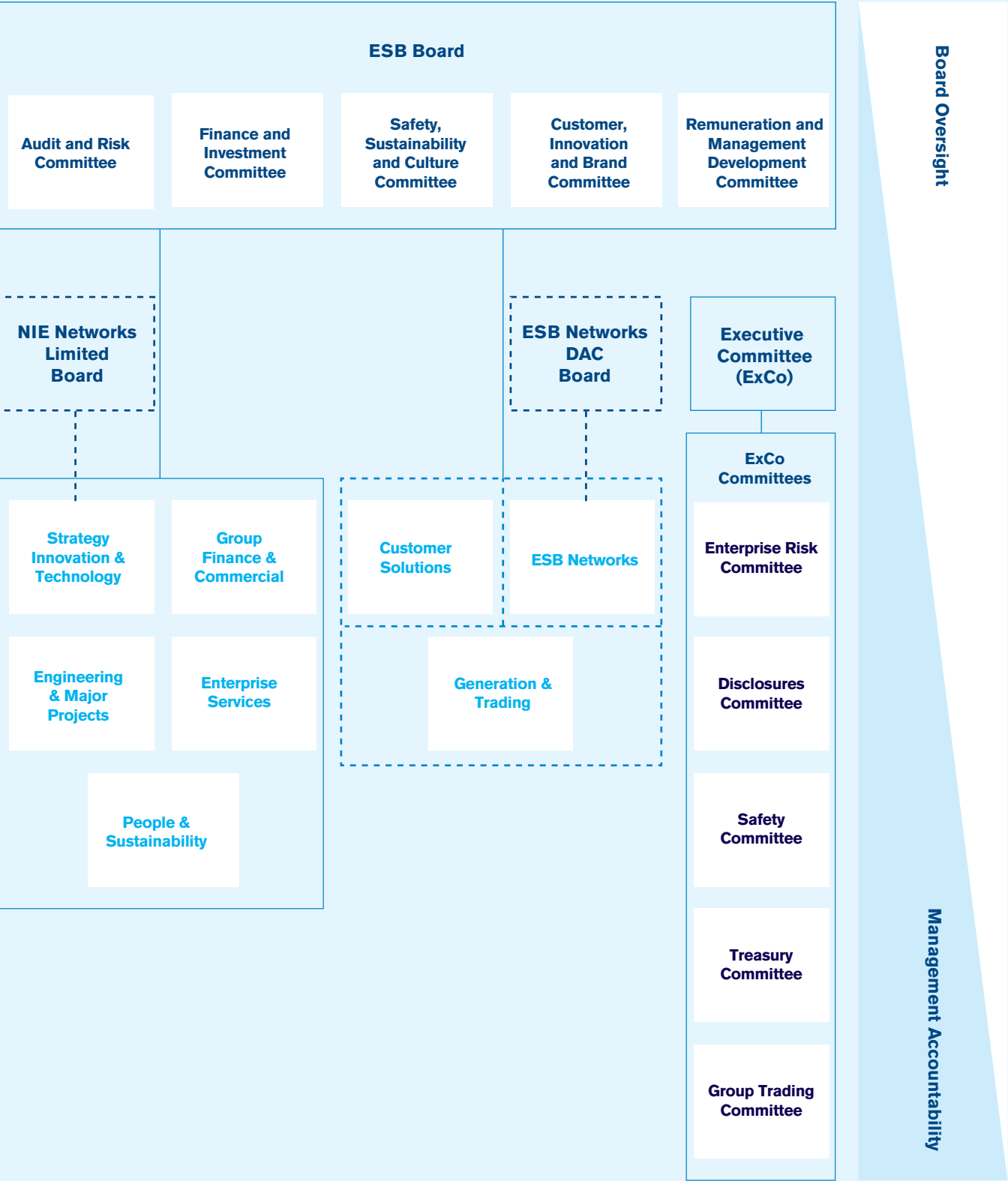
Conflicts of Interest

Board members make annual disclosures of any potential or actual conflicts of interest under the Ethics in Public Office Act, 1995 and the Standards in Public Office Act, 2001. A request for disclosure of any potential conflicts is also made on the appointment of new Board members. In addition, Board members are responsible for notifying the Company Secretary on an ongoing basis should they become aware of any change in their circumstances

regarding conflicts of interest, as detailed in the ESB Board Members' Code of Conduct. There is also a standard agenda item for each Board and Committee meeting asking members to disclose any specific conflicts that may arise. As required by the State Code, the Code of Conduct also deals with the post-retirement obligations of Board members. Training on the ESB Board Members' Code of Conduct and conflicts of interest for Board members takes place regularly.

The Board's Governance Report (continued)

ESB Governance Model



-- Licensed activities – business separation rules apply.
-- Ringfenced networks activities – operated and overseen in compliance with applicable regulatory licence conditions. The ESB Board exercises a supervisory role.

2. Division of Responsibilities

The Way we are Structured

The organisation is structured to facilitate effective and efficient decision making with clear accountability. The roles of the Chairman and Chief Executive are not exercised by the same individual, with the responsibilities of each role formally defined in the Board's Terms of Reference. ESB's Governance Structure is set out on page 108.

Role of the Board

The Board provides leadership and direction to the business as a whole and is responsible for the long-term success of ESB. Decisions are made only after all appropriate information has been made available to Board members, following due consideration of the risks identified through the risk management process and in the context of the Group Risk Appetite Statement. The Board constructively challenges and supports the development of proposals on strategy, which are then reviewed and approved by the Board.

The Board carried out a review of Board decision making in both September and December 2024. In keeping with the Board's commitment to continuous improvement, this was done to refine and improve future decision making.

The Board has reserved the following key decisions for its own consideration (some of which are also subject to Ministerial stockholder approval):

- Approval of annual budgets, corporate plans, and long-term strategic plans of ESB
- Approval of annual and interim financial statements and the Group Regulatory Accounts
- Declaration of, or making formal recommendations to, ESB's stockholders concerning dividends
- Convening of general meetings of ESB

- Approval of major investments, significant expenditure (including capital expenditure), certain derivative contracts and financing facilities
- Appointment to, and dismissal from, ESB Chief Executive, Executive Director and Company Secretary positions
- Severance or ill-health retirement arrangements for ESB's Chief Executive, Executive Directors and Company Secretary
- Appointment, or re-appointment, of the Chairperson of the Dam Safety Committee
- Appointment of Directors to the Board of ESB Networks DAC (other than Alternate Directors pursuant to the Articles of Association of ESB Networks DAC) and the Directors and Secretary of the NIE Networks Limited Board
- Notification of the dismissal of regular employees of ESB
- Major acquisitions, disposals or retirements of assets
- Approval of the Annual Risk Plan and Group Risk Appetite Statement
- Appointment of external auditors of ESB and ESB subsidiaries (except to branches of wholly owned subsidiaries)
- Approval of any loan to a member of ESB Board or directors' loans to a director of a subsidiary company board or associated company board
- Purchase of stock in ESB (other than pursuant to ESOP arrangements)
- Mass market residential tariffs
- Key regulatory, legal, industrial relations, remuneration, pension, accounting and policy matters
- Exclusivity agreements in respect of transactions or potential transactions
- Review of operational and financial performance

Board Meetings

The Board met on 12 occasions during 2024 of which nine were scheduled meetings (seven general Board meetings and two strategy sessions). The Board has a formal schedule of matters specifically reserved to it for decision, which are reviewed annually and described opposite under 'Role of the Board'.

The Board has delegated authority to management for decisions in the normal course of business, subject to specified limits and thresholds. Oversight of decisions that are delegated by the Board is retained through a robust reporting framework, central to which are effective relationships with the Board Committees, the Chief Executive, the Executive Director, Group Finance and Commercial and the Executive Committee. Assurance was provided to the Board in April 2024 confirming that specific delegated aspects of Board reserved matters were implemented in line with the delegation granted by the Board over 2023, with an update on 2024 delegations planned for 2025.

There is ongoing financial and operational reporting to the Board, with papers made available electronically to each Board member sufficiently in advance of each meeting to allow adequate time to review and consider matters for discussion/ decision. The Board papers include the minutes of Board Committee meetings.

The aim of the Board meetings is to achieve the right balance of oversight of strategy development and implementation, culture, sustainability, operations, finance, people, stakeholder management and governance and risk management matters. This is monitored through the tracking of time allocated via Board and Committee agenda to these matters, in addition to completing a year-end review of the significant decisions made by the Board.

The Board's Governance Report (continued)

ESB Board Structure

Chairman	Terence O'Rourke - Lead the Board - Determine the Board agenda - Ensure its effectiveness and facilitate full participation by each Board member - Ensure effective communication with the Group's owners and stakeholders			
Board	- Chairman, Chief Executive, six independent Board members and four Worker Board Members - Responsible for the long-term success of ESB and for its overall judgement on matters of strategy, performance, resources and governance			
Senior Independent Board Member	Annette Flynn - Act as a sounding board for the Chairman - Provide feedback to the Chairman from the review of the Chairman's effectiveness - Serve as an intermediary for the other Board members and the stockholders when necessary			
Company Secretary	Marie Sinnott - Assist the Chairman in ensuring that all Board members have access to all relevant information and in facilitating Board induction/professional development - Ensure that correct Board procedures are followed and advise the Board on corporate governance matters - Liaison between the Board and the Executive Committee			
Audit and Risk Committee	Safety, Sustainability and Culture Committee	Remuneration and Management Development Committee	Finance and Investment Committee	Customer, Innovation and Brand Committee
Chairman Michael Barry - Financial and annual reporting - Sustainability reporting - Internal controls, compliance and risk management systems - Whistleblowing, fraud and investigations - Internal audit - External audit	Chair Dr Sara Venning - Safety, health and wellbeing - Sustainability and the environment - Culture and people including ensuring the culture and capability to deliver ESB's strategy is in place	Chairman Terence O'Rourke - Executive Remuneration Policy - Board and main subsidiary Board members' remuneration - Board succession planning - Board member independence - Chief Executive/ Executive performance and remuneration - Termination payments - Succession planning and leadership development	Chair Annette Flynn - Investments and capital expenditure - Funding - Financial performance/ stockholder matters - Energy markets and trading	Chair Aisling Curtis - Customer - Brand, reputation and stakeholder management - Innovation/technology including monitoring low carbon technology developments

Biographical details of the Chairman and the Board members can be found on pages 98 to 103.
Biographical details of the Company Secretary and Executive Committee members can be found on pages 34 and 35.

Through the annual Board evaluation process, the end of year Committee annual workplan reviews and informal feedback, matters such as preparation for attendance of, and contribution to Board and Committee meetings, participation in staff engagement sessions, site visits and training sessions are considered, to ensure that adequate time is devoted to each matter. Based on these, the Board is satisfied that the Chairman and each of

the Board members committed sufficient time during the year to enable them to fulfil their duties as Board members of ESB.

The Board's focus continues to be the execution of ESB's strategy Driven to make a Difference: Net Zero by 2040. This will be achieved by focusing on seven strategic objectives (see page 14 for further details on ESB's strategy). Matters considered and/or approved by the Board

during the year to support the continued execution of ESB's strategy together with the stakeholders considered are outlined below.

An update on progress against ESB's Strategic Performance Indicators (as set out on page 15) was presented to the Board in November.

Examples of matters considered and/or approved by the Board in 2024

People	Stakeholders Considered	Strategic Objective
- Our Voice staff survey results - Culture Framework review - Pay review outcome and implementation - Diversity, Equity and Inclusion Strategy updates - Funding for ElectricAid matching donations - Statement on the Prevention of Slavery and Human Trafficking	- Communities - Employees - Suppliers, Contractors and Partners	
Operations	Stakeholders Considered	Strategic Objective
- Chief Executive operations reports - Property leases - Investment in renewable projects (including wind and solar) - Investment in other generation projects (including a new OCGT plant) together with expenditure for repair works and inspections at existing plants - Disposals - Contracts and Framework Agreement approvals - Updates on ongoing development projects (including Inch Cape and Nearth na Gaoithe) - Electricity price changes - IT/digital investments - Update on ESB Networks' renewable projects and security of supply connections - Sponsorships - Storm restoration updates - Update on stakeholder engagement	- Customers - Communities - Debt Investors and Rating Agencies - Employees - Suppliers, Contractors and Partners - Stockholders - Regulators, Environmental and Safety Authorities - Other Industry Bodies	
Strategy	Stakeholders Considered	Strategic Objective
- Empowering customers on the decarbonisation journey - Medium to long term strategic implications, risks and opportunities for power utilities in light of recent technology developments - ESB long term financial model and projections - Making the energy transition inclusive - Integrated Single Electricity Market (I-SEM) – long-term outlook - Net Zero by 2040 Strategy review - ESB Networks' PR6 submission - NIE Networks' RP7 draft and final determinations - Northern Ireland residential retail business review - ROI offshore wind strategy updates (including an ORESS2.1 update) - UK energy policy developments - Irish electricity prices and competitiveness - Perspectives on customer energy affordability - Economic outlook for the Irish economy	- Customers - Debt Investors and Rating Agencies - Employees - Stockholders - Regulators, Environmental and Safety Authorities - Other Industry Bodies	

The Board's Governance Report (continued)

Examples of matters considered and/or approved by the Board in 2024 (continued)

Governance and Risk Management	Stakeholders Considered	Strategic Objective
- Board Committee Chairpersons Reports - Board independence assessments - Group Risk Plan for 2024 and mid-year risk review - Internal Audit Plan 2024 - Board and Committees' Terms of Reference - Review of Risk Management Policy and Risk Management Framework - ESB enterprise security update - Group authority levels - Board, Committee and Chairperson external evaluation - Annual assessment of effectiveness of internal control - Group policy updates - Cybersecurity strategy update - Ringfencing in ESB and undertakings provided to ESB Networks and NIE Networks for licences - Code of Practice for the Governance of State Bodies annual submission - Adoption of the Irish Corporate Governance Code 2024 - Review of Board decision making	- Customers - Debt Investors and Rating Agencies - Employees - Stockholders - Regulators, Environmental and Safety Authorities	
Finance	Stakeholders Considered	Strategic Objective
- Annual and half-yearly published results - ESB Regulatory Accounts - Quarterly financial performance and forecasts - Monthly Key Performance Indicators (KPIs) - Annual budget and five-year business plan - ESB Networks' and NIE Networks' annual budget - Dividend payments - Funding plan updates and approval of funding requirements - Group debt, collateral and securities update - Consultancy spend review - Rule changes for ESB Defined Contribution Pension Scheme - ESB Defined Benefit Pension Scheme triennial actuarial valuation and Minimum Funding Standard update - Change of listing for bond notes - Restructure of NIE Networks RPI swaps	- Debt Investors and Rating Agencies - Employees - Suppliers, Contractors and Partners - Stockholders - Regulators, Environmental and Safety Authorities	

Attendance at Meetings in 2024

The attendance by each Board member at scheduled and unscheduled meetings during the year is set out opposite. In addition to the Board members and Company Secretary, several Executive Directors and senior managers attended relevant sections of Board meetings, by invitation. The Board also meets without executive Board members or management present to discuss relevant matters.

Board members 2024	Meetings attended Scheduled (Unscheduled)
Terence O'Rourke	9 (3)
Paddy Hayes	9 (3)
Michael Barry ¹	9 (3)
Aisling Curtis ¹	8 (2)
Annette Flynn ¹	9 (3)
Pat Gaynor ^{1, 2}	1 (-)
Karen Halpenny ³	9 (3)
Owen Kilmurray ³	9 (3)
Paul Lynam ^{1, 4}	7 (3)
Jim Meade ^{1, 2}	- (-)
Gráinne O'Shea ³	9 (3)
Alf Smiddy ^{1, 4}	8 (3)
Dr Sara Venning ¹	9 (3)
Trevor Walsh ³	9 (3)

¹ Independent Board member
² Tenure commenced on 18 December 2024
³ Worker Board Member
⁴ Tenure completed 13 December 2024

Experience and Board Skills Mix – Board at 31 December 2024

	Sectoral Experience			Functional Expertise										Board Member's Experience
	Energy/Regulated Markets	Safety/Environment	Infrastructure Delivery and Project Management	Transformation/M&A	Strategy/Innovation	Finance/Accounting/Audit	IT/Cyber/Digital	Talent Management, Culture and Compensation	Governance	Customer Experience, Brand and Marketing	Stakeholder Relations	Risk Management	Sustainability	Length of Tenure on Board
Terence O'Rourke	●			●	●	●		●	●	○	●	●	●	4 years & 2 months
Paddy Hayes	●	●	●	●	●	●	○	●	●	●	●	●	○	2 years & 10 months
Michael Barry	●		●	●	●	●		○	●		●	●	○	2 years
Aisling Curtis					●	●	●	○	●	●	○	●	●	1 year & 8 months
Annette Flynn	○			●	●	●		●	●	○	○	●	○	1 year & 8 months
Pat Gaynor	●	●		●	●	●	○	●	●	●	●	●	○	1 month
Karen Halpenny	○	●	○					○	○					2 years
Owen Kilmurray	○	●	○					○	○	○				2 years
Jim Meade		●	●		●	●	○	○	○	●	●	●	○	1 month
Gráinne O'Shea	●	●	●		●			○	○		○	●	○	2 years
Dr Sara Venning	●	●	●	○	●	●	○	●	●	●	●	●	●	3 years & 1 month
Trevor Walsh	○	●	●					○	○	●				2 years

● Has required sectoral experience/functional expertise
○ Has some of the sectoral experience/functional expertise

Independence

Based on an assessment completed for the year ended 2024, the Board has determined that excluding the Chief Executive and the Worker Board Members, the Board members were independent during 2024. The determination of Board members' independence takes account of the State Code and the relevant provisions of the UK Code regarding Board members' independence in character and judgement, and the absence of relationships or circumstances that could compromise a Board member's independence. A similar independence assessment was carried out on the appointment of the current Chairman.

Independence of Board excluding Chairman



● 55% Independent Board Members
● 45% Non-independent Board Members

The Board's Governance Report (continued)

3. Composition, Succession and Evaluation

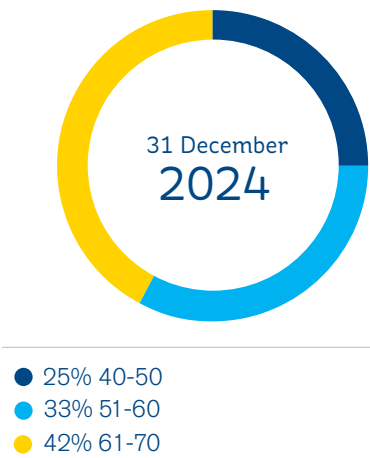
Composition of Board (Gender)



Length of Tenure



Board Member Age Profile



Board Membership

In 2024, the Board members brought diverse experience and independence to support effective decision making. Board members' skills and experience are harnessed to best effect through their membership of the relevant Board Committees. The range of Board members' experience is set out in the Board members' biographies on pages 98 to 103 and their experience/skills on page 113. As part of the Board's consideration of diversity and inclusion at Board level, an assessment of skills and experience is undertaken, which is a key input into the Board training and development programme. The Board is confident that all its members have the knowledge, ability and experience to perform the functions required of them and to address the major challenges facing ESB. The Board was also updated on progress against ESB's Diversity, Equity and Inclusion (DEI) Strategy during 2024. The strategy was adopted to provide clear leadership on diversity, equity and inclusion, demonstrating commitment to valuing difference and sustaining a culture of belonging, right across the business. See the People section starting on page 74 for further details.

The Board's primary role is to exercise objective and informed judgement in constructively challenging and helping to develop and approve ESB's Group strategy, to ensure there is a strong management team in place to execute the strategy and drive business performance, and to maintain a framework of prudent and effective controls to mitigate risk. As provided for in the State Code, the Chairman engages with the Government on Board succession, and this provides an opportunity for ensuring an appropriate mix of skills, diversity and experience on the Board.

Two critical factors determine how the Board is equipped to fulfil those duties and obligations successfully:

- A diverse and deep range of skills and experience among Board members
- Processes to ensure that all Board members develop and maintain a good understanding of the Group's operations and external environment and are therefore well placed to make informed decisions. See opposite for further detail on the induction and ongoing training and development processes

Board Appointments

As Board appointments are a matter for Government (including the appointment of Worker Board Members), ESB does not undertake an evaluation of individual Board members. However, the Chairman does engage with the Government in advance of the Board appointment process about the specific skills and diversity that are required on the Board. In November 2014, the Department of Public Expenditure, NDP Delivery and Reform published Guidelines on Appointments to State Boards and these guidelines apply to appointments to the Board of ESB.

Independent (non-worker) Board members are normally appointed for an initial term of five years, renewable for a further period up to a maximum of eight years in total (updated in line with the 2020 Code of Practice Annex*). In the case of Worker Board Members, they are appointed for an initial term of four years and may be re-elected for further terms. Therefore, Board members are not subject to re-election at lesser intervals. The Chief Executive and independent Board members may be reappointed to the Board by Government and any reappointment of Worker Board Members is pursuant to the Worker Participation (State Enterprises) Acts, 1977 and 1988 subject to approval by Government.

Induction

An induction programme is in place to familiarise new Board members with the operations of the Group. The programme is tailored to the experience, background and requirements of the individual. Key elements are meeting members of the Executive Committee, visiting sites and receiving a briefing on the ESB Group strategy, individual businesses and the Enterprise Risk Management (ERM) Framework. Induction programmes are also available for new Committee Chairs.

Ongoing Training and Development

A continuing development programme is in place for all Board members. The Chairman and Company Secretary liaise with Board members for their specific needs, such as attendance at conferences, courses and webinars relevant to the business and the development of an in-house programme which includes briefings by management on specific topics. The design of the in-house programme is driven by ESB's strategy Driven to make a Difference: Net Zero by 2040, and the skills required by the Board to guide and support its implementation. In 2024, in-depth training sessions were held on a number of items including ESB Networks' Continuity Work Programme, system services (DS3), RPI inflation linked swaps, artificial intelligence (AI), marketing and diversity. Particular focus was also given to sustainability and CSRD in 2024 with in-depth training sessions held on understanding the ESG reporting landscape, the interconnectivity of the sustainability agenda, double materiality assessments, business and biodiversity and a reflection on the critical role ESB plays in Irish society through the lens of sustainability. Focus in 2025 will be on business developments, sustainability topics and new legal obligations including the Networks Information Security (NIS) 2 Directive (as defined in the Glossary) and competition law developments.

The online resource materials available to the Board were also maintained and updated during 2024. These resources provide content to the Board on a range of topics including corporate governance, financial matters, strategy, enterprise risk, IT, environment and sustainability, people and culture, customers and Group policies.

Board Effectiveness

In compliance with the State Code and the UK Code, the Board conducts an annual evaluation of its own performance and that of its Committees, with an independent assessment undertaken by an external evaluator every third year. The evaluation relates to the Board's and Committees' collective performance and not to the individual performance of Board members. The performance of the Chairman is explicitly considered as part of the Board evaluation process, both internal and external.

The scheduled externally facilitated Board evaluation took place in 2024. An online survey together with a more detailed exploration of potential areas for improvement in one-to-one interviews with the Chairman and each of the Board members formed the basis of the review. Board and Committee meetings were also observed and feedback from the Executive Team and those engaging with the Board on a regular basis was also incorporated. In addition, the assessment included a detailed consideration of Board governance materials and meeting packs.

Overall, the evaluation confirmed that the Board is operating efficiently, and the Chairman's effectiveness was strongly endorsed.

No high priority recommendations arise from the external evaluation in 2024. The medium priority recommendations include:

- When opportunities arise, engage with relevant stakeholders seeking to ensure ESG, sustainability, and technological expertise is included among the Board members
- Further clarify the Board's role in the oversight of stakeholder engagements and review the approach to monitoring and reporting on stakeholder engagement
- Explore opportunities for streamlining of Board submissions, including use of data visualisation tools
- Maintain focus on evolving areas of governance including ESG, CSRD and AI factors, and the NIS 2 Directive to ensure the Board remains up-to-date with any significant developments

An action plan for the implementation of the above recommendations as well as the other recommendations identified in the external evaluation will be developed and will be tracked throughout 2025.

Also, during 2024, an update on the high priority recommendation from the 2023 internal evaluation was presented to the Board. The Board is satisfied that all high priority actions from that evaluation have or are being addressed.

* Note: Code of Practice Annex requirements do not apply to Worker Board Members. For Non-Executive Board Members in place at the date of publication of the Annex, it will be applied at the end of their contracts.

The Board's Governance Report (continued)

4. Audit, Risk and Internal Control

Compliance with Corporate Governance Codes

The Audit and Risk Committee considered new requirements arising under the revised UK Code issued in 2024 to satisfy itself that ESB would be in a position to meet the updated requirements, once relevant. Separate to this assessment, the Committee reviewed the new Irish Code, evaluated its requirements relative to both the 2018 and 2024 UK Codes, and determined that the Irish Code was most appropriate for ESB and its' investors going forward, and proposes to adopt it from 1 January 2025. The Committee is satisfied, based on previous reviews undertaken of arrangements for compliance with the UK Code and the Irish Annex, to conclude that ESB complies on a voluntary basis, insofar as is reasonably applicable with the UK Code and the Irish Annex subject to the exceptions set out in the tables below and opposite.

UK Code	
Principle/Clause	Explanation
3	Committee Chairs do not engage with Ministerial stockholders as there is a process in place whereby the Chairman engages with them and ensures that the Board and management are aware of the views of the stockholders.
J/17/20/23	Appointments to the Board are a matter for the Government and accordingly ESB does not have a Nominations Committee.
15	Members of the Board of ESB are appointed in accordance with Section 2 of the Electricity (Supply) Act, 1927 and the Worker Participation (State Enterprises) Acts, 1977 and 1988. Therefore, the requirement to take account of demands on directors' time and the undertaking of additional external appointments is a matter for the Government. ESB discloses the demands on time as part of the recruitment process and requires a disclosure of interests, including directorships, as part of the onboarding process.
L	The Board evaluation process has not to date evaluated the individual performance of Board members (except for the Chairman) as the Board does not have a formal role in determining its own composition.
18	Board members are appointed for multi-year terms and therefore are not subject to re-election to the Board at lesser intervals.
32	The Board Chairman is also Chairman of the Remuneration and Management Development Committee, given the importance of compliance by ESB with Government policy in this area and the role of the Chairman as the primary interface with the Government.
34/36/39	ESB's policies and disclosures in relation to remuneration of the Chief Executive are in accordance with applicable Government guidelines. Notice periods in the Chief Executive's contract are in accordance with Government guidelines. The details of Board members' remuneration on page 121 do not include amounts paid to the four Worker Board Members as employees of ESB (as such pay is neither increased nor decreased because of their membership of the Board). Obligations regarding share awards are not relevant to ESB, nor are post-employment shareholding requirements relevant as beneficial interests in the stock of ESB are held only through participation in ESB's Employee Share Ownership Plan (ESOP) and ESB is majority owned by the Government.
41	The Government sets the pay of the Chief Executive and establishes pay policy relevant to senior management. This limits the discretion of the Remuneration and Management Development Committee in relation to these matters.

Financial and Business Reporting

The Board recognises its responsibility in preparing the Annual Report and Financial Statements and in presenting a fair, balanced and understandable assessment of the Group's position and prospects. The Board members' responsibilities regarding financial statements and going concern are set out on page 138.

Procurement

ESB complies with applicable procurement laws and the State Code. A paper detailing obligations and providing assurance of compliance is provided annually to the Audit and Risk Committee. This paper also includes details of any non-compliant procurement in line with the requirements of the State Code.

Internal Control

While the Board has overall responsibility for the Group's system of internal control and for monitoring its effectiveness, it delegates responsibility for the monitoring of the effectiveness of those systems to the Audit and Risk Committee. The system of internal control is designed to provide reasonable but not absolute assurance for the achievement of the following objectives:

- Effectiveness and efficiency of operations and safeguarding of the organisation's assets against loss
- Reliability of reporting for internal and external use
- Compliance with applicable laws and regulations

In order to discharge its responsibilities in a manner which ensures compliance with legislation and regulations, the Board has established an organisational structure with clear operating and reporting procedures, lines of responsibility, authorisation limits, segregation of duties and delegated authority.

The Group uses the integrated internal control framework as developed by the Committee of Sponsoring Organisations (COSO) of the Treadway Commission as guidance for designing, implementing and conducting internal control and assessing its effectiveness.

Irish Annex

Section	Explanation
1.1/1.7/4.1	Appointments to the Board are a matter for the Government. A reasoned explanation for Board appointments is not provided.
2.1	As the holder of 97.1% of ESB's stock, the Irish Government selects and appoints eight of the 12 ESB Board members, in accordance with Section 2 of the Electricity (Supply) Act, 1927. Four additional Board members are elected pursuant to the Worker Participation (State Enterprises) Act, 1977 and 1988 and their appointment to the Board is subject to approval by the Irish Government. ESB does not have a role in the appointment process beyond highlighting the skills and capability requirements of the Board. As a result, ESB does not have a Nominations Committee "to lead the process for appointments". ESB does have a Remuneration and Management Development Committee, that oversees succession planning for the Executive Committee and identifies the skills and capability requirements of the Board.
3.2	The scope of the evaluation of the Board relates to the Board's and Committees' collective performance, and not to the individual performance of Board members.
5.2	ESB does not have a separate risk committee, with the monitoring of the effectiveness of risk management sitting under the Audit and Risk Committee, so no description is required.
6.3	CEO remuneration, per Government Policy, does not include a variable pay element.
6.4	There are no arrangements designed to achieve the retrospective recovery of variable compensation as this scenario has not arisen.
6.5	Share awards are not part of Board members' remuneration, save for notional allocations of stock made to eligible Board members as part of their participation in the ESB ESOP.

ESB has in place a strong internal control framework, which includes the following:

- A clearly defined organisational structure, with defined authority limits and reporting mechanisms to higher levels of management and to the Board, which support the maintenance of a strong control environment
- A Code of Ethics ("Our Code") that sets the tone from the top and requires all employees to maintain the highest ethical standards in conducting business
- Policies and procedures relating to operational and financial controls as well as compliance obligations including regulatory licence and ring-fencing obligations
- A corporate governance framework that includes risk analysis, financial control review and formal annual governance compliance statements by the management of business units and joint ventures (JVs)
- Comprehensive budgeting systems with an annual budget and five-year plan approved by the Board
- A comprehensive system of financial and non-financial reporting
- Cumulative actual results and KPIs are reported against budget and considered by the Board on a regular basis

- Large capital projects requiring the approval of the Board are closely monitored on an ongoing basis by the Finance and Investment Committee
- Reporting on compliance with applicable laws and regulations
- Comprehensive Anti-Bribery, Anti-Corruption and Fraud Prevention and Whistleblowing and Protected Disclosures Policies
- Insider trading policies and procedures for the prevention of market abuse
- A telephone helpline and online webchat service that provides employees and other external stakeholders with a confidential and, if required, anonymous means of reporting any suspected wrongdoing or ethical concerns
- A Group Tax Compliance Framework and an ESB Group Tax Strategy

An annual review of the effectiveness of the Group's system of internal control takes place and controls are reviewed systematically by Group Internal Audit. In these reviews, emphasis is placed on areas of greater risk as identified by risk analysis. Where weaknesses in the internal control system have been identified through the monitoring framework above, plans for addressing them are put in place and action plans are regularly monitored until completed.

Risk Management

Effective risk management is critical to the achievement of ESB's strategic objectives and the long-term sustainable growth of its business. The rapid changes taking place in ESB, the energy industry and the wider economy requires the Board to continuously re-assess the risks facing ESB and have clear strategies to manage those risks. The Board has overall responsibility for the Group's approach to risk, satisfying themselves that the systems of risk management are robust and defensible. Specifically, the Board responsibilities in respect of risk include:

- Ensuring that an adequate process designed to identify the principal risks and uncertainties is in place
- Embedding an appropriate risk culture throughout the Group
- Oversight of the risk management and crisis management processes
- Assessment of the likely effectiveness of management's mitigation measures and controls

The Board's Governance Report (continued)

An external review of the risk management process takes place periodically with the last review being in 2021. A dedicated project which aims to further strengthen ESB's ERM, governance and compliance structures continued during 2024, and progress is being monitored by the Audit and Risk Committee. The project has driven the revision of key policies and guidelines in relation to risk, the internal control framework and compliance during 2024.

The Board has carried out a robust assessment of the principal risks facing the Group, including those that might threaten its business model, future performance, solvency and liquidity. A cyclical review process for identifying, assessing and managing risks has been in place for the year under review and up to the date of approval of this Annual Report. The principal risks and uncertainties facing the Group and the mitigating strategies are set out on pages 26 to 32.

The Board is aware that it must lead by example in shaping and supporting the Group values that underpin the approach to risk. It also seeks to ensure that sufficient risk management skills and capabilities are available in the business and that the knowledge and experience of all of the employees in ESB who understand the risks associated with operations is utilised. Regular reporting has facilitated the Board to stay abreast of changes in identified principal risks, in addition to emerging risks and uncertainties.

The Board focuses primarily on those risks that could undermine ESB's strategy, or which could adversely affect the long-term viability or reputation of the Group. The Board delegates responsibility for oversight of specific risks to Board Committees in accordance with the Committees' Terms of Reference and respective area of expertise. The Board agrees how Committees will keep one another, and the Board itself, informed about risks and risk oversight practices. Efficiency and effectiveness call for clear boundaries, communication channels, and handoff points. The Board defines these elements clearly, adjusting as needed.

The Committees' Chairs report to the Board on key risks falling within their remit, developments and matters requiring further discussion and consideration. The Audit and Risk Committee retains overall responsibility for ensuring that enterprise risks are properly identified, assessed, reported and controlled on behalf of the Board.

Risk appetite may also vary over time and the Board has explicitly considered the level of this appetite and how specific risks are managed within it. The propensity to take risk is always balanced by a focus on exercising appropriate control.

As well as regular reporting, a session of the Audit and Risk Committee was dedicated to risk during 2024, with all Board members invited to attend. The focus of this risk session was on the geopolitical environment from an Irish, European and global perspective and the impact for ESB's supply chains.

Activities undertaken by the Audit and Risk Committee during 2024 in respect of its risk responsibilities are included on page 123.

The 2024 Review of the Effectiveness of Internal Control and Risk Management
The Board retains overall responsibility for internal control and risk management. During 2024, the Board has directly and through delegated authority to the Audit and Risk Committee, reviewed the effectiveness of the Group's system of internal control covering material financial, operational and compliance controls and risk management systems for 2024 and will ensure a similar review is performed in 2025.

The process used by the Board and the Audit and Risk Committee to review the effectiveness of the system of internal control includes:

- Review and consideration of the Annual Risk Plan, half-yearly risk review process, quarterly risk management updates and an annual risk deep dive review of a selection of principal risks (facilitated by ESB's dedicated risk management function)

- Review of the operation of controls mitigating cybersecurity risks
- Independent advice on the adequacy of the current ERM process operating in ESB (last reviewed in 2021)
- Internal audit of the ERM process
- Review and consideration of confirmation from management of satisfactory and effective operation of systems of internal control, both financial and operational – this is in the form of a detailed annual report presented to the Committee in January each year related to the preceding calendar year
- A review of the programme of GIA and consideration of its findings and reports. GIA also reports regularly on the status of implementation of recommendations raised previously from its reports
- Independent assessment of the effectiveness of the internal audit function (this is carried out every five years and an assessment was last carried out in 2021)
- A review of reports from the external auditor which contain details of work carried out on the key audit risks and recommendations regarding internal control improvements
- A review of the risk oversight activities of other Board Committees in relation to specific risk areas falling within their remit under their Committee Terms of Reference

Separately, the Safety, Sustainability and Culture Committee reviews the effectiveness of processes in place to identify, assess, report and control risks in relation to health, safety and environmental matters. Each quarter, the Committee considers a report on the health, safety and environmental performance of the Group, including key performance leading and lagging indicators, noting any significant trends or developments.

Based on this review, the Board confirms the following for 2024:

- There is an ongoing process for identifying, evaluating and managing the principal and emerging risks of ESB
- Systems of internal control have been in place for the year under review and up to the date of approval of this Annual Report

- ESB materially complies with the Financial Reporting Council (FRC) Guidance on Risk Management, Internal Control and Related Financial and Business Reporting
- A number of control incidences occurred, and areas of improvement were identified, processes are in place to ensure that appropriate actions are taken, and progress is monitored until completed
- ESB operates within the Irish Revenue Commissioners Co-Operative Compliance Framework. Consistent with that framework, a self-review of aspects of PAYE compliance was undertaken during 2024. Issues identified in the review have been fully disclosed to the Revenue Commissioners, corrective actions have been taken to ensure ESB's compliance, and measures to provide enhanced assurance on the relevant processes have been implemented
- Allegations of wrongdoing are investigated and reported to the Audit and Risk Committee as set out on page 127
- No other significant failings or weaknesses in internal control were identified in the review

Through its ongoing involvement and overview of internal control and risk management activities, the Board is satisfied that internal control and risk management processes are effective.

Viability Statement
In accordance with the UK Code, the Board members have assessed the prospects of ESB over a longer period than that required in adopting the going concern basis of accounting. ESB's assessment has been made over a five-year period, which is consistent with the time frame of ESB's business planning process. The assessment is based on consideration of ESB's current position and prospects, maintenance of its financial strength (page 40), progress against ESB's strategy (page 14), risk appetite, principal risks (pages 26 to 32) and how these are managed. This includes consideration of the developments in the external environment (including the macroeconomic environment) in which ESB operates as set out on page 16 and the climate related-risks and opportunities set out on pages 27 and 28.

The Board has carried out a robust risk assessment of the principal and emerging risks facing ESB. As part of the ERM process, the major and material potential consequences of a principal risk materialising are identified and, where possible and appropriate, the financial impact estimated. In addition, the ERM process considers the interdependency of principal risks, particularly in terms of impact. These risks and the way they are being managed and mitigated are outlined on pages 26 to 32.

Business Continuity and Crisis Management Plans have been developed to mitigate risks which may impact ESB's operations. These plans are exercised as part of an annual test plan, based on scenarios that could adversely impact ESB and assess the degree to which these risks can be mitigated. Results and lessons learned arising from the annual review and testing programme are reported to the Audit and Risk Committee.

The Board believes that a five-year viability assessment is most appropriate as it aligns with the business planning process cycle. The projections in the business plan consider ESB's cash flows, committed funding and liquidity positions and examine future funding requirements

and financial covenants, along with other key financial ratios including those relevant to maintaining investment grade credit ratings.

The business plan also includes an assessment of performance against ESB's Strategic Performance Indicators (SPIs) (as set out on page 15) as well as consideration of a number of relevant risks and opportunities. This includes consideration of the impact of climate-related matters notably the challenge associated with the scale of energy infrastructure which ESB is targeting to deliver as well as the drive to greater electrification in ESB's markets. It also includes greenhouse gas emissions (GHG) projections and considerations.

The financial metrics in the business plan are subject to sensitivity analysis, which involves flexing a number of the main assumptions underlying the plan to assess their impact on key financial metrics, such as Net Debt and EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) and, where appropriate, analysis is carried out to evaluate the potential financial impact of ESB's principal risks actually occurring. The current five-year assessment included consideration of the risks outlined in the table below (risks are not listed in order of importance or priority).

Relevant Principal Risks	Sensitivity Considered
- Failing to maintain ESB's financial strength and liquidity - Exposure to continued volatility in, and disruptions to, energy markets and other elements of global supply chains - Failing to deliver the scale and manage the project quality of renewable generation assets required - Failing to deliver the growing and increasingly complex network infrastructures and systems required to meet future customer and societal needs - Failing to meet ESB's sustainability targets or to inform or respond to climate change policies and/or to capture opportunities and manage challenges presented by those policies - Failing to secure, retain or embed the resources and capability required to deliver ESB's strategy	- Delivery of performance improvement targets and an earnings performance stretch - Capital expenditure delivery - Inflation and interest rates - Commodity market movements - Customer numbers - PR6 price review outcome - GHG emission projections – system demand growth (I-SEM and GB) and I-SEM system constraints (including the effect of the North-South Interconnector) - Financial flexibility options - Employee numbers

The Board’s Governance Report (continued)

The Board recognises the significance of maintaining financial strength and this is called out as a principal risk and as a foundational strategic capability. ESB’s funding operations support capital expenditure, the refinancing of maturing debt and the maintenance of adequate liquidity. ESB’s debt management strategy targets a debt portfolio profile with a diverse mix of counterparties, funding sources and maturities. A €1.4 billion Sustainability-Linked Revolving Credit Facility (RCF) is in place and provides

ESB with a substantial level of standby liquidity. This facility currently extends to 2027. ESB’s strong liquidity position reflects its underlying financial strength and BBB+ (or equivalent) credit ratings from two major credit rating agencies on a standalone basis. Further details on ESB’s liquidity and funding activities are set out on pages 44 and 45.

Based on the results of the above analysis, the Board members have a reasonable expectation that ESB will be

able to continue in operation and meet its liabilities as they fall due over the five-year period of their assessment.

Going Concern

The Group has considerable financial resources and ESB’s cashflow and liquidity position has remained strong throughout 2024. Accordingly, the Board continues to adopt the going concern basis in preparing ESB’s financial statements as set out in note 1 of the financial statements.

5. Remuneration

Based on ESB’s Group structure and its operations across a number of jurisdictions, there are a number of remuneration models in place across the Group. For employees covered by collective bargaining agreements, pay bands and rates are collectively bargained with the recognised trade unions. ESB informs and consults all of its employees on remuneration matters through the performance management process. ESB continuously reviews and benchmarks its market-based reward offering to ensure that it continues to attract and maintain the capability to deliver its strategy.

The Terms of Reference of the ESB Board Remuneration and Management Development Committee sets out the overall approach to executive remuneration. The Board adopts and implements a policy on executive remuneration which is clear, simple, predictable, proportionate and free from the risk of excessive reward. The objective of the policy is to support the successful implementation of ESB’s business strategy by establishing a reward proposition and related governance that attracts, motivates, and retains executives of the quality required to lead ESB successfully and which is consistent with ESB’s values.

Chief Executive’s Remuneration

The Chief Executive’s remuneration is set by reference to Government policy on the payment arrangements for Chief Executives of commercial State Bodies. ESB’s Chief Executive remuneration consists of an annual salary, a company car (EV) (subject to benefit-in-kind) and employer pension contribution. In line with Government policy, the Chief Executive does not receive performance related payments, therefore no such payments were made to ESB’s Chief Executive during 2024. In accordance with the Government’s “One Person, One Salary” rule, the Chief Executive is not entitled to receive a fee as a member of the ESB Board.

Worker Board Members’ Remuneration

Worker Board Members are appointed under the Worker Participation (State Enterprises) Acts, 1977 and 1988 and are employees of ESB. They are members of an ESB Pension Scheme. Worker Board Members are entitled to receive a separate fee in respect of their position as Board members.

Executive Director and Senior Managements’ Remuneration

ESB’s performance management process and remuneration is grounded in the Group’s strategic objectives and measured by the Group and business unit’s performance indicators (including certain ESG metrics) as well as specific individual objectives and key results. Incentives are payable on a phased basis over three years for Executive Directors and are payable following the end of the performance period for senior managers. External market benchmarks are provided to the Remuneration and Management Development Committee to support them in their consideration of the appropriate level of remuneration.

Business separation arrangements for the licensed networks businesses require that the remuneration of the relevant Managing Directors and senior managers are linked to their performance and the performance of those networks businesses only.

The Remuneration and Management Development Committee may demand the repayment of executive performance related incentives in circumstances where it considers it appropriate to do so (e.g. in the case of misconduct). Such clawback expires after a period of three years from the payment of the incentive. No clawbacks were demanded in 2024.

Independent Board Members’ Remuneration

Independent Board members (including the Chairman) serving on the Board of ESB are entitled to fees, at levels determined by the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation. The current fee is set out in the respective warrant of appointment issued to Board members by the Minister for Climate, Environment and Energy.

Board Members’ Expenses

Board members are entitled to reimbursement of reasonable expenses incurred for attending Board and related meetings/events. In compliance with the State Code, disclosure is required of the expenses paid to Board members. During 2024, €86,525¹ was reimbursed to, or paid on behalf of, Board members for travel expenses, accommodation and other expenses incurred directly in relation to their roles as Board members. These expenses do not include those of the Chief Executive

or the Worker Board Members in respect of their executive or employee duties. They also do not include amounts relating to training or membership fees paid on behalf of Board members.

¹ The amount of any expense claimed by a non-executive Board member which is subject to deduction of tax is grossed up (that is, expenses grossed up for tax purposes at the applicable rate of tax for the individual Board member) to ensure Board members are fully reimbursed. The amount of expenses disclosed below includes the impact of any such grossing up.

Board Members’ and Chief Executive Remuneration and Expenses
Chairman

	Remuneration		Expenses	
	2024 €	2023 €	2024 €	2023 €
Terence O'Rourke	31,500	31,500	14,824	6,574

Chief Executive

	Remuneration		Expenses	
	2024 €	2023 €	2024 €	2023 €
Salary and taxable benefits	318,083	318,083		
Benefit-in-Kind (Car)	5,560	5,212		
Pension contributions (Defined Benefit Pension)	49,303	49,427		
Total	372,946	372,722	311	1,159

Independent/Worker Board Members

	Remuneration		Expenses	
	2024 €	2023 €	2024 €	2023 €
Michael Barry ¹	15,750	15,623	11,147	3,333
Aisling Curtis ²	15,750	10,763	4,367	1,154
Annette Flynn ²	15,750	10,763	5,333	1,435
Pat Gaynor ³	762	-	-	-
Karen Halpenny	15,750	15,750	6,255	2,083
Owen Kilmurray	15,750	15,750	2,494	1,972
Paul Lynam ⁴	14,946	15,750	6,293	2,027
Jim Meade ³	-	-	-	-
Noreen O’Kelly ⁵	-	4,944	-	162
Gráinne O’Shea	15,750	15,750	1,573	2,103
Alf Smiddy ⁴	14,946	15,750	21,171	13,973
Dr Sara Venning	15,750	15,750	8,107	5,742
Trevor Walsh	15,750	15,750	4,650	3,488
Total	156,654	152,343	71,390	37,472

¹ Term commenced 4 January 2023

² Term commenced April 2023

³ Term commenced 18 December 2024. Mr Meade is not currently entitled to a Board fee under the “One Person One Salary” rule

⁴ Term completed 13 December 2024

⁵ Term completed April 2023

Audit and Risk Committee Report



Michael Barry
Chairman

Chairman's Introduction

On behalf of the Audit and Risk Committee, I am pleased to introduce the Audit and Risk Committee Report for the year ended 31 December 2024. The purpose of the report is to provide an insight into the workings of the Audit and Risk Committee over the last 12 months. I confirm that the Audit and Risk Committee has satisfied its responsibilities as set out in its Terms of Reference and under the Code of Practice for the Governance of State Bodies (the State Code), the UK Corporate Governance Code 2018 (the UK Code) and the Irish Corporate Governance Annex (the Irish Annex) (with explanations for any exceptions set out in the tables on pages 116 and 117).

The responsibilities of the Audit and Risk Committee are set out in full in its Terms of Reference, a copy of which can be found on the ESB website.

The Audit and Risk Committee consists of independent Board members who bring a broad range of experience and expertise from a wide range of industries, which is vital in supporting effective governance. The Board has confirmed that each member of the Audit and Risk Committee is independent, and that the membership meets the requirements of the State Code and the UK Code in terms of recent and relevant financial experience and competence relevant to the sector in which the Group operates.

Committee Meetings

The Audit and Risk Committee held nine meetings during 2024. The members of the Committee, length of service and the number of meetings attended are set out below:

Members	Designation	Length of Service	Meetings Attended
Michael Barry (Chairman) ¹	Independent Board Member	2 years	9
Annette Flynn ²	Senior Independent Board Member	1 year and 7 months	9
Pat Gaynor ^{2, 4}	Independent Board Member	-	-
Paul Lynam ^{3, 5}	Ex-Independent Board Member	4 years and 8 months	6
Alf Smiddy ^{1, 5}	Ex-Senior Independent Board Member	7 years and 9 months	8

¹ Fellow of Chartered Accountants Ireland
² Fellow of the Association of Chartered Certified Accountants
³ Executive positions held in industry
⁴ Term commenced on 18 December 2024
⁵ Term completed on 13 December 2024

Role

The role of the Audit and Risk Committee is set out in its Terms of Reference which were reviewed during the year and revised and updated where appropriate. These set out the duties of the Audit and Risk Committee under the following headings:

- Financial and Annual Reporting
- Sustainability Reporting
- Internal Controls, Compliance and Risk Management Systems
- Whistleblowing, Fraud and Investigations
- Internal Audit
- External Audit

Duty	Activities carried out in 2024
Financial and Annual Reporting	Reviewed and recommended to the Board (where applicable): - ESB's Annual Report and Financial Statements ensuring these were fair, balanced and understandable - Accounting standards applied and the estimates and judgements made by the Group - Final Dividend 2023 - ESB Regulatory Accounts - ESB Finance DAC Financial Statements - ESB's Interim Financial Report - Status of large company subsidiary audits and financial statements (as defined by the Companies Act, 2014)

Duty	Activities carried out in 2024
Sustainability Reporting	Reviewed and considered: - Corporate Social Responsibility Directive (CSRD) reporting readiness and assurance updates - Results of first Double Materiality Assessment
Internal Controls, Compliance and Risk Management Systems	Reviewed and recommended to the Board (where applicable): - Effectiveness of the Group's system of internal control - Governance Frameworks for Material Non-Wholly Owned Entities - Effectiveness of arrangements for business continuity planning and crisis management - ESB's Group Risk Management Policy and ESB's Group Risk Management Framework, the Risk Plan, Risk Appetite Statement and regular risk reports - Revised Internal Control Framework Policy - Biannual Data Protection Dashboard - Cybersecurity Strategy, Networks Information Security Directive 2 and other regular cybersecurity updates - The UK Code and the Irish Annex - Briefing paper on the Irish Corporate Governance Code 2024 (the Irish Code) - Compliance with the State Code (including Procurement compliance) - Updates on the Management of Key Spreadsheets Project - Group Tax Strategy update - Updates on the self-review of PAYE compliance - Treasury and vendor payments process assurance - ESB's compliance with statutory and regulatory obligations - Gift register assurance - An Irish, European and global geopolitical overview (including risks for ESB's supply chain)
Whistleblowing, Fraud and Investigations	Reviewed and considered: - Updates on fraud risk management - Updates on fraud and wrongdoing allegations
Internal Audit	Reviewed, considered and approved (where applicable): - Progress against the 2024 internal audit plan (including NIE Networks) 2025 internal audit plan - Update from the Head of Group Internal Audit (GIA) where management were not present - Revisions to International Internal Audit (IIA) Standards - Internal Audit Charter update - IT thematic review - Updates to GIA's Quality Assurance and Improvement Programme - GIA Strategy update
External Audit	Reviewed and considered: - Effectiveness of the external audit process - FRC Best Practice Review – Audit Committees and the External Audit Minimum Standard - External Audit Plan - Deloitte's Audit Findings Reporting (including IT) - Non-audit services provided by Deloitte and other audit firms - Updates from the external auditor where management were not present - Deloitte's internal control recommendations and management's response - Industry briefing presentations from Deloitte on audit quality and hot topics

Audit and Risk Committee Report (continued)

Financial and Annual Reporting

The Audit and Risk Committee receives and considers the interim and year-end financial statements from management, including consideration of the consistent application of ESB's accounting policies. Annually, the Committee receives a paper on the key accounting estimates and judgements contained within the financial statements. In addition, the Committee receives reports from the internal audit team and discusses the audit strategy with the external auditor.

Considering the information from these activities, the Audit and Risk Committee determined the key areas of judgement in the Group's financial statements related to the following:

- Carrying value of long-lived assets and goodwill
- Carrying value of investments in, and loans to, equity accounted investees (joint ventures)
- Valuation of asset retirement obligations
- Pension obligations – ESB Defined Benefit Pension Scheme
- Financial instruments and own use contracts
- Partnership with Ørsted

These issues were discussed with management during the year. The Audit and Risk Committee reviewed and agreed the auditor's Group Audit Plan, and the audit findings report at the conclusion of the audit of the year-end financial statements.

Significant issues considered	How issues were addressed by the Audit and Risk Committee
Carrying value of long-lived assets and goodwill Long-lived assets Where indications of potential impairment on the ROI and UK generation assets were identified, impairment reviews were performed to ensure the carrying values were supported by forecast future discounted cash flows. As at 31 December 2024, no indicators of impairment of ESB's generation assets or the carrying value of the asset base of ESB Networks and NIE Networks were identified.	The Audit and Risk Committee recognises that judgements are made to assess whether indicators of impairment exist. To assist with their decision regarding impairment, the Audit and Risk Committee reviewed and challenged the papers prepared by management. Following the review above, the Audit and Risk Committee is satisfied with the impairment review approach and key assumptions used.
Goodwill Goodwill recognised on the acquisition of NIE Networks and So Energy as at 31 December 2024 amounted to €205 million. An annual impairment test of the carrying value of this goodwill was carried out and no impairment was required. Further details are in note 15 of the financial statements.	
Carrying value of investments in, and loans to, equity accounted investees (joint ventures) An impairment assessment of the carrying value of the investment (and related shareholder loan) in Neart na Gaoithe (NnG) was carried out and following this review an expected credit loss of €135 million has been recognised in the Group Income Statement as an exceptional finance cost. Further details are in note 16 of the financial statements.	To assist with their decision on the level of the impairment charge the Committee reviewed and challenged the papers prepared by management, including details of the methodologies and assumptions applied in determining the recoverable values. Following the review above, the Audit and Risk Committee is satisfied with the impairment review approach and key assumptions used.
Valuation of asset retirement obligations ESB has provided for the expected retirement and decommissioning costs of generation assets, wind farms, ESB Networks' and NIE Networks' creosote treated wood poles. The costs are capitalised in property, plant and equipment and depreciated over the useful economic lives of the assets to which they relate unless the related asset has reached the end of its useful life.	The Committee has reviewed and challenged the papers prepared and presented by management detailing the basis and assumptions for the provisions. The Committee is satisfied with the review of asset retirement obligations and the underlying basis for assumptions used.
See note 2 and 29 of the financial statements for further details.	

Significant issues considered	How issues were addressed by the Audit and Risk Committee
Pension obligations - ESB Defined Benefit Pension Scheme (the Scheme) In accordance with IAS 19 Employee Benefits, ESB continues to reflect the extent of its existing committed obligations to the Scheme only as the Scheme is not a typical balance of cost Defined Benefit Scheme where the employer is liable to pay the balance of contributions required to fund benefits. See note 25 of the financial statements for further details.	The Audit and Risk Committee is satisfied that the appropriate accounting treatment, determined in accordance with IAS 19 Employee Benefits, is to reflect the Group's existing committed obligations on the balance sheet, as set out in the notes to the financial statements.
Financial instruments and own use contracts Within its regular course of business, the Group routinely enters into sale and purchase contracts for commodities, including gas and electricity. Where the contract was entered into and continues to be held for the purposes of receipt or delivery of the commodities in accordance with the Group's expected sale, purchase or usage requirements, the contracts are designated as own use contracts and are accounted for as executory contracts. These contracts are therefore not within the scope of IFRS 9 Financial Instruments. Further details of the impact of the fair valuation of such contracts are included in note 24 of the financial statements.	The Committee has reviewed and challenged the papers prepared and presented by management detailing the basis for the treatment of such commodity contracts. The Audit and Risk Committee is satisfied that the appropriate accounting treatment has been determined in accordance with IFRS 9 Financial Instruments.
Partnership with Ørsted In June 2023, ESB and Ørsted entered into a joint arrangement to develop a portfolio of offshore wind projects. The arrangement includes additional contingent consideration to be received by ESB from Ørsted related to a number of key milestones being reached on each project. Due to the projects being in the early stages of development, the fair value of this contingent consideration has been estimated as nil.	The Committee has reviewed and challenged management's assessment detailing the basis for the treatment of such an arrangement. The Audit and Risk Committee is satisfied that the appropriate accounting treatment has been determined.
The above description of significant issues considered should be read in conjunction with the independent auditor's report on pages 139 to 148 and the use of estimates and judgements disclosed in note 2 of the financial statements.	

Fair, Balanced and Understandable

At the request of the Board, the Audit and Risk Committee has considered whether, in its opinion, the Annual Report and Financial Statements taken as a whole, are fair, balanced and understandable and provide all the necessary information for stockholders/stakeholders to assess ESB's performance, business model and strategy. Consideration is also given to whether the information is presented in a clear and concise format, avoids the use of jargon and is easily understood by the reader.

To assist in the process of supporting the fair, balanced and understandable assessment statement, management prepared a report to the Audit and Risk Committee setting out the key considerations in arriving at the statement and to assist in its challenge and testing of a fair, balanced and understandable assessment.

In reaching their conclusion, the Audit and Risk Committee considered the following:

- Understandable, clear language used throughout the report
- Board members received copies of the Annual Report and Financial Statements for timely review to ensure the key messages in the Annual Report were aligned with the Group's performance, business model and strategy and the narrative sections of the Annual Report were consistent with the Financial Statements
- Clear linkages to the strategic objectives are provided throughout the report
- That a robust process was put in place by management for the preparation of the Annual Report and Financial Statements for the year ended 31 December 2024, including early planning, taking into consideration regulatory changes and best practice
- That the Key Performance Indicators (KPIs) and Alternative Performance Measures (APMs) used and reported in the Annual Report are at an appropriate level
- That all key events and issues reported to the Board during the year, both positive and negative, have been adequately referenced or reflected in the Annual Report

Audit and Risk Committee Report (continued)

Following its review, the Audit and Risk Committee is of the opinion that the Annual Report and Financial Statements taken as a whole, are fair, balanced and understandable and provide all the necessary information for stockholders/ stakeholders to assess ESB's performance, business model and strategy and has recommended them to the Board for approval.

External Audit
Audit Quality

To maintain audit quality and provide assurance on the integrity of financial reporting, the Audit and Risk Committee reviews and challenges the proposed external Audit Plan, including its scope and materiality prior to approval, to ensure that the external auditor has identified the key audit risks and developed a robust approach. The Audit and Risk Committee considers the external auditor's response to accounting, financial control and audit issues as they arise and meets with them at least once annually without management present, providing the external auditor with the opportunity to raise any matters in confidence.

A report from the external auditors on their own internal quality procedures was also presented to the Audit and Risk Committee during the year. This noted that a key part of enhancing audit quality is incorporating feedback from ESB management. A detailed debrief session was held between Deloitte and management following the year end 2023 audit as well as one on one discussions with the IT team. Key areas identified for enhancement were incorporated into the 2024 Audit Plan.

Discussions with External Auditor

The Audit and Risk Committee reviewed the external auditor's report on the audit findings, including critical judgements and key estimates noted on pages 139 to 148. Having reviewed the external auditor's reports and having discussed their findings at Committee meetings, the Committee is satisfied that the audit appropriately addressed critical judgements and key estimates, and that the external auditor has demonstrated appropriate levels of professional scepticism.

Throughout the year, ESB and Deloitte were engaged in ongoing, open communication on current matters as and when they arose.

Auditor Independence

The Audit and Risk Committee assesses the auditor's independence on an ongoing basis.

Auditor independence and objectivity is safeguarded by several control measures, including:

- A limit on the nature and value of non-audit services performed by the external auditor as covered under the policy for non-audit services
- Monitoring any changes in legislation related to auditor objectivity and independence
- Confirmation from Deloitte that they have appropriate internal safeguards in place that are consistent with applicable professional standards
- Audit partner rotation every five years
- Providing opportunities to meet with the Audit and Risk Committee privately
- Annual review of the effectiveness of the external audit process
- Annual confirmation of independence by the external auditor

The Audit and Risk Committee is satisfied that the auditor, Deloitte, is both independent and objective.

The Committee considers the appointment of the external auditor, and this process is subject to public tender. The last tender process was completed in 2021 and following this tender Deloitte were appointed as auditor beginning with the financial year ended 2022. The auditor is reappointed annually by stockholders at the Annual General Meeting.

Audit Process Effectiveness

The effectiveness of the current external audit process is reviewed annually, taking into account feedback from a questionnaire on the evaluation of the external auditor and the external audit process by the Audit and Risk Committee. Feedback is obtained by both management and the Committee. The evaluation focuses on areas such as the robustness of the audit planning process, audit execution, reporting and the role of management. A review was carried out in 2024 and overall, the Audit and Risk Committee is satisfied with the effectiveness of the external audit process.

Non-Audit Services

The policy on the engagement of ESB's external auditor for non-audit services takes account of the EU audit regulation and directive on non-audit services in compliance with the Companies Act, 2014 (as amended by the Companies (Statutory Audits) Act, 2018) as well as the relevant ethical standards, namely the Ethical Standard for Auditors issued by the Irish Auditing and Accounting Supervisory Authority (IAASA) which was updated in November 2020 and the Financial Reporting Council (FRC) Revised Ethical Standard 2019.

The policy outlines the governance arrangements that apply to the provision of non-audit services. This policy includes a list of prohibited services and outlines the governance arrangements that apply to the provision of permitted non-audit services. The policy includes a defined approval process and follows ESB procurement procedures and Group authority levels.

An update on the nature of non-audit services provided by Deloitte and the value of such services is presented to the Audit and Risk Committee at least annually to demonstrate that the services comply with the policy (including that they are within the fee cap set out in the policy). A summary of the audit and non-audit fees paid to the external auditor is set out in note 11 of the financial statements. The primary non-audit related services provided by the external auditor during the year were in respect of permitted work on the provision of tax services and pre-CSRD assurance work. The Audit and Risk Committee is satisfied that the fees paid in 2024 did not compromise the independence or integrity of the external auditor. The Committee will continue to monitor the type and level of services provided to prevent any perceived or actual impact on auditor's independence.

An update on the nature and value of non-audit spend with audit firms, other than Deloitte, was also presented to the Audit and Risk Committee in line with best practice as set out in the provisions of the Audit Committees and the External Audit: Minimum Standard published by the FRC. The Committee will continue to monitor the level of non-audit spend with audit firms to ensure a sufficient number of potential candidates are interested in partaking in any future audit tender process.

Internal Audit

The Audit and Risk Committee has a specific role to monitor and assess the role and effectiveness of the internal audit function. Group Internal Audit conducts its activities in conformance with the International Standards for Professional Practice of Internal Auditing (IIAS). The IIAS require that an external assessment of compliance with the standards be carried out every five years and the most recent assessment was carried out by KPMG in 2021. Updates are provided to the Audit and Risk Committee on the output of this assessment and all the recommendations from the 2021 assessment have been implemented.

Anti-Bribery, Corruption, Fraud and Wrongdoing

In line with its Terms of Reference, the Audit and Risk Committee reviewed and assessed reports on incidents of fraud and attempted fraud during the year, as well as the processes in place to manage the risk of fraud. Having overseen the establishment of a dedicated Fraud Risk Manager role (within Group Internal Audit) and an independent Fraud and Wrongdoing Triage Committee in 2023, the Committee received updates from the Fraud Risk Manager on work undertaken during 2024 including fraud risk assessments, workshops and communications. The Committee also approved updated versions of ESB's Anti-Bribery, Anti-Corruption and Fraud Prevention Policy, and ESB's Whistleblowing and Protected Disclosures Policy in 2024. See further details related to these policies on page 132.

Audit and Risk Committee Effectiveness

As part of the external Board evaluation conducted in 2024, the operation of the Audit and Risk Committee was evaluated. The evaluation confirmed the Committee was operating efficiently with only minor recommendations made for improvements. Detail on the Board effectiveness evaluation is included on page 115.

Additionally, on an annual basis, an end of year report is prepared for the Committee, which reviews materials that were presented to the Committee by reference to its annual workplan to provide assurance that the Committee had adequate coverage of its oversight responsibilities and is delivering against its Terms of Reference.

Meetings

The internal and external auditors have full and unrestricted access to the Audit and Risk Committee. The Audit and Risk Committee Chairman reports the outcome of its meetings to the Board. Meetings, or part thereof, are routinely attended by the Board Chairman, Chief Executive and/or Deputy Chief Executive, Executive Director, Group Finance and Commercial, Head of Group Internal Audit and representatives of the external auditor. Committee-only sessions are arranged at the beginning/ end of meetings, as determined by the Audit and Risk Committee Chairman.

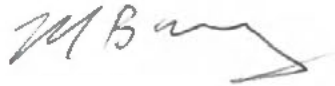
Looking Ahead

The key areas of focus in 2025 for the Audit and Risk Committee will include the following:

- AI: Understanding the risk to the business and the risks of use within the business and the plan for wider adoption of AI (including policies on ethical use)
- Sustainability: Driven by CSRD reporting – readiness for reporting; quality of data; risks; KPI monitoring
- Cyber risk
- Geopolitical risk
- Controls frameworks and integrated assurance given the risk environment and the responsibility the Audit and Risk Committee has in monitoring the effectiveness of internal controls

The Audit and Risk Committee will also continue to keep its activities under review, taking into consideration external developments and Board priorities.

On behalf of the Audit and Risk Committee



Michael Barry
Chairman, Audit and Risk Committee
26 February 2025

Board Committees in 2024



Role
The Customer, Innovation and Brand Committee's responsibilities are set out in its Terms of Reference.

The Terms of Reference of each Board Committee are reviewed regularly (and at least annually in the case of the Audit and Risk Committee) and revised and updated where appropriate. The Terms of Reference of all Committees are available on the ESB website or upon request from the Company Secretary.

Customer, Innovation and Brand Committee

Committee Meetings
The Committee held four meetings during 2024. The members of the Committee, length of service and the number of meetings attended are set out below:

Members	Designation	Length of service	Meetings attended
Aisling Curtis (Chair)	Independent Board Member	1 year and 7 months	4
Owen Kilmurray	Worker Board Member	1 year and 7 months	4
Jim Meade ¹	Independent Board Member	-	-
Marguerite Sayers	Deputy Chief Executive	1 year and 7 months	4
Dr Sara Venning	Independent Board Member	1 year and 7 months	4
Trevor Walsh	Worker Board Member	1 year and 7 months	4

¹ Tenure commenced on 18 December 2024

Key Activities of the Customer, Innovation and Brand Committee in 2024

Duty	Activity
Customer	Reviewed and considered: - Electric Ireland Superhomes Strategy update - ESB Networks' Customer Transformation Programme - Customer complaints and resolutions process overview - Retail market and competition outlook - Customer Solutions quarterly reporting - ESB Networks customer performance update - ESB Networks Smart Metering Programme update - Electric Ireland smart meter customer offerings
Brand, Reputation and Stakeholder Management	Reviewed and considered: - Overview of data governance in ESB - Changing media/advertising channels and implications for ESB brands - Marketing supports for ESB's Net Zero Strategy - ESB reputation research insights
Innovation/Technology	Reviewed and considered: - eMobility Project - Technology Insights Report 2023 - Business value of dashboards and AI - IT delivery capability - IT governance and risk management in ESB - National EV Charging Infrastructure Plan - Lessons learned from the eBikes Hub Pilot - Renewables connections - outlook and strategic outcomes - Digital Strategy refresh update and Annual Digital Progress Report



Role
The Safety, Sustainability and Culture Committee's responsibilities are set out in its Terms of Reference. The Committee Chair meets as required with the Chairman of the Audit and Risk Committee to agree and update as appropriate the specific risk responsibilities of the Safety, Sustainability and Culture Committee.

Safety, Sustainability and Culture Committee

Committee Meetings
The Committee held five meetings during 2024. The members of the Committee, length of service and the number of meetings attended are set out below:

Members	Designation	Length of service	Meetings attended
Dr Sara Venning (Chair)	Independent Board Member	3 years and 1 month	5
Aisling Curtis	Independent Board Member	1 year and 7 months	3
Karen Halpenny	Worker Board Member	2 years	5
Paddy Hayes	Chief Executive	2 years and 10 months	5
Jim Meade ¹	Independent Board Member	-	-
Alf Smiddy ²	Ex-Senior Independent Board Member	1 year and 6 months	5

¹ Tenure commenced on 18 December 2024
² Tenure completed on 13 December 2024

Key Activities of the Safety, Sustainability and Culture Committee in 2024

Duty	Activity
Safety, Health and Wellbeing	Reviewed, considered and approved (as applicable): - Road Safety Centre of Excellence update - Safe System of Work rollout in Generation and Trading - Group Policy on Health and Safety - Contractor safety/ESB Networks external contractors' safety - Annual Dam Safety Report - Update on the Fire Safety Centre of Competence - Update on NIE Networks' Safer Together Cultural Journey - ESB Networks' Public Safety Strategy update - ESB Networks low voltage live working safety incidents - Update on cardiovascular screening
Sustainability and the Environment	Reviewed, considered and approved (as applicable): - Sustainability Transformation Enablement Programme updates including an overview of the Climate Risk Assessment and ESB's approach to climate change analysis and reporting - Corporate Social Responsibility Strategy - Double Materiality Assessment - Sustainable Procurement Strategy for ESB - NIE Networks' sustainability and environment performance update - Sustainability Data Disclosures for 2023 - Update on ESB Networks' environmental risks - ESB Networks' Biodiversity Strategy - Generation and Trading's Rivers Strategy - Environment and Sustainability Policy
Culture and People	Reviewed, considered or recommended to the Board (where applicable): - Diversity, Equity and Inclusion Strategy update (including the Gender Pay Gap Report) - Feedback from Our Voice survey - Culture Programme updates - ESB's Code of Conduct (Our Code) and implementation - Modern Slavery Statement - Employee engagement in NIE Networks - Human Rights Policy - Leadership and management capability – early careers development



See pages 64 to 95 for further information on Safety, Sustainability and Culture in 2024 as set out in the Planet, Place, People section.

Board Committees in 2024 (continued)



Role
The Remuneration and Management Development Committee's responsibilities are set out in its Terms of Reference.

Remuneration and Management Development Committee

Committee Meetings
The Committee held six meetings during 2024. The members of the Committee, length of service and the number of meetings attended are set out below:

Members	Designation	Length of service	Meetings attended
Terence O'Rourke (Chairman)	Chairman	4 years and 2 months	6
Annette Flynn	Senior Independent Board Member	1 year and 7 months	5
Pat Gaynor ¹	Independent Board Member	-	-
Alf Smiddy ²	Ex-Senior Independent Board Member	1 year and 6 months	5

¹ Tenure commenced on 18 December 2024

² Tenure completed on 13 December 2024

Key Activities of the Remuneration and Management Development Committee in 2024

Duty	Activity
Executive Remuneration Policy	Reviewed and approved the Executive Reward Policy.
Board and Main Subsidiary Board Members' Remuneration	Reviewed, approved or recommended to the Board (where applicable): - Re-appointment of two non-executive directors to the Board of ESB Networks DAC, following approval by the Minister - Appointment of an additional non-executive director to the Board of NIE Networks 2024 remuneration of the NIE Networks Managing Director - Remuneration arrangements for Worker Board Members - Increase in board fees payable to Chairman and non-executive directors of NIE Networks
Board Succession Planning	Review of Board succession planning/process.
Board Member Independence	Reviewed, approved or recommended to the Board (where applicable): - Board Independence Assessment Policy 2023 Board independence assessment - Board's Diversity, Equity and Inclusion Policy
Chief Executive's Performance and Remuneration	Reviewed and approved (as applicable): - Chief Executive's performance review against 2023 targets 2025 performance targets for the Chief Executive The Chairman and Ms Flynn also met with the Senior Posts Remuneration Committee to discuss their review of CEO remuneration in Commercial State Companies.
Executive Performance and Remuneration	Reviewed and approved (as applicable): 2024 remuneration for the Executive Committee - Executive Director short-term incentive plan 2023 outcome - ESG targets for short-term incentive plans - Executive remuneration risk assessment - Executive Benchmarking Report - Executive Remuneration Compliance Review - Executive team performance review 2023
Succession Planning and Leadership Development	Reviewed and considered: - Executive Director development plans - Update on Executive Director success profile



Role
The Finance and Investment Committee's responsibilities are set out in its Terms of Reference.

Finance And Investment Committee

Committee Meetings
The Committee held seven scheduled meetings and one special committee meeting during 2024. The members of the Committee, length of service and the number of meetings attended are set out below:

Members	Designation	Length of service	Meetings attended
Annette Flynn (Chair) ¹	Senior Independent Board Member	1 year and 7 months	7
Michael Barry	Independent Board Member	1 year and 7 months	8
Pat Gaynor ²	Independent Board Member	-	-
Paddy Hayes	Chief Executive	2 years and 10 months	8
Paul Lynam ³ (ex-Chairman)	Ex-Independent Board Member	7 years and 9 months	6
Gráinne O'Shea	Worker Board Member	2 years	8

¹ Chaired the scheduled September 2024 meeting in Paul Lynam's absence and was appointed Chair of the Committee in December 2024

² Tenure commenced on 18 December 2024

³ Tenure completed on 13 December 2024

Key Activities of the Finance and Investment Committee in 2024

Duty	Activity
Investments and Capital Expenditure	Reviewed and recommended to the Board (where applicable): - Renewable investment/expenditure (wind and solar) - Other significant investment/expenditure and disposals - Climate governance: aligning investment decisions with the Net Zero Strategy - SIRO business update - Various offshore wind project updates - Quarterly capital expenditure reports - Generation asset investments – business case realisation review - Updates on ESB Networks PR5 delivery and PR6 submission - NIE Networks RP7 draft and final determinations - Update on Offshore Renewable Electricity Support Scheme (ORESS) 2.1 - ESB Novusmodus Fund update
Funding	Reviewed and recommended to the Board (where applicable): - Funding, cash forecasting and Group Treasury updates - Treasury Policy update - ESG ratings - So Energy funding - Credit rating agencies reviews - Amendment and restructuring of NIE Networks RPI Swaps
Financial Performance/ Stockholder Matters	Reviewed and recommended to the Board (where applicable): - Monthly and quarterly financial updates - Consultancy Spend Report 2023 - Integrated Business Plan 2025-2029 - ESB Networks' and NIE Networks' annual financial plans (2025)
Energy Markets and Trading	Reviewed and recommended to the Board (where applicable): - Strategic review of the Northern Ireland residential retail business - Energy Trading Strategy updates from Generation and Trading - ESB Trading: Energy Markets and Trading Strategy execution - Risk and Compliance Framework for Management of Energy Trading Risks - Electric Ireland's residential electricity tariff

Business Conduct

Our Code

The Board is responsible for ensuring that ESB conducts its affairs in compliance with its legal and regulatory obligations and duties in a socially responsible manner as well as setting the tone at the top on conduct and ethics. The expertise of the Board in relation to Business Conduct matters is set out in their biographies on pages 98 to 103 and the Experience and Board Skills Mix matrix on page 113.

ESB has established a Code of Ethics, known as "Our Code", which denotes its approach to responsible and ethical business behaviour, underpinned by ESB's values. The underlying principle of Our Code is that employees can best serve ESB by adhering to the highest standards of integrity, loyalty, fairness and confidentiality and by meeting all legal and regulatory requirements. The Board reviewed updates to Our Code in 2024, approving changes including an emphasis on speaking up, inclusion and discrimination in addition to providing increased clarity on conflicts of interest situations. To establish, develop and promote positive corporate culture, Our Code training is carried out at induction for all direct employees. Training material is published on the ESB intranet and is available through ESB's learning and development platform. Completion of this training is monitored, and evaluation of ESB corporate culture is further promoted through regular staff surveys and other forms of staff engagement. For regulatory ring-fencing purposes, NIE Networks maintains its own Code of Ethics and regular communications are sent to staff to raise awareness of the code and its contents. So Energy are in the process of developing a Code of Ethics in line with local laws, policies and procedures but which aligns to ESB's Our Code format and content.

The Board's Code of Conduct

The Board has its own Code of Conduct committing to the highest standards of conduct and business ethics. Board members are expected to lead by example and set the tone from the top and the Board Code of Conduct is available on the ESB website. Board members are also mindful of their obligations under the Ethics in Public Office Act, 1995 and the Standards in Public Office Act, 2001.

Anti-Bribery, Corruption, Fraud and Wrongdoing

ESB has a detailed Anti-Bribery, Anti-Corruption and Fraud Prevention Policy in place, which was updated in 2024, and outlines the standards of behaviour expected of staff in how they work and to promote controls to prevent, deter and detect bribery, corruption and fraud. Ireland has enacted anti-bribery and corruption laws consistent with the aims of the United Nations Convention against Corruption. ESB's Anti-Bribery, Anti-Corruption and Fraud Prevention Policy, available on the ESB website, is consistent with these laws. Online training on the policy is available to all staff and it is included as standard in induction for new employees. Fraud risk assessment/awareness workshops were also conducted by the business units and key operational areas during 2024. These workshops were facilitated by the Fraud Risk Manager and external facilitators as required.

ESB has a zero-tolerance approach to bribery, corruption and fraud and is committed to investigating all incidents of this nature promptly, independently and objectively.

Group Internal Audit (GIA) oversees all investigations ensuring that appropriate terms of reference are agreed, appropriate budget is available to conduct investigations and fair, unbiased investigations are conducted in line with ESB's Whistleblowing and Protected Disclosures Policy and related guidelines for investigating/managing incidents of wrongdoing. The outcome of each investigation is reported by GIA to the Audit and Risk Committee.

During 2024:

- There were nine confirmed incidents of fraud or corruption, seven by third parties and two incidents involving ESB staff/contractors who attempted to defraud the organisation. There were no confirmed incidents of bribery.
- There were no prosecutions, convictions or fines relating to the violation of anti-corruption or anti-bribery laws by ESB or ESB staff.

- There were no confirmed incidents in 2024 relating to ESB's own employees in which employees were dismissed or disciplined for corruption or bribery related incidents. There was one incident in which an ESB staff member was disciplined for a fraud related incident. The engagement of a contractor working at an ESB subsidiary was terminated following an incident of theft/fraud.
- There were no confirmed incidents relating to contracts with business partners that were terminated or not renewed due to violations by an ESB Group company related to corruption or bribery.
- There were no insufficiencies identified in actions taken to address breaches in procedures and standards of anti-corruption and anti-bribery.

Incidents or attempted incidents of fraud are reported to the Audit and Risk Committee on a quarterly basis as outlined on page 127.

Whistleblowing

In addition to Our Code and the Anti-Bribery, Anti-Corruption and Fraud Prevention Policy, ESB has, in compliance with the Protected Disclosures Act, 2014 (as amended), a Whistleblowing and Protected Disclosures Policy, which outlines specific procedures for the reporting and investigation of concerns raised in relation to wrongdoing. A telephone helpline and online webchat service provides employees and external parties with a confidential and, if required, anonymous means of reporting any suspected wrongdoing or ethical concerns. NIE Networks has a process in place for raising a concern to the Company Secretary. Measures to protect whistleblowers are outlined in ESB's Whistleblowing and Protected Disclosures Policy which is available on ESB's website.

Ireland

When a wrongdoing is identified through any of the forums noted above or through business line management, an initial assessment is completed to determine whether there is sufficient information

to merit a formal investigation. The initial assessment is conducted by the line manager who was made aware of the potential wrongdoing (to the extent that they themselves are not involved), together with the Wrongdoing Triage Committee which has experienced representatives from GIA, Group Finance, Legal and HR. Where a formal investigation is required, the Triage Committee appoint an independent investigator(s), with advice obtained from Legal and HR as required. The investigator/investigation team is independent from the incident, with no connection to the subject matter of the investigation and will have the relevant skills and expertise to conduct the investigation properly. The investigator/investigation team may be ESB employees or external third parties (or a combination of both).

GIA oversees all investigations ensuring that appropriate terms of reference are agreed, appropriate budget is available to conduct investigations and fair, unbiased investigations are conducted in line with ESB's Whistleblowing and Protected Disclosures Policy and related guidelines for investigating/managing incidents of wrongdoing. The outcome of each investigation is reported by GIA to the Audit and Risk Committee and if required, it is reported to relevant external parties including An Garda Síochána. The outcome is reported to the complainant, if known.

NIE Networks

The Company Secretary is responsible for ensuring any investigations are undertaken, and an impartial individual is designated to conduct the investigation to determine if there is sufficient evidence that wrongdoing may have occurred. If wrongdoing has occurred, a formal investigation will be initiated by the Company Secretary, in consultation with relevant senior managers, to investigate the matter further. The investigator will consult as necessary with the Company Secretary, and/or other subject matter experts, and any legal requirements to make a report to the Police Service of Northern Ireland or to a regulatory body will be considered.

All cases are reported to GIA and subsequently reported to the Audit and Risk Committee.

Lobbying and Political Donations

Lobbying is an essential part of the democratic process and integral to ESB's broader stakeholder management plans. ESB engages directly and indirectly with regulators, legislators, and other public officials on a range of matters, some of which are lobbying activities within the meaning of applicable legislation in the relevant jurisdictions where ESB conducts its activities.

In accordance with ESB policy, all lobbying activity is conducted in a transparent manner and in compliance with legal obligations. Management of compliance with ESB policy on lobbying resides with Group Compliance. Under ESB policy, political donations are prohibited and no ESB designated lobbyist should have previously held a position of Designated Public Official (DPO) in Ireland in the previous two years.

In Ireland, the Regulation of Lobbying Act, 2015 (as amended) aims to improve transparency of decision making by public bodies through provision of information relating to who is communicating with DPOs and what they are communicating about. ESB is registered with the Standards in Public Office Commission (SIPO) on the publicly available Lobbying Register (www.lobbying.ie) and files the required returns on an annual basis.

In accordance with the requirements of the Regulation of Lobbying Act, 2015 (as amended), ESB has made the required returns to SIPO for the three return periods across 2024 focussing on influencing government policies required to enable ESB's Net Zero by 2040 Strategy delivery. Lobbying activities in Ireland during 2024 include outlining ESB's perspective on the development of Ireland's offshore wind policy and seeking changes to planning procedures and policy in support of the efficient delivery of renewable energy and storage projects.

In accordance with the Lobbying (Scotland) Act, 2016, ESB is also registered with the Scottish Parliament and two nil returns were submitted during 2024 as no lobbying activity (as defined) was deemed to have taken place.

Under the Transparency of Lobbying, Non-Party, Campaigning and Trade Union Administration Act, 2014, registered consultant lobbyists engaged by ESB must submit details of lobbying activity they have completed on behalf of ESB on a quarterly basis. Lobbying undertaken by external consultants in the UK for 2024 included seeking protection for vulnerable customers through a social tariff and also protecting customer choice through maintaining the ban on acquisition-only tariffs.

Finally, ESB is also registered on the EU Transparency register, registration number 441077550178-21.

Sanctions

ESB is committed to complying with applicable sanctions laws and, accordingly, with economic and/or trade sanctions imposed on individuals and entities with whom ESB has any dealings, and on jurisdictions in which ESB operates. An ESB Group Policy on Sanctions and Related Matters was finalised during 2024.

Board Members' Report

The Board members present their report together with the audited financial statements of ESB and of the Group for the year ended 31 December 2024.

Principal Activities

The principal activities of the Group are the generation, transmission, distribution and supply of electricity, gas and energy services in the Republic of Ireland (ROI) and Northern Ireland (NI). The Group also operates internationally, in the generation and supply of electricity in Great Britain (GB) and is involved in several international engineering consultancy projects notably in the Middle East.

ESB Annual General Meeting (AGM)

ESB holds an AGM each year, no later than 15 months after the last AGM. The 2024 AGM was held on 1 May 2024. The Chairman gave an overview of the year and invited representatives of the Ministerial stockholders and of the Trustee of the ESB Employee Share Ownership Plan (ESOP) to make comments. The external auditor also attends the AGM.

Business Review

Commentaries on performance for the year ended 31 December 2024, including information on recent events and potential future developments, are contained in the Chairman's Statement and the Chief Executive's Review on pages 10 and 12 respectively. The performance of the business, its financial position and the principal risks faced by the Group are reflected in the reviews for each major business unit on pages 48 to 57, the Financial Review on pages 40 to 45 and the Risk Report on pages 23 to 32.

Results and Dividend for the year

The financial results of the Group show a profit after tax, exceptional items and certain re-measurements of €706 million for the financial year 2024, compared with a profit of €868 million for 2023. The dividend policy updated in 2021 and agreed with the Government in 2022, provides for targeted dividends at a rate of 40% of adjusted profit after tax. The Board is recommending a dividend for 2024 of 9.75 cent per unit of stock, or €188.7 million.

Capital Stock

Capital stock in ESB is allocated in accordance with the ESB Acts, 1927–2014 and the ESB Regulations. During 2023, ESB purchased and cancelled capital stock worth €8.1 million (2023: €4.5 million). Details of the allocation of capital stock in ESB, including details related to the Employees Share Ownership Plan are outlined in note 21 and 33 of the financial statements.

Principal Risks and Uncertainties

A description of the principal risks and uncertainties facing the Group is set out in the Risk Report on pages 23 to 32.

Financial Instruments

The financial risk management objectives and policies of the Group along with a description of the use of financial instruments is set out in note 30 of the financial statements.

Accounting Records

The Board members believe that they have employed accounting personnel with appropriate expertise and provided adequate resources to the finance function to ensure compliance with ESB's obligation to keep adequate accounting records. The accounting records of ESB are held at 27 Fitzwilliam Street Lower, Dublin 2, D02 KT92.

Report under Section 22 of the Protected Disclosures Act, 2014

Section 22 of the Protected Disclosures Act, 2014 (as amended (the "Act")) imposes obligations on ESB regarding protected disclosures made to it under the Act. ESB has internal reporting channels set out in its Group Policy on Whistleblowing and Protected Disclosures, which includes a confidential reporting line managed by an external third party. ESB publishes a report under Section 22 relating to protected disclosures made to it on its website.

Official Languages Act, 2003 and 2021

ESB is committed to ensuring compliance with the provisions of the Official Language Act, 2003 and 2021 (the "Acts"). In accordance with Section 4B (a) of the Acts, a senior manager has been appointed to oversee the performance by ESB of obligations arising under the Acts and a report of activities relating to compliance during 2024 was submitted to the Chief Executive. In summary, the report referred to the implementation of procedures designed to ensure compliance with the legislative requirements.

Political Donations - Electoral Act, 1997

Under ESB policy, political donations are prohibited.

Human Rights (including Protection Against Modern Slavery)

ESB is committed to respecting all internationally recognised human rights including those expressed in the International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work. During 2024, ESB updated and published its Group Policy on Human Rights. Further details can be found on ESB's website and in the Planet, Place, People section starting on page 63.

Environment and Sustainability

Sustainability in its fullest sense includes carrying out business operations with a purpose that seeks to benefit society overall. Rather than exacerbating climate change or otherwise depleting environmental, natural and social resources, a sustainable business aims, over time, to contribute to the responsible use of resources and regenerating these where possible. ESB's strategy and purpose commits to leadership in reducing carbon emissions and achieving net-zero emissions by 2040 in a sustainable manner.

Information on the Group's sustainability performance, including social programmes (or Corporate Social Responsibility) is set out on pages 64 to 95.

Principal Subsidiary, Joint Venture and Associated Undertakings

Details of the principal subsidiary, joint venture and associated undertakings are outlined in note 36 of the financial statements.

Prompt Payments Regulation

The Board acknowledges its responsibility for ensuring compliance, in all material respects, with the provisions of the Prompt Payment of Accounts Act, 1997 and European Communities (Late Payments in Commercial Transactions) Regulations, 2012 (S.I. No. 580 of 2012) as amended by European Communities (Late Payment in Commercial Transactions) (Amendment) Regulations, 2016 (S.I. No. 281 of 2016). The Board is satisfied that ESB has implemented procedures which provide assurance against material non-compliance with the requirements of the Regulations. Refer to page 262 for the report on compliance.

Related Party Transactions

Related party transactions are set out in note 32 of the financial statements.

Research and Development

ESB's business is involved in innovative projects and programmes related to the energy sector. A number of these projects and programmes are referred to in the Strategy and Performance section on pages 7 to 95.

Statement under Section 330 of the Companies Act, 2014

The ESB Regulations require ESB to observe the provisions of the Companies Act, 2014 applying to a Companies Act entity in regard to audit and/or auditors. This requires the Board members to make a statement in the form required by Section 330 of the 2014 Act. In compliance with this requirement, the Board confirms that it complies with Section 330 of the Companies Act, 2014 and, in this regard, each of the Board members confirms that:

- So far as the Board member is aware, there is no relevant audit information of which ESB's statutory auditor is unaware
- Each Board member has taken all the steps that he or she ought to have taken as a Board member in order to make himself or herself aware of any relevant audit information and to establish that ESB's auditor is aware of that information (within the meaning of Section 330)

Internal Control and Risk Management Systems

As set out on pages 117 to 119, the Board confirms that there is an ongoing process for identifying, evaluating and managing risks faced by the Group. The Board has delegated responsibility to the Audit and Risk Committee to monitor and review the Group's risk management and internal control processes. The report of the Audit and Risk Committee is set out on page 122.

Viability Statement and Going Concern

The Board members' viability statement and going concern assessment are set out on pages 119 and 120. Based on this assessment, the Board has a reasonable expectation that ESB will continue in operation for at least 12 months from the date of approval of the financial statements.

Significant Events Since Year End

On 24 January 2025, Storm Éowyn brought unprecedented, widespread and extensive damage to electricity infrastructure across the island of Ireland, resulting in over 1 million customers losing supply. Storm Éowyn has been assessed as by far the worst storm experienced in ESB's history, both in terms of customers losing supply, and the scale of damage across the network. On 7 February 2025, ESB acquired 100% of the share capital of Lettermuckoo Wind Farm Holding Limited and its wholly owned subsidiary undertakings. The Lettermuckoo Group owns and operates an onshore wind farm in Co. Galway. Refer to note 34 for further details. There are no other significant events since the year end which would require adjustment to, or disclosure in this report.

Future Developments

ESB is a strong diversified, vertically integrated utility operating right across the electricity/gas and energy services markets from generation, through transmission and distribution to supply of customers, operating predominantly in the Irish and UK energy markets. ESB's strategy is designed to ensure that the business continues to grow while maintaining the financial strength to invest at the necessary scale and pace to deliver on its commitment to net zero by 2040 (see pages 14 to 17 for more information on the strategy).

Auditor

At the AGM held during 2024, Deloitte Ireland LLP was reappointed as ESB's auditor for the 2025 financial year in accordance with Section 7(2) of the Electricity (Supply) Act, 1927 (as amended).

At the 2025 AGM, the stockholders will be asked to authorise the Board members to fix the remuneration of the auditor in respect of the year ended 31 December 2025.

Approval of the 2024 Annual Report and Financial Statements

The Board is satisfied, after taking into account the recommendation of the Audit and Risk Committee, that the Annual Report and Financial Statements taken as a whole, are fair, balanced and understandable and provides the information necessary for stockholders to assess ESB's performance, business model and strategy.

Terence O'Rourke
Chairman

Paddy Hayes
Chief Executive

26 February 2025

EMPOWERING CUSTOMERS BY PROVIDING AVAILABILITY AND ACCESSIBILITY

Continuing to grow the electrification of transport is a critical part of meeting the Irish Government's climate action targets. ESB ecars operates Ireland's largest public EV charging network with over 1,600 public charge points in place across the country. In 2024, 14 new high-powered charging hubs opened at strategic locations including Limerick, Cork, Mayo, Roscommon and Dublin.

In addition to these new hubs, ESB ecars also upgraded EV charging hubs in Junction 14 Mayfield, Kildare and Portlaoise Plaza, Laois which will benefit more EV drivers and play a key role in supporting Ireland's EV transition. Junction 14 Mayfield is now ESB's largest hub with six 200 kW high-power chargers which can charge 12 EVs simultaneously, providing 100 km of charge in as little as six minutes.

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Statement of Board Members' Responsibilities

The Board is responsible for preparing the annual report, incorporating financial statements for ESB and for the ESB Group, comprising ESB and its subsidiaries ("the Group").

Notwithstanding that ESB as a statutory body is not in scope of the Companies Act, 2014, under Regulation 78 of ESB's governing regulations, adopted pursuant to Section 6(1) of the Electricity (Supply) Act, 1927 (as amended) ("the ESB Regulations"), the Board is required to prepare financial statements comprised of and in the form required for Companies Act entities under Section 292 of the Companies Act and (for group financial statements) under Section 295 of the Companies Act.

ESB is also required under Section 7(4) of the Electricity (Supply) Act, 1927 (as amended) and Regulation 78 of the ESB Regulations to furnish its annual report, which incorporates the financial statements, to the Minister for Climate, Environment and Energy.

The Code of Practice for the Governance of State Bodies provides¹ that the Board is responsible for the preparation of the annual report, and financial statements which are prepared in accordance with relevant accounting standards. The Board has elected to prepare ESB's financial statements in accordance with IFRS as adopted by the European Union and as applied in accordance with the applicable provisions of the Companies Act, 2014 and the ESB Regulations.

The Board members must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and of ESB and of the Group's profit or loss for that year.

In preparing the financial statements the Board members are required to:

- Select suitable accounting policies and then apply them consistently
- Make judgements and estimates that are reasonable and prudent
- State that the financial statements comply with IFRS as adopted by the European Union, and as regards ESB, as applied in accordance with the Companies Act, 2014 and the ESB Regulations
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and ESB will continue in business

The Board members are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of ESB, and which enable them to ensure that the financial statements of ESB and the Group are prepared in accordance with IFRS as adopted by the European Union and as applied in accordance with applicable provisions of the Companies Act, 2014 and the ESB Regulations.

The Board members are also responsible for safeguarding the assets of ESB and the Group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Board members are responsible for the maintenance and integrity of the corporate and financial information included on ESB's website (www.esb.ie).

Each of the Board members confirms that, to the best of his or her knowledge and belief:

- The Group financial statements, prepared in accordance with IFRS as adopted by the European Union, and ESB's financial statements, prepared in accordance with IFRS as adopted by the European Union as applied in accordance with the provisions of Companies Act, 2014, as applied by the ESB Regulations, give a true and fair view of the assets, liabilities, financial position of the Group and of ESB at 31 December 2024 and of the profit of the Group for the year then ended
- The Board Members' Report contained in the annual report includes a fair review of the development and performance of the business and the position of the Group and ESB, together with a description of the principal risks and uncertainties that they face
- The annual report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for stockholders to assess ESB's position, performance, business model and strategy

On behalf of the Board



Terence O'Rourke
Chairman



Paddy Hayes
Chief Executive

26 February 2025

Independent Auditor's Report to the Stockholders of Electricity Supply Board (ESB)

Report on the Audit of the Financial Statements

Opinion on the Financial Statements of ESB

In our opinion the Group and Parent financial statements:

- give a true and fair view of the assets, liabilities, and financial position of the Group and Parent as at 31 December 2024 and of the profit of the Group and Parent for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and, in particular, with the requirements of the Companies Act 2014 as applied by Regulation 78 of the ESB's governing regulations.

The financial statements we have audited comprise:

- The Group financial statements:
 - the Group Income Statement;
 - the Group Statement of Comprehensive Income;
 - the Group Balance Sheet;
 - the Group Statement of Changes in Equity;
 - the Group Cash Flow Statement; and
 - the related notes 1 to 36, including a summary of material accounting policy information as set out in note 1.
- The Parent financial statements:
 - the Parent Balance Sheet;
 - the Parent Statement of Changes in Equity;
 - the Parent Cash Flow Statement; and
 - the related notes 1 to 36, including a summary of material accounting policy information as set out in note 1.

The relevant financial reporting framework that has been applied in the preparation of the Group and Parent financial statements is the Companies Act 2014 (as applied by Regulation 78 of the ESB's governing regulations) and IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) as adopted by the European Union and International Financial Reporting Interpretations Committee ('IFRIC') interpretations ("the relevant financial reporting framework").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Group and Parent in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Summary of our Audit Approach

Key audit matters	The key audit matters that we identified in the current year were: ▪ Revenue recognition - retail electricity receivables – unbilled ▪ Carrying value of long-lived assets ▪ Valuation of asset retirement obligations ▪ Recoverability of the carrying value of interests in joint ventures ▪ Completeness of pension obligations ▪ Energy derivatives – classification of own use contracts
	The key audit matters are the same as the prior year.
Materiality	The materiality that we used for the Group in the current year was €44 million which was determined on the basis of profit before tax before exceptional items. The materiality that we used for the Parent in the current year was €39 million which was determined as 90% of Group materiality.
Scoping	We conducted our work across the four reportable segments and the head office function. With the exception of NIE Networks and So Energy, the group has a centralised financial management and reporting structure and as a result the majority of audit work was performed by the Group audit team. For the NIE Networks business within the Networks segment and the So Energy business within the Customer Solutions segment, the Group team utilised component audit teams to perform further audit procedures based on our group risk assessment.
Significant changes in our approach	There were no significant changes to our audit approach.

Conclusions relating to Going Concern

In auditing the financial statements, we have concluded that the Board members' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the Board members' assessment of the Group and Parent's ability to continue to adopt the going concern basis of accounting included:

- Obtaining an understanding of the Group's process and relevant controls for assessing going concern and

reviewing management's and the Board members' output of that assessment;

- Evaluating the financial forecast prepared by the Group, including challenging whether key assumptions used in the preparation of the forecast are reasonable and whether the forecast reflects the estimated economic impacts of climate relating to the Group;
- Evaluating management's ability to forecast accurately based on an assessment of the historical accuracy of forecasts;

¹ Paragraph 1.2 - Code of Practice for the Governance of State Bodies - Business and Financial Reporting Requirements.

Independent Auditor's Report
to the Stockholders of Electricity Supply Board (ESB) (continued)

- Evaluating the Group's financing arrangements, including the agreements in respect of the undrawn committed bank facilities in place, collateral requirement sensitivities and overall headroom within the Group;
 - Reading and considering the key terms of revolving credit facility agreements to confirm their availability; and
 - Reviewing and evaluating the appropriateness of the relevant disclosures included in the financial statements on going concern and, through our audit procedures, assessing whether they are appropriate.

may cast significant doubt on the Group and Parent's ability to continue as a going concern for a period of at least 12 months from when the financial statements are authorised for issue.

In relation to the reporting on how the Group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Board members' statement in the financial statements about whether the Board members considered it appropriate to adopt the going concern basis of accounting.
- Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively,

Our responsibilities and the responsibilities of the Board members with respect to going concern are described in the relevant sections of this report.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current financial year and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue recognition – Retail electricity receivables - unbilled

Key audit matter description	Retail electricity receivables - unbilled is the revenue from energy supplied to the customer between the date of their last bill and the financial year end date and requires estimation ("unbilled revenue"). In determining the unbilled revenue at the financial year end, volumes are estimated by reference to key assumptions including electricity volume purchases. We consider unbilled revenue relating to retail electricity as a key audit matter as the unbilled revenue balances are based on management estimates and derived from complex models. Due to these factors, this risk related to revenue recognition is a presumed fraud risk. At 31 December 2024 the unbilled revenue balance was €420.8 million (2023: €511.3 million) The Group's accounting policy for unbilled revenue is disclosed in note 1 – Statement of material accounting policy information, section (xix) Revenue from contracts with customers - sub-section - 'Revenue from sales to electricity and gas customers'. The key sources of estimation uncertainty in relation to unbilled revenue are disclosed in note 2 – 'Use of Estimates and Judgments' and further disclosures are presented in note 19 – 'Trade and other receivables'.
How the scope of our audit responded to the key audit matter	We evaluated the design and determined the implementation of relevant controls relating to unbilled revenue including relevant IT controls. We discussed with management the revenue recognition policy for each of the revenue streams, including those that rely on estimates or are derived from output of unbilled revenue models and calculations. In addressing the fraud risk we assessed and challenged the key assumptions used in the unbilled revenue models. The integrity of the models was assessed by evaluating the calculation methodology used and consistency with the prior year. The calculations within the models were checked for arithmetical accuracy. We agreed the key inputs in the calculation to source data. We reviewed post year end billings and compared them to provisions made at year end to identify any over/under provisions made. We also considered the adequacy of the relevant disclosures in the financial statements in relation to these matters.
Key observations	We have not identified any observations that impact our audit in respect of the amounts related to unbilled revenue.

Carrying value of long-lived assets

Key audit matter description	The Group has material Property, Plant and Equipment assets (PPE) in the Generation and Trading segment ('long-lived assets') valued at cost less accumulated depreciation and provision for impairment. In accordance with Group policies an impairment review is required where there is an indication that an asset may be impaired. There is a risk, including the risk of management bias, that reviews for indicators of impairment may not take into account up to date information including the impact of climate change and the Group's strategy in respect of net zero. In addition, there is a risk that key assumptions in the impairment reviews relating to the useful lives of the long-lived assets, the future cash flows and the discount rate applied to arrive at the net present value, may be misstated. We consider the carrying value of long-lived assets to be a key audit matter as significant management judgements, which may be subject to management bias, are required in assessing long-lived assets for indicators of impairment and where indicators exist, determining inputs for impairment review models. Due to these factors, this key audit matter is also considered a fraud risk. At 31 December 2024, the total carrying value of the Group's PPE was €11,171.2 million (2023: €10,318.4 million). The Group's accounting policy for long-lived assets is disclosed in note 1 - Statement of material accounting policy information (vii) – 'Property, plant and equipment and depreciation'. The key sources of estimation uncertainty in relation to long-lived assets are disclosed in note 2 – 'Use of Estimates and Judgments' and further disclosures are presented in note 12 – 'Property, Plant and Equipment'. This matter has been included as a significant issue on page 124 of the Audit and Risk Committee Report in Chapter 2.
How the scope of our audit responded to the key audit matter	We evaluated the design and determined the implementation of relevant controls relating to the impairment assessment of long-lived assets including the relevant controls over the models used within the assessment. We reviewed management's assessment of indicators of impairment and we challenged their assessment of climate change impact considerations by reference to the Group's strategy for net zero. For assets where indicators of impairment exist at year-end, or where there were indicators of impairment in the previous year, with the assistance of our valuation specialists as part of our engagement team, we reviewed the impairment models used to assess value in use including performing a roll-forward assessment of the models from prior periods. In addressing the fraud risk we assessed the appropriateness of key assumptions and inputs used in the models. This included evaluating the discount rates used for each type of asset and challenging the cash flow projection forecasts for those assets by reference to the Group's forecasting models and the determination of useful lives of long-lived assets within those models. The integrity of the models used were assessed by evaluating their consistency with generally accepted valuation practices. The calculations within the models were checked for arithmetical accuracy. We performed stress testing on the model to determine the impact of reasonably possible changes to the assumptions on the outcome of the model. We also considered the adequacy of the relevant disclosures in the financial statements in relation to these matters.
Key observations	We have not identified any assets that triggered a requirement for a detailed impairment review at the year-end. However, a roll-forward assessment was performed on certain assets that previously displayed indicators of impairment. No impairment provisions were identified.

Independent Auditor's Report
to the Stockholders of Electricity Supply Board (ESB) (continued)

Valuation of asset retirement obligations

Key audit matter description	The Group holds significant provisions for asset retirement obligations (AROs) in respect of generation station closures, creosote treated wood poles and other assets. Given the level of change and focus on environmental obligations, including operational decisions as to how and when assets are disposed of, the identification and quantification of all asset retirement obligations requires significant management judgement. Key assumptions used in management's estimates include the existence of an obligation, the estimated useful life of the asset, the estimated decommissioning and environmental rehabilitation costs and discount and inflation rates used in the cash flow models. We determined the provision in respect of creosote treated wood poles and station closures to be a key audit matter due to the level of management judgement and estimation in determining the amount of provision required and complexity of models used. Due to these factors, this key audit matter is also considered a fraud risk. At 31 December 2024, the Group's provisions for asset retirement obligations were €563.8 million (2023: €535.2 million). The Group's accounting policy for the provision for asset retirement obligations is disclosed in note 1 – Statement of material accounting policy information (xvi) - 'Provisions'. The key sources of estimation uncertainty in relation to asset retirement obligations are disclosed in note 2 – 'Use of Estimates and Judgments' and further disclosures are presented in note 29 – 'Provisions'. This matter has been included as a significant issue in page 124 of the Audit and Risk Committee Report in Chapter 2.
How the scope of our audit responded to the key audit matter	We evaluated the design and determined the implementation of relevant controls relating to the valuation of asset retirement obligations. We discussed with management the policy for each class of asset requiring a provision for asset retirement including the consideration of any changes in laws and regulations or management's intent. In addressing the fraud risk we assessed the methodologies used and challenged the key assumptions used by management in determining provisions for each relevant asset class. The integrity of the models used was assessed by evaluating the calculation methodology used and the consistency with the prior year. The calculations within the models were checked for arithmetical accuracy. For assets with asset retirement obligation, we challenged the key assumptions and evaluated the appropriateness of provisions by reference to internal and external reports on the costs of decommissioning and environmental rehabilitation. With the assistance of our valuation specialists, we assessed the reasonableness of discount rates used by reference to generally accepted valuation practices. We also considered the adequacy of the relevant disclosures in the financial statements in relation to these matters.
Key observations	Based on the audit procedures performed, we concluded that assumptions and methodologies adopted by management to determine the valuation of the Group's asset retirement obligations were reasonable.

Recoverability of the carrying value of interests in joint ventures

Key audit matter description	The Group has a number of investments in joint ventures including wind farm and solar projects which are equity accounted in line with IAS 28 "Investment in Associates and Joint Ventures". In addition, the group has provided finance to its related entities which are accounted for in accordance with IFRS 9. The carrying values of some of these investments and loans are dependent upon estimated future cash flows. In accordance with Group policies an impairment review or expected credit loss assessment is required where there is an indication that an asset may be impaired. There is a risk, including the risk of management bias, that reviews for indicators of impairment may not take into account up to date information. In addition, there is a risk that key assumptions in the impairment reviews relating to future energy prices, estimated costs to completion, project timelines, assumed commercial operational date and the discount rates applied to arrive at the net present value, may be misstated. We consider the recoverability of the carrying values of interests (investments and loans) in joint ventures to be a key audit matter given the complexity of the models used and the significant management judgements required in determining inputs and assumptions. Due to these factors, this key audit matter is also considered a fraud risk. At 31 December 2024, the carrying value of interests in joint ventures was €1,289.9 million (2023: €1,015.1 million). An expected credit loss of €134.6 million was recognised during the financial year (2023 impairment charge: €14.8 million). The Group's accounting policy for interests in joint ventures is disclosed in note 1 – Statement of material accounting policy information (iii) - 'Accounting for joint arrangements', (xiii)- 'Financial Assets and liabilities' and (i) General information and basis of preparation – sub-section - 'Exceptional items and certain re-measurements'. The key sources of estimation uncertainty in relation to interests in joint ventures are disclosed in note 2 – 'Use of Estimates and Judgments' and further disclosures are presented in note 16 – 'Financial Asset Investments at fair value through profit or loss and equity accounted investees'. This matter has been included as a significant issue in page 124 of the Audit and Risk Committee Report in Chapter 2.
How the scope of our audit responded to the key audit matter	We evaluated the design and determined the implementation of relevant controls relating to the valuation of interests in joint ventures. We reviewed management's assessment of indicators of impairment. For assets where indicators of impairment exist, we obtained management's impairment model and the third-party valuation report prepared by management's expert. In addressing the fraud risk with the assistance of our valuation specialists: ▪ We assessed the appropriateness of key assumptions and inputs used in the model including agreeing inputs to third party information, where available. ▪ We assessed the model for integrity by evaluating its consistency with generally accepted valuation practices. ▪ The calculations within the model were checked for arithmetical accuracy. ▪ We performed stress testing on the model to determine the impact of reasonably possible changes to the assumptions on the outcome of the model and challenged assumptions for robustness. ▪ We challenged the key facts and assumptions including the discount rates, estimated costs to completion; future energy prices; project timelines and assumed commercial operational dates. ▪ We reviewed the third-party valuation report and considered the consistency of assumptions and information used by the management's expert. We assessed the competency of management's expert and the scope of the work performed. We agreed the carrying value of the investments before impairment to the Group's share of net assets based on the share of the joint venture and compared this to the fair value and determined whether the appropriate impairment was calculated. We agreed the carrying value of the loans to the impairment models and determined whether the appropriate expected credit loss was calculated. We also considered the adequacy of the relevant disclosures in the financial statements in relation to these matters.
Key observations	Based on the audit procedures performed, we concluded that the recoverability of the carrying value of interests in joint ventures and the resultant expected credit loss recognised in the financial statements is reasonable and that the related disclosures included in the financial statements are appropriate.

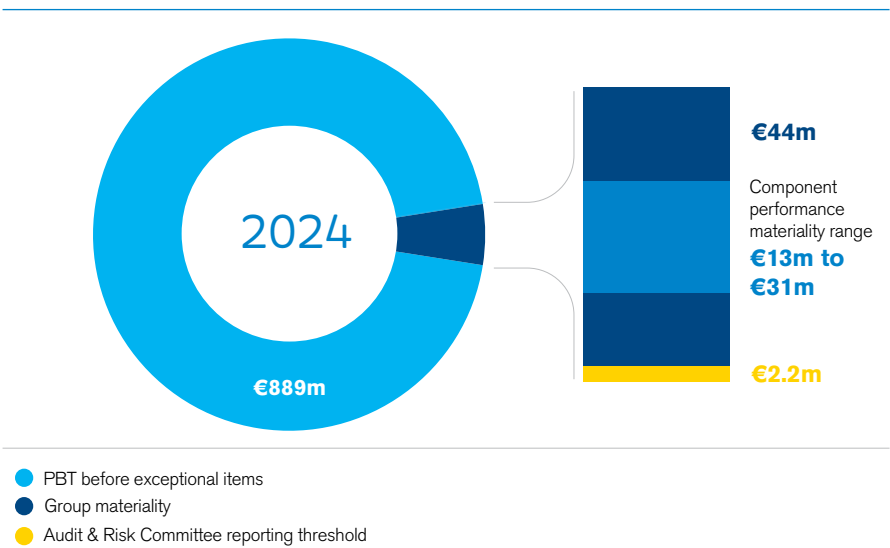
Independent Auditor's Report
to the Stockholders of Electricity Supply Board (ESB) (continued)

Completeness of pension obligations

Key audit matter description	As set out in Note 25 'Pension Liabilities' to the financial statements, the regulations governing the "ESB Defined Benefit Scheme" (the "Scheme") stipulate the benefits that are to be provided, and the contributions to be paid, by both ESB and the contributing members. ESB has determined that its legal and constructive obligations in respect of Pension contributions payable by it to the ESB Defined Benefit Scheme Fund are limited to the amounts provided for in the Scheme Rules, namely, the normal ongoing contributions and the contribution which was committed and already paid by ESB under the 2010 Pensions agreement. The Defined Benefit Pension Scheme is not a typical "balance of costs" scheme where the employer is liable to pay the balance of contributions required to fund benefits. We determined this to be a key audit matter as there is a high level of complexity and management judgement involved in the interpretation of the Scheme rules and the determination of the related accounting and adequacy of disclosures in the financial statements. The Group's accounting policy for pension obligations is disclosed in note 1 – Statement of material accounting Policy Information (xviii) - 'Pension Obligations'. The key sources of estimation uncertainty in relation to retirement benefits are disclosed in note 2 – 'Use of Estimates and Judgments' and further disclosures are presented in note 25 - 'Pension Liabilities'. This matter has been included as a significant issue on page 125 of the Audit and Risk Committee Report in Chapter 2.
How the scope of our audit responded to the key audit matter	We obtained an understanding of the ESB obligations in respect of the ESB Defined Benefit Scheme including management's assessment from prior periods and made enquiries of senior management and internal legal counsel. We reviewed board minutes and any other relevant correspondences to determine whether there had been any changes in circumstances in the current financial year. We obtained representations from the Board that ESB does not intend to make any further payments to the Scheme, including to the extent that there are any deficits or future deficits under the minimum funding standard, other than ESB's regular fixed rate contributions, which are specified within the Scheme Rules. We assessed the accounting treatment and considered the adequacy of the relevant disclosures in the financial statements in relation to these matters.
Key observations	Based on the audit procedures performed, we concluded that there are no matters to report on the completeness of ESB Defined benefit scheme and that the related disclosures included in the financial statements are appropriate.

Our Application of Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.



Energy Derivatives – classification of own use contracts

Key audit matter description	Within its regular course of business, the Group routinely enters into sale and purchase contracts for commodities, including gas, carbon and electricity. Where the contract was entered into and continues to be held for the purposes of receipt or delivery of the commodities in accordance with the Group's expected sale, purchase or usage requirements, the contracts are designated as own use contracts and are accounted for as executory contracts. These contracts are therefore not within the scope of IFRS 9 Financial Instruments. The application of the "own use" exemption in IFRS 9 requires significant management judgement. There is a significant risk that own use contracts may be incorrectly classified and consequently not recorded at fair value. The Group's accounting policy for own use contracts is disclosed in note 1 – Statement of material accounting policy Information (xiii) (b) - 'Derivative financial instruments and other hedging instruments'. The key sources of estimation uncertainty are disclosed in note 2 – 'Use of Estimates and Judgments' and further disclosures are presented in note 24 – 'Derivative Financial Instruments'. This matter has been included as a significant issue on page 125 of the Audit and Risk Committee Report in Chapter 2.
How the scope of our audit responded to the key audit matter	We evaluated the design and determined the implementation of relevant controls relating to the classification of contracts as own use and the on-going monitoring that contracts continue to meet the requirements for own use determination including the retrospective review of usage. We reviewed the Group's accounting policy and material own use contracts to determine whether the application of the own-use treatment under IFRS 9 was appropriate. We reviewed the prospective and retrospective demand tests performed by the Group to determine whether the contract volumes exceed the amount of estimated own use demand in the relevant periods. This also included an evaluation of the contracts for net settlement activity. We assessed the final accounting treatment and the adequacy of the relevant disclosures in the financial statements in relation to these matters. We assessed whether there was any change to designated own use contracts in the period.
Key observations	Based on the audit procedures performed, we concluded that the accounting treatment in relation to the classification of own use contracts is reasonable.

Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual accounts or disclosures. Our opinion on the financial statements is not modified with respect to any of the risks described above, and we do not express an opinion on these individual matters. Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Parent financial statements
Materiality	€44 million (2023: €50 million)	€39 million (2023: €45 million)
Basis for determining materiality	5% of profit before tax before exceptional items	90% of Group materiality
Rationale for the benchmark applied	We have considered profit before tax before exceptional items to be the critical component for determining materiality because it is the most important measure for the users of the Group's financial statements and the impact of exceptional items is excluded to avoid distortion of the critical component on an annual basis. In setting our benchmark, we have considered quantitative and qualitative factors such as our understanding of the Group and its environment.	We considered it appropriate to restrict materiality for the Parent financial statements to €39 million, given the size of the Parent relative to the Group. We also considered the other factors such as a significant portion of the reporting segments are operated directly by the Parent.

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Parent financial statements
Performance materiality	80% (2023: 75%) of Group materiality	80% (2023: 75%) of Parent materiality
Basis and rationale for determining performance materiality	In determining performance materiality, we considered the following factors: - the quality of the control environment and whether we were able to rely on controls, - control deficiencies reported in prior years, - the nature, volume, and size of misstatements (corrected and uncorrected) in the previous audit, and - changes in the business might affect our ability to forecast misstatements.	

Independent Auditor's Report
to the Stockholders of Electricity Supply Board (ESB) (continued)

We agreed with the Audit and Risk Committee that we would report to the Committee all audit differences in excess of €2.2 million (2023: €2.5 million) as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit and Risk Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An Overview of the Scope of our Audit

We determined the scope of our audit by updating our understanding of the Group and its operating environment, including the identification of key controls, and assessing the risks of material misstatement at the Group level. A significant portion of audit planning time was spent to ensure that the scope of our work is appropriate to address the Group's and Parent's identified risks of material misstatement of significant account balances, classes of transactions and disclosures in the Group and Parent financial statements.

We conducted our work across the four reportable segments and the head office function. With the exception of NIE Networks and So Energy, the group has a centralised financial management and reporting structure and as a result the majority of audit work was performed by the Group audit team. For the NIE Networks business within the Networks segment and the So Energy business within the Customer Solutions segment, the Group team utilised component audit teams to perform further audit procedures based on our group risk assessment.

The Group audit team exercised direction, supervision and review over the audit work performed by component audit teams in scope for the Group audit. We provided detailed instructions to component audit teams; held on-going status calls and reviewed relevant workpapers prepared by the component teams. Our audit work for all components was executed at levels of performance materiality applicable to each individual component which were lower than Group performance materiality and ranged from €13 million to €31 million.

Other Information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Board members are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of Board Members

As explained more fully in the Statement of Board Member's Responsibilities, the Board members are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2014 as applied by Regulation 78 of the ESB's governing regulations and for such internal control as the Board members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board members are responsible for assessing the Group and Parent's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board members either intend to liquidate the Group and Parent or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on IAASA's website at: <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/>.

This description forms part of our auditor's report.

Extent to which the Audit was Considered Capable of Detecting Irregularities, including Fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- The nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for key management's remuneration, bonus levels and performance targets;

- The Group's own assessment of the risks that irregularities may occur either as a result of fraud or error that was approved by the Board members on 16 December 2024;
- Results of our enquiries of management, internal audit and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities;
- Any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
 - Identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - Detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - The internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- The matters discussed among the audit engagement team and relevant component audit team members, internal specialists, including tax, valuations, pensions, IT and industry specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: 'Revenue recognition - Retail electricity receivables - unbilled', 'Carrying value of long-lived assets', 'Valuation of Asset Retirement Obligations' and 'Recoverability of the carrying value of interests in joint ventures'. In common with all audits under ISAs (Ireland), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group and Parent operate in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Corporate Governance Code, Companies Act 2014 as applied by Regulation 78 of the ESB's governing regulations, pension legislation and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group and Parent's ability to operate or to avoid a material penalty. These included the Group's operating licence, energy and utility regulator requirements in the Republic of Ireland, Northern Ireland and the UK and environmental regulations.

Audit response to risks identified

As a result of performing the above, we identified 'Revenue Recognition - Retail electricity receivables - unbilled', 'Carrying value of long-lived assets', 'Valuation of Asset Retirement Obligations' and 'Recoverability of the carrying value of interests in joint ventures' as key audit matters related to the potential risk of fraud. The key audit matters section of our report explains the matters in more detail and also describes the specific procedures we performed in response to those key audit matters.

In addition to the above, our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management, the Audit and Risk Committee and in-house legal counsel concerning actual and potential litigation and claims;

- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with the licensing authority; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists and component audit teams and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on Other Legal and Regulatory Requirements

Opinion on Other Matters Prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the Parent were sufficient to permit the financial statements to be readily and properly audited.
- The Parent balance sheet is in agreement with the accounting records.
- In our opinion the information given in the Board Members' Report is consistent with the financial statements.
- In our opinion, those parts of the Board Members' Report specified for our review have been prepared in accordance with the Companies Act 2014 as applied by Regulation 78 of the ESB's governing regulations.

Independent Auditor's Report
to the Stockholders of Electricity Supply Board (ESB) (continued)

Corporate Governance Statement

ISAs (Ireland) requires us to review the Board members' statement in relation to going concern, longer-term viability and the part of the Corporate Governance Statement relating to the Group's voluntary compliance with the applicable provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The Board members' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified on page 120;
- The Board members' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 119;
- The Board members' statement on fair, balanced and understandable set out on page 125;
- The Board members' confirmation that it has carried out a robust assessment of the emerging and principal risks and the disclosures in the Annual Report that describe the principal risks and the procedures in place to identify emerging risks and an explanation of how they are being managed or mitigated set out on page 119;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems set out on page 118; and
- The section describing the work of the Audit and Risk Committee set out on page 122.

Matters on which we are Required to Report by Exception

Under the Code of Practice for the Governance of State Bodies (the "Code") we are required to report to you if the statement regarding the system of internal control included in the Board's Governance Report on pages 106 to 121 does not reflect the Group's compliance with paragraph 1.9(iv) of the Business and Financial Reporting Requirements of the Code or if it is not consistent with the information of which we are aware from our audit work on the financial statements. We have nothing to report in this respect.

Based on the knowledge and understanding of the Group and the Parent and their environment obtained in the course of the audit, we have not identified material misstatements in the Board Members' Report.

We have nothing to report in respect of the provisions in the Companies Act 2014 as applied by Regulation 78 of the ESB's governing regulations which require us to report to you if, in our opinion, the disclosures of Board members' remuneration and transactions specified by law are not made.

Other Matters which we are Required to Address

Following the recommendation of the Audit and Risk Committee and subsequent approval by the Minister for State, we were appointed by the Board members on 22 May 2022 (the date of our engagement letter) to audit the financial statements for the financial year ending 31 December 2022 and subsequent periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is three years, covering the year ended 31 December 2022, 31 December 2023 and 31 December 2024.

Our audit opinion is consistent with the additional report to the Audit and Risk Committee we are required to provide in accordance with ISA (Ireland) 260.

Use of our Report

This report is made solely to the stockholders, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the stockholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Parent and the stockholders as a body, for our audit work, for this report, or for the opinions we have formed.



Glenn Gillard
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory
Audit Firm
Deloitte & Touche House, 29 Earlsfort
Terrace, Dublin 2

27 February 2025

Group Income Statement
For the financial year ended 31 December 2024

	Notes	2024			2023 (as restated)		
		Before exceptional items and certain re- measurements	Exceptional items and certain re-measurements	Total	Before exceptional and certain re-measurements	Exceptional items and certain re-measurements	Total
		€m	note 6/8 €m	€m	€m	note 6/8 €m	€m
Revenue	4	7,249.9	-	7,249.9	8,775.7	-	8,775.7
Other operating income (net)	7	9.2	58.6	67.8	9.2	-	9.2
Net impairment losses on financial assets	8/19	(75.5)	-	(75.5)	(70.4)	-	(70.4)
Operating costs (net)	8	(6,208.6)	56.9	(6,151.7)	(7,614.2)	20.5	(7,593.7)
Operating profit		975.0	115.5	1,090.5	1,100.3	20.5	1,120.8
Interest on borrowings	9	(206.0)	-	(206.0)	(191.1)	-	(191.1)
Financing charges	9	(19.8)	-	(19.8)	(19.5)	-	(19.5)
Fair value movement on financial instruments	9	9.2	-	9.2	(20.5)	-	(20.5)
Finance income	9	135.4	-	135.4	113.0	-	113.0
Expected credit loss related to equity accounted investee	9	-	(134.6)	(134.6)	-	-	-
Net finance cost		(81.2)	(134.6)	(215.8)	(118.1)	-	(118.1)
Impairment of equity accounted investees	16	-	-	-	(14.8)	-	(14.8)
Share of equity accounted investees' (loss) / profit, net of tax	16	(5.3)	-	(5.3)	13.7	-	13.7
Profit before taxation		888.5	(19.1)	869.4	981.1	20.5	1,001.6
Income tax expense / (credit)	22	(182.8)	19.6	(163.2)	(131.2)	(2.6)	(133.8)
Profit after taxation		705.7	0.5	706.2	849.9	17.9	867.8
Attributable to:							
Equity holders of the Parent		712.8	0.5	713.3	861.7	17.9	879.6
Non-controlling interest		(7.1)	-	(7.1)	(11.8)	-	(11.8)
Profit for the financial year		705.7	0.5	706.2	849.9	17.9	867.8

Group Statement of Comprehensive Income

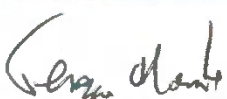
For the financial year ended 31 December 2024

	2024	2023
	€m	€m
Profit for the financial year	706.2	867.8
Items that will not be reclassified subsequently to the income statement:		
NIE Networks pension scheme actuarial losses	(15.3)	(18.8)
Tax on items that will not be reclassified to the income statement	3.9	4.2
	(11.4)	(14.6)
Items that are or may be reclassified subsequently to the income statement:		
Translation adjustments on consolidation of foreign subsidiaries	45.6	0.1
Fair value gains on cash flow hedges	108.3	9.4
Share of fair value losses on cash flow hedges in equity accounted investees	(4.7)	(59.5)
Transferred to the income statement on cash flow hedges	22.6	34.6
Tax on items that are or may be reclassified subsequently to the income statement	(20.9)	(1.2)
Tax on items that are or may be reclassified subsequently to the income statement for equity accounted investees	0.4	13.3
Tax on items transferred to the income statement	(2.8)	(4.3)
	148.5	(7.6)
Other comprehensive income for the financial year, net of tax	137.1	(22.2)
Total comprehensive income for the financial year	843.3	845.6
Attributable to:		
Equity holders of the Parent	850.4	857.4
Non-controlling interest	(7.1)	(11.8)
Total comprehensive income for the financial year	843.3	845.6

Group Balance Sheet

As at 31 December 2024

	Notes	2024	2023
		€m	€m
Assets			
Non-current assets			
Property, plant and equipment	12	13,203.1	12,324.9
Intangible assets	13	692.7	600.7
Right-of-use assets	14	110.3	129.9
Goodwill	15	205.0	195.3
Investments in equity accounted investees & financial assets	16	277.9	297.2
Trade and other receivables	19	607.2	724.7
Derivative financial instruments	24	115.9	163.6
Deferred tax assets	22	1.3	1.4
Asset – NIE Networks pension scheme	25	68.5	73.5
Total non-current assets		15,281.9	14,511.2
Current assets			
Inventories	18	144.0	161.6
Intangible assets	13	385.8	438.1
Derivative financial instruments	24	253.2	344.7
Current tax asset		51.6	22.0
Trade and other receivables	19	2,072.5	2,217.7
Cash and cash equivalents	20	1,064.9	1,977.8
Total current assets		3,972.0	5,161.9
Total assets		19,253.9	19,673.1
Equity			
Capital stock	21	1,936.1	1,939.1
Capital redemption reserve		43.8	40.8
Translation reserve		44.9	-
Other reserves		(138.6)	(136.0)
Cash flow hedging reserve		284.7	181.8
Retained earnings		3,819.7	3,334.6
Equity attributable to equity holders of the Parent		5,990.6	5,360.3
Non-controlling interest		(67.4)	(60.3)
Total equity		5,923.2	5,300.0
Liabilities			
Non-current liabilities			
Borrowings and other debt	23	7,004.9	7,375.4
Lease liabilities	14	99.0	120.5
Liability – ESB pension scheme	26	65.1	73.5
Employee related liabilities	26	12.2	15.4
Trade and other payables	27	13.8	-
Deferred income	28	1,615.7	1,508.2
Provisions	29	588.4	585.1
Deferred tax liabilities	22	632.1	560.3
Derivative financial instruments	24	350.0	406.8
Total non-current liabilities		10,381.2	10,645.2
Current liabilities			
Borrowings and other debt	23	480.2	363.7
Lease liabilities	14	18.0	15.5
Liability – ESB pension scheme	26	9.1	9.6
Employee related liabilities	26	108.5	100.5
Trade and other payables	27	1,655.1	2,245.6
Deferred income	28	108.7	106.0
Provisions	29	457.0	491.2
Derivative financial instruments	24	112.9	395.8
Total current liabilities		2,949.5	3,727.9
Total liabilities		13,330.7	14,373.1
Total equity and liabilities		19,253.9	19,673.1


Terence O'Rourke
Chairman


Paddy Hayes
Chief Executive


Paul Stapleton
Executive Director, Group Finance and Commercial

Parent Statement of Changes in Equity
For the financial year ended 31 December 2024

	Capital stock €m	Capital redemption reserve €m	Cash flow hedging and other reserves €m	Retained earnings €m	Total €m
Reconciliation of changes in equity					
Balance at 1 January 2023	1,941.4	38.5	0.1	2,402.6	4,382.6
Total comprehensive income for the year					
Profit for the financial year	-	-	-	409.7	409.7
Cash flow hedges:					
▪ Net fair value losses	-	-	(30.7)	-	(30.7)
▪ Transfers to the income statement					
- Finance cost (interest)	-	-	2.9	-	2.9
- Finance cost (foreign translation movements)	-	-	26.6	-	26.6
- Other operating expenses	-	-	(0.7)	-	(0.7)
Fair value losses for hedges in equity accounted investees	-	-	(7.3)	-	(7.3)
Tax on items taken directly to OCI	-	-	3.9	-	3.9
Tax on items transferred to the income statement	-	-	(3.6)	-	(3.6)
Tax on items taken directly to OCI for equity accounted investees	-	-	0.9	-	0.9
Total comprehensive income for the year	-	-	(8.0)	409.7	401.7
Transactions with owners recognised directly in equity					
Dividends	-	-	-	(327.0)	(327.0)
Repurchase of own shares ¹	(2.3)	2.3	-	-	-
ESOP repurchase provision ¹	-	-	4.5	-	4.5
Balance at 31 December 2023	1,939.1	40.8	(3.4)	2,485.3	4,461.8
Balance at 1 January 2024	1,939.1	40.8	(3.4)	2,485.3	4,461.8
Total comprehensive income for the year					
Profit for the financial year	-	-	-	557.2	557.2
Cash flow hedges:					
▪ Net fair value losses	-	-	(10.1)	-	(10.1)
▪ Transfers to the income statement					
- Finance cost (interest)	-	-	5.3	-	5.3
- Other operating expenses	-	-	17.3	-	17.3
Fair value losses for hedges in equity accounted investees	-	-	(3.0)	-	(3.0)
Tax on items taken directly to OCI	-	-	1.3	-	1.3
Tax on items transferred to the income statement	-	-	(2.8)	-	(2.8)
Tax on items taken directly to OCI for equity accounted investees	-	-	0.4	-	0.4
Total comprehensive income for the year	-	-	8.4	557.2	565.6
Transactions with owners recognised directly in equity					
Dividends	-	-	-	(220.1)	(220.1)
Repurchase of own shares ¹	(3.0)	3.0	-	-	-
ESOP repurchase provision ¹	-	-	8.1	-	8.1
Balance at 31 December 2024	1,936.1	43.8	13.1	2,822.4	4,815.4

1 Refer to note 33 for information on the ESOP repurchase.

Group Cash Flow Statement
For the financial year ended 31 December 2024

	Notes	2024 €m	2023 €m
Cash flows from operating activities			
Profit before taxation		869.4	1,001.6
Adjustments for:			
Depreciation and amortisation	8	1,004.6	942.3
Revenue from supply contributions and amortisation of other deferred income	4/28	(117.9)	(116.2)
Net emissions movements	13/29	0.4	166.5
Profit on disposal of investments	7	(5.6)	-
Profit on disposal of subsidiaries	7	(58.6)	(10.2)
Net finance cost	9	215.8	118.1
Impact of fair value adjustments in operating costs	9	(56.9)	(20.5)
Share of (loss) / profit from equity accounted investees	16	5.3	(13.7)
Impairment of equity accounted investees	16	-	14.8
Dividend received	7	(2.8)	-
Net impairment losses on financial assets	8/19	75.5	70.4
Impairment charge	8	1.6	5.1
Operating cash flows before changes in working capital and provisions		1,930.8	2,158.2
Restricted cash movements ¹	20	(342.9)	(204.5)
Charge in relation to provisions	29	35.7	7.2
Charge in relation to employee related liabilities	26	134.0	120.5
Utilisation of provisions	29	(19.5)	(66.7)
Payments in respect of employee related liabilities		(141.2)	(140.6)
Deferred income received	28	27.6	29.7
Networks supply contributions received		200.7	174.0
Net exchanged traded collateral received		476.2	181.0
(Increase) / decrease in trade and other receivables		(2.4)	471.0
Decrease in inventories		17.6	65.9
(Decrease) / increase in trade and other payables		(234.6)	65.2
Cash generated from operations		2,082.0	2,860.9
Current tax paid		(148.9)	(117.3)
Payments on inflation linked interest rate swaps	24	(1.4)	(3.6)
Financing costs paid		(247.0)	(194.9)
Net cash inflow from operating activities		1,684.7	2,545.1
Cash flows from investing activities			
Payment for acquisition of subsidiary, net of cash acquired		(63.9)	-
Purchase of property, plant and equipment		(1,532.1)	(1,513.3)
Purchase of intangible assets		(182.8)	(172.1)
Proceeds from sale of investments		9.8	-
Proceeds from sale of subsidiaries	7	58.6	10.2
Amounts advanced to equity accounted investees as shareholder loans		(355.6)	(123.6)
Dividends received from equity accounted investees	16	24.1	34.1
Dividends received from investments measured at fair value through profit or loss	7	2.8	-
Purchase of financial assets and equity accounted investments		(16.5)	(35.3)
Interest received		81.0	74.9
Net cash outflow from investing activities		(1,974.6)	(1,725.1)
Cash flows from financing activities			
Dividends paid	21	(220.1)	(327.2)
Principal elements of lease payments	14	(15.8)	(16.2)
Repurchase of ESOP shares	33	(8.1)	(4.5)
(Repayments) / proceeds from borrowing activities	23	(364.3)	783.4
Payments on inflation linked interest rate swaps	24	-	(265.5)
Net cash (outflow) / inflow from financing activities		(608.3)	170.0
Net (decrease) / increase in cash and cash equivalents		(898.2)	990.0
Cash and cash equivalents at 1 January	20	1,977.8	990.0
Effect of exchange rate fluctuations on cash held		(14.7)	(2.2)
Cash and cash equivalents at 31 December	20	1,064.9	1,977.8

1. Included in cash and cash equivalents at 31 December 2024 is €206.6 million (2023: €549.5 million) in relation to cash received from the Irish Government in relation to energy credits that was ultimately paid to various energy suppliers to offset customers' bills. This cash is not freely available in the normal course of business.

Parent Cash Flow Statement
For the financial year ended 31 December 2024

	Notes	2024 €m	2023 €m
Cash flows from operating activities			
Profit before taxation		651.1	487.1
Adjustments for:			
Depreciation and amortisation		676.9	635.2
Revenue from supply contributions and other deferred income	28	(68.3)	(67.8)
Net emissions movements		9.6	203.9
Net finance income		(28.2)	(39.5)
Impact of fair value movement on financial instruments in operating costs		(36.2)	(17.9)
Loss from equity accounted investees		14.4	10.9
Dividend received from subsidiary undertakings		(10.5)	(8.5)
Net impairment losses on financial assets		32.9	37.8
Operating cash flows before changes in working capital and provisions		1,241.7	1,241.2
Restricted cash movement ¹	20	(7.3)	(27.4)
Charge in relation to provisions		23.8	5.4
Charge in relation to employee related liabilities	26	121.1	105.4
Utilisation of provisions		(13.3)	(63.0)
Payments in respect of employee related liabilities	26	(128.5)	(106.9)
Networks supply contributions received		150.4	119.0
Net exchange traded collateral received		476.7	175.0
(Increase) / decrease in trade and other receivables		(676.2)	394.1
Decrease in inventories		24.2	79.3
(Decrease) / increase in trade and other payables		(812.9)	1,037.3
Cash generated from operations		399.7	2,959.4
Current tax paid		(54.2)	(62.7)
Interest paid		(186.1)	(94.6)
Net cash inflow from operating activities		159.4	2,802.1
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,170.0)	(1,231.3)
Purchase of intangible assets		(159.0)	(153.4)
Amounts advanced to equity accounted investees as shareholder loans		-	(16.2)
Amounts received from subsidiary undertakings		723.0	669.7
Interest received		207.4	163.0
Dividends received from subsidiary undertakings		10.5	8.5
Net cash outflow from investing activities		(388.1)	(559.7)
Cash flows from financing activities			
Dividends paid	21	(220.1)	(327.0)
Principal elements of lease payments	14	(8.6)	(9.1)
Repurchase of ESOP shares	33	-	(4.5)
Proceeds and repayments from borrowings activities	23	(64.3)	(554.9)
Net cash outflow from financing activities		(293.0)	(895.5)
Net (decrease) / increase in cash and cash equivalents		(521.7)	1,346.9
Effect of exchange rate fluctuations on cash held		(14.7)	(2.0)
Cash and cash equivalents at 1 January	20	1,281.8	(63.1)
Cash and cash equivalents at 31 December	20	745.4	1,281.8

1 Included in cash and cash equivalents at 31 December 2024 is €72.7 million (2023: €80.0 million) in relation to cash received from the Irish Government in relation to energy credits that was ultimately paid to various energy suppliers to offset customers' bills. This cash is not freely available in the normal course of business.

Notes to the Financial Statements

1. STATEMENT OF MATERIAL ACCOUNTING POLICY INFORMATION

(i) General information and basis of preparation

Electricity Supply Board (ESB) is a statutory corporation established under the Electricity (Supply) Act, 1927 and is domiciled in Ireland. The consolidated financial statements of ESB as at and for the financial year ended 31 December 2024 comprise the Parent and its subsidiaries (together referred to as “ESB” or “the Group”) and the Group’s interests in associates and jointly controlled entities.

The financial statements of the Parent and Group have been prepared in accordance with the EU IFRS standards and International Financial Reporting Interpretations Committee (IFRIC) interpretations issued and effective for accounting periods beginning on 1 January 2024. Notwithstanding the ESB is a statutory body and not a company, Regulation 78 of ESB’s governing regulations, adopted pursuant to Section 6(1) of the Electricity (Supply) Act, 1927 (as amended) requires ESB to prepare financial statements comprised of and in the form required for Companies Act entities under Section 291 of the Companies Act and (for group financial statements) under Section 295 of the Companies Act. The financial statements of the Parent and Group are prepared on this basis. Accordingly, ESB does not present a Parent entity Income Statement. The Parent and consolidated financial statements have been prepared on the historical cost basis except for derivative financial instruments and certain financial asset investments which are measured at fair value.

The policies set out below have been consistently applied to all years presented in these consolidated financial statements and have been applied consistently by all Group entities. Parent accounting policies are consistent with the consolidated financial statements policies outlined below.

Going concern

The amount of cash and cash equivalents that the Group had on hand on 31 December 2024, excluding restricted cash, was €858.3 million (see note 20). The Group also has an undrawn revolving credit facility of €1.4 billion providing standby liquidity to February 2027, and a European Investment Bank borrowing facility, of which €218 million was undrawn and available to draw at 31 December 2024. Including these facilities, and cash on hand, the Group has overall liquidity of €2.5 billion at 31 December 2024. ESB continues to effectively manage the cash collateral position of the Group in relation to exchange traded gas, coal, and carbon hedging contracts. Note 23 and 30 include an overview of financial risk management, details of the Group’s financial instruments and hedging activities and its exposure to credit risk and liquidity risk.

The Group has considerable financial resources and the Board believes that the Group is well placed to manage its risks successfully. After making appropriate enquiries, the Board is satisfied that ESB has sufficient cash flows, available strong liquidity and access to capital markets to continue in operational existence for at least twelve months from the date of approval of the financial statements. Accordingly, the consolidated and Parent financial statements are prepared on the going concern basis of accounting.

Exceptional items and certain re-measurements

The Group has used the term “exceptional” to describe certain items which, in ESB’s view, warrant separate disclosure by virtue of their size or incidence, or due to the fact that certain gains or losses are determined to be non-recurring in nature. Exceptional items may include restructuring, significant impairments, profit or loss on asset disposals, material changes in estimates or once off costs where material, and where separate identification is important to gain an understanding of the financial statements. Further details of the Group’s exceptional items are provided in note 6 of the financial statements.

In the normal course of business, the Group enters into forward fuel commodity price trades, and related foreign exchange contracts, to protect and optimise the value of its underlying generation assets and contracts, and to meet the future needs of its customers. These trades are designed to reduce the financial risks and exposures arising from holding such assets, contracts or customer demand, and are subject to strict risk limits and controls.

Because some of these trades are prohibited from being designated as ‘own use’, IFRS 9 ‘Financial Instruments’ requires them to be individually fair valued. Fair value movements on these forward fuel commodity price trades, and related foreign exchange contracts, are included within operating costs, as they cannot be designated as accounting hedges under IFRS 9, although Management consider them to be effective economic hedges. Fair value movements on these trades do not reflect the underlying performance of the business because they are economically related to the Group’s generation assets or customer demand, and to associated physically settled electricity price hedging trades, which are not fair valued. Therefore, fair value movements on these forward fuel commodity price trades and related foreign exchange contracts (together, “certain re-measurements”) are reported separately from financial performance, and are subsequently reflected in underlying operating profit when the underlying transaction or asset impacts profit or loss. The effects of these certain re-measurements are presented within either Revenue or Energy Costs when recognised in underling operating profit, depending on the nature of the contract. Further details of the Group’s re-measurements are provided in note 6 of the financial statements.

Notes to the Financial Statements (continued)

1. STATEMENT OF ACCOUNTING POLICIES (continued)

(ii) Basis of consolidation

The Group's financial statements consolidate the financial statements of the Parent and of all subsidiary undertakings and include the Group's share of the results and net assets of associates and joint ventures made up to 31 December 2024. The results of subsidiary undertakings acquired or disposed of in the year are included in the Group income statement from the date of acquisition or up to the date of disposal.

Accounting for business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

Acquisitions

When accounting for business combinations under IFRS 3 'Business Combinations', the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in the income statement.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified as a financial liability. Contingent consideration liabilities are subsequently remeasured to fair value, with changes in fair value recognised in the income statement unless the remeasurement is considered a measurement period adjustment in which case it is factored into the fair value of consideration transferred. Measurement period adjustments are only made if they both relate to facts and circumstances present at the acquisition date and are within one year of the acquisition date.

Costs relating to the acquisition (other than those associated with the issue of debt or equity securities) that the Group incurs in connection with a business combination are expensed as incurred.

IFRS 10 - Consolidated Financial Statements

The IFRS 10 control model focuses on whether the Group has power over an investee, exposure or rights to variable returns from its involvement with the investee and ability to use its power to affect those returns. In particular, IFRS 10 requires the Group to consolidate investees that it controls on the basis of de facto control.

In accordance with IFRS 10, the Group's assessment of control is performed on a continuous basis and the Group reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of the control model.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(iii) Accounting for joint arrangements

IFRS 11 - Joint Arrangements

Under IFRS 11, the Group classifies its interests in joint arrangements as either joint operations or joint ventures depending on the Group's rights to the assets and obligations for the liabilities of the arrangements. When making this assessment, the Group considers the structure and legal form of the arrangements, the contractual terms of the arrangement agreed by the parties and when relevant, other facts and circumstances.

1. STATEMENT OF ACCOUNTING POLICIES (continued)

Joint operations

Joint operations are those undertakings in which ESB is deemed to have joint control of the arrangement and has rights to the assets and obligations for the liabilities of the arrangement. Accordingly, the Company's share of assets, liabilities, revenues, expenses and other comprehensive income are recognised in the respective categories within the consolidated financial statements.

Joint ventures

Joint venture undertakings (joint ventures) are those undertakings over which ESB exercises contractual control jointly with another party, whereby the Group has rights to net assets of the arrangement rather than rights to its assets and obligations for its liabilities.

Joint ventures are accounted for using the equity method of accounting. Under the equity method, the Group's share of the profits or losses after tax of joint ventures is included in the consolidated income statement after interest and financing charges. The Group's share of items of other comprehensive income is shown in the statement of comprehensive income.

The Group's interests in the net assets are included as investments in joint ventures on the face of the consolidated balance sheet at an amount representing the Group's share of the fair values of the net assets at acquisition plus goodwill, acquisition costs, the Group's share of post acquisition retained income and expenses less any impairment charge. Net liabilities are only recognised to the extent that ESB has incurred legal or constructive obligations or made payments on behalf of joint ventures.

Where contingent consideration has been recognised on acquisition, the Group recognises a liability. Any subsequent change in the measurement of the contingent consideration is accounted for using the cost-based approach and applied prospectively in accordance with IAS 8. The change in contingent consideration liability is adjusted to the cost of the investment.

The amounts included in the consolidated financial statements in respect of post acquisition results of joint ventures are taken from their latest financial information made up to the Group's balance sheet date.

The Group assesses if a change in the facts and circumstances requires reassessment of whether joint control still exists. The Group has evaluated its involvement in joint arrangements and has confirmed that these investments meet the criteria of joint ventures which continue to be accounted for using the equity method.

In the Parent financial statements, investments in joint ventures are accounted for using the equity method of accounting using the same method as described above.

Associates

Entities other than joint arrangements and subsidiaries and over whose operating and financial policies the Group is in a position to exercise significant influence but not control or joint control, are accounted for as associates using the equity method and are included in the consolidated financial statements from the date on which significant influence is deemed to arise until the date on which such influence ceases to exist.

(iv) New standards, standard amendments and interpretations

The following amendments are effective for the Group for the financial year beginning on 1 January 2024:

Amendments to standard	Details	Effective Date	Effect on the results and financial position of the group
IAS 1 (Amendments)	Classification of Liabilities as Current or Non-current (including deferral of Effective Date)	1 January 2024	No material effect
IAS 1 (Amendments)	Non-current liabilities with Covenants	1 January 2024	No material effect
IFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback	1 January 2024	No material effect
IAS 7 and IFRS 7 (Amendments)	Supplier finance arrangements	1 January 2024	No material effect

Notes to the Financial Statements (continued)

1. STATEMENT OF ACCOUNTING POLICIES (continued)

(v) Standards, standard amendments and interpretations that are not yet effective

The following new standards, amendments to standards and interpretations are not yet effective for the financial year beginning on 1 January 2024 and have not been applied in preparing these financial statements:

Standards or amendments	Details	Effective Date	Expected effect on the results and financial position of the group
IFRS 9 and IFRS 7 (Amendments)	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026	Management are currently assessing impact
IFRS 9 and IFRS 7 (Amendments)	Contracts Referencing Nature-dependent Electricity	1 January 2026	Management are currently assessing impact
IFRS 19 (New Standard)	Subsidiaries without Public Accountability: Disclosures	1 January 2027	No material effect
IFRS 18 (New Standard)	Presentation and Disclosure in Financial Statements	1 January 2027	Management are currently assessing impact
IAS 21 (Amendments)	The effects of changes in foreign exchange rates: lack of exchangeability	1 January 2025	No material effect

(vi) Foreign currencies

These financial statements are presented in euro, which is the Parent's functional currency.

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in euro.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in the income statement. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation adjustments on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation adjustments on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in the income statement as part of the fair value gain or loss.

(c) Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each Group income statement and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to the income statement, as part of the gain or loss on sale.

Goodwill arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

1. STATEMENT OF ACCOUNTING POLICIES (continued)

(vii) Property, plant and equipment and depreciation

Recognition and measurement

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment in value, except for land which is shown at cost less impairment. Property, plant and equipment includes capitalised employee, interest and other costs that are directly attributable to the asset and an appropriate portion of relevant overheads.

Depreciation

The charge for depreciation is calculated to write down the cost of property, plant and equipment to its estimated residual value over its expected useful life using methods appropriate to the nature of the Group's business and to the character and extent of its property, plant and equipment. No depreciation is provided on freehold land or on assets in the course of construction. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

Generation plant and thermal station structures	Up to 20 years
Wind farm generating assets	Up to 25 years
Distribution plant and structures	Up to 30 years
Transmission plant and structures	Up to 30 years
General buildings and hydro stations	Up to 50 years
Smart Meters	Up to 10 years

Subsequent expenditure

Subsequent expenditure on property, plant and equipment is included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged in the income statement during the financial period in which they are incurred.

Included in property, plant and equipment are strategic spares in relation to the electricity generation business. Strategic spares in the ESB Network's business are carried within assets under construction pending commissioning.

(viii) Intangible assets and goodwill

(a) Goodwill

Goodwill that arises on the acquisition of subsidiaries is presented separately on the balance sheet. Where the Group acquires less than 100% of a business, goodwill is measured using the proportionate share of the net assets recognised in the purchase price allocation calculation.

Subsequent measurement

Goodwill is measured at cost less accumulated impairment losses. Goodwill is tested annually for impairment. An impairment loss is recognised if the carrying amount of the asset or cash-generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses in respect of goodwill are recognised in the income statement, and are not reversed. For impairment losses where goodwill is recognised using the proportionate share of purchase price allocation, only the impairment loss relating to the goodwill that is allocated to the Parent is recognised as a goodwill impairment loss.

(b) Emission allowances and renewable obligation certificates (ROCs)

Emission allowances purchased by ESB are recorded as current intangible assets at cost.

As emissions arise, a charge is recorded in the income statement to reflect the amount required to settle the liability to the relevant authority. This provision includes the carrying value of the emission allowances held, as well as the current market value of any additional allowances required to settle the obligation. These allowances are returned to the relevant Authority in charge of the scheme within four months of the end of that calendar year for the European CO₂ emissions trading scheme and three months for the UK emissions trading scheme, in order to cover the liability for actual emissions of CO₂ during that year. Accordingly, all emission allowances and ROCs are presented in the balance sheet as current intangible assets.

Notes to the Financial Statements (continued)

1. STATEMENT OF ACCOUNTING POLICIES (continued)

ROCs are certificates issued to operators of accredited renewable generating stations in the UK for the eligible renewable electricity they generate. The Group internally generates ROCs via its wind farms and also purchases ROCs from third parties. Internally generated ROCs are recognised at fair value (based on the prevailing compliance period buyout price and estimate of recycle benefit) in the income statement and intangible assets in line with the electricity physically generated. Purchased ROCs are recognised initially at cost (purchase price) within intangible assets. The group uses both internally generated and externally purchased ROCs to settle the associated renewable obligation scheme liability in the Customer Solutions business.

Emission allowances and ROCs held as intangible assets are not subsequently amortised or revalued as they are held for settlement of the related liabilities or external sale in the following year.

(c) Software costs and other intangible assets

Acquired computer software licenses and other intangible assets including grid connections and other acquired rights, are capitalised on the basis of the costs incurred to acquire and bring the specific asset into use. These assets are measured at cost less accumulated amortisation, which is estimated over their useful lives on a straight-line basis, and accumulated impairment losses. Major asset classifications and their allotted life spans are:

Software	3 / 5 years
Other intangibles	up to 20 years

Development costs that are directly associated with the production of identifiable and unique software products controlled by the Group and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets when the following criteria are met:

- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- there are adequate technical, financial and other resources to complete the development and to use or sell it
- the expenditure attributable to the software during its development can be reliably measured.

Direct costs include the costs of software development, employees and an appropriate portion of relevant overheads. These assets are measured at cost less accumulated amortisation, which is estimated over their estimated useful lives (three to five years) on a straight-line basis, and accumulated impairment losses.

Incremental costs of obtaining a contract are capitalised in line with IFRS 15 'Revenue from Contracts with Customers' where those costs would not have been incurred if the contract had not been obtained and ESB expects to recover those costs. These assets are measured at cost less accumulated amortisation, which is estimated over their useful lives (two years) on a straight-line basis, and accumulated impairment losses.

(d) Research and development

Research expenditure and development expenditure that does not meet the criteria above is recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

(ix) Impairment of non-current assets other than goodwill

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to depreciation and amortisation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Assets not yet in use are tested annually for impairment. An impairment loss is recognised for the amount by which an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

For electricity generation assets, value in use is based on the estimated cash flows expected to be generated by the asset and is based on estimates of forecast power generation and forecast power, gas, carbon and capacity prices (where applicable) and the timing and extent of operating costs and capital expenditure. These cash flows are discounted to their present value using a pre-tax discount rate that reflects the current markets assessment of the time value of money and the risks specific to the asset.

1. STATEMENT OF ACCOUNTING POLICIES (continued)

(x) Right-of-Use of Assets and Lease Liabilities

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. At the inception of a lease contract the Group assess whether a contract is, or contains, a lease. If the contract conveys the right to control the use of an asset for a period of time in exchange of consideration, it is recognised as a lease.

To assess the right to control an asset, the Group considers the following:

- does the contract contain an identifiable asset;
- does the Group have the right to obtain substantially all of the economic benefits of the asset;
- does the Group have the right to operate the asset throughout the period of the contract.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the lease payments. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs, and
- restoration costs (see xvi provisions below).

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in the income statement. Short-term leases are leases with a lease term of 12 months or less and do not contain a purchase option. Low-value assets are considered low value if the value of the asset when new is less than €5,000. Low value assets within ESB comprise predominantly of IT equipment and small items of office furniture.

The Group leases various land and buildings, wind farm land and motor vehicles. Rental contracts are typically made for fixed periods but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

(xi) Borrowing costs

Borrowing costs attributable to the construction of major assets, which necessarily take substantial time to get ready for intended use, are added to the cost of those assets at the weighted average cost of borrowings, until such time as the assets are substantially ready for their intended use. The capitalisation rate applied equates to the average cost of ESB's outstanding debt and where applicable, a project specific rate is applied. The impact of hedging is also factored into the calculation of the capitalisation rate where applicable. Fees associated with the raising of debt are capitalised and then amortised over the life of the corresponding debt. All other borrowing costs are recognised in the income statement in the period in which they are incurred.

To the extent that variable rate borrowings are used to finance a qualifying asset and are hedged in an effective cash flow hedge of interest rate risk, the effective portion of the derivative is recognised in other comprehensive income and reclassified to the income statement when the qualifying asset affects profit or loss. To the extent that fixed rate borrowings are used to finance a qualifying asset and are hedged in an effective fair value hedge of interest rate risk, the capitalised borrowing costs reflect the hedged interest rate.

Notes to the Financial Statements (continued)

1. STATEMENT OF ACCOUNTING POLICIES (continued)

(xii) Inventories

Inventories are carried at the lower of average cost and net realisable value. Cost comprises all purchase price and direct costs that have been incurred in bringing the inventories to their present location and condition. Net realisable value is based on normal selling price less all further costs expected to be incurred prior to disposal.

Specific provision is made for damaged, deteriorated, obsolete and unusable items where appropriate.

(xiii) Financial assets and liabilities

Classification and measurement

The following accounting policies apply to the measurement of financial assets in the ESB's consolidated financial statements:

Financial assets at fair value through profit or loss (FVTPL)

On initial recognition, these assets are recognised at fair value, with transaction costs being recognised in the income statement and subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the income statement.

Financial assets at fair value through other comprehensive income (FVOCI)

On initial recognition, these assets are recognised at fair value and subsequently measured at fair value. Net gains and losses are recognised in other comprehensive income.

Financial assets at amortised cost

These assets are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment is recognised in the income statement. Any gain or loss on derecognition is recognised in the income statement.

Trade and other receivables

Financial assets are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price.

Loans and balances with equity accounted investees

Loans and balances with equity accounted investees are non-derivative financial assets or liabilities which are not quoted in an active market. They are included in current assets or current liabilities on the balance sheet where amounts are either expected to be settled within 12 months of the balance sheet date or where loans are repayable on demand. Loans receivable which are not expected to be settled within 12 months of the balance sheet date and are not repayable on demand are classified as non-current assets. Loans payable which are not expected to be settled within 12 months of the balance sheet date and are not repayable on demand are classified as non-current liabilities where there is an unconditional right to defer settlement of the liability beyond 12 months from the balance sheet date. Loans and balances that are included within trade and other receivables or trade and other payables are initially recorded at invoiced value and thereafter at amortised cost using the effective interest rate method less loss allowance made for impairment.

Loans and balances with Group companies (Parent)

Loans and balances with Group Companies are non-derivative financial assets or liabilities which are not quoted in an active market. Loans and balances receivable are included in current assets on the balance sheet where amounts are either expected to be settled within 12 months of the balance sheet date or where loans are repayable on demand. Loans and balances receivable which are not expected to be settled within 12 months of the balance sheet date and are not repayable on demand are classified as non-current assets. Loans and balances payable which include a right to defer settlement for 12 months existing at the balance sheet date and are not repayable on demand are classified as non-current liabilities. If this is not the case, loans and balances payable are classified as current liabilities. The classification of loans and balances payable is unaffected by the expectation on whether the right to defer settlement will be exercised. Loans and balances are included within trade and other receivables or trade and other payables in the Parent balance sheet and are initially recorded at fair value or invoiced value respectively. Thereafter, loans and balances are recorded at amortised cost.

1. STATEMENT OF ACCOUNTING POLICIES (continued)

Trade and other payables

Trade and other payables are initially recorded at fair value, which is usually the original invoiced amount, and subsequently carried at amortised cost using the effective interest rate method.

Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables and loans and balances with Group companies. Expected credit losses on shareholder loans advanced to equity accounted investees are measured using the general approach. The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the expected credit loss calculations, based on the Group's past history, existing market conditions and forward-looking estimates at the end of each reporting period. Refer to note 19 for further details.

For loans and balances with Group companies, the Parent applies the general approach permitted by IFRS 9, which requires 12 month expected credit losses to be recognised on initial recognition of these receivables. If a significant increase in credit risk occurs, this requires expected lifetime credit losses to be recognised on these receivables.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits repayable on demand and other short-term highly liquid investments with original maturities of three months or less. Cash and cash equivalents for the purpose of cash flow include bank overdrafts payable on demand and form an integral part of the Group's cash management. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

Cash deposits with maturities of more than 90 days but not greater than one year are included as short-term deposits within trade and other receivables.

Bank balances for which use by the Group is subject to third party contractual restrictions are included as part of cash unless the restrictions result in a bank balance no longer meeting the definition of cash. Contractual restrictions affecting the use of bank balances are disclosed in note 20. If the contractual restrictions to use the cash extend beyond 12 months after the end of the reporting period, the related amounts are classified as non-current in the balance sheet.

(a) Borrowings

Interest bearing borrowings

Interest bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition these borrowings are stated at amortised cost using the effective interest rate method. If a financial liability measured at amortised cost is modified without this resulting in derecognition, a gain or loss is recognised in the income statement. The gain or loss is calculated as the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate.

(b) Derivative financial instruments and other hedging instruments

The Group uses derivative financial instruments to hedge its exposure to commodity price, foreign exchange and interest rate risk arising from operational, financing and investing activities. The principal derivatives used include interest rate swaps, inflation-linked interest rate swaps, currency swaps and forward foreign currency contracts. Commodity contracts are also used to hedge the Group's exposures to the purchase of fuel and sale of electricity. The Group applies the general hedge accounting model in IFRS 9. This requires the Group to ensure that hedge accounting relationships are aligned with its risk management objectives and strategy and to apply a more qualitative and forward-looking approach to assessing hedge effectiveness.

Within its regular course of business, the Group routinely enters into sale and purchase contracts for commodities, including gas and electricity. Where the contract was entered into and continues to be held for the purposes of receipt or delivery of the commodities in accordance with the Group's expected sale, purchase or usage requirements, the contracts are designated as own use contracts and are accounted for as executory contracts. These contracts are therefore not within the scope of IFRS 9 Financial Instruments.

Notes to the Financial Statements (continued)

1. STATEMENT OF ACCOUNTING POLICIES (continued)

Commodity contracts which are not designated as own use contracts are accounted for as trading derivatives and are recognised in the balance sheet at fair value. The changes in fair value when a hedge accounting relationship exists and the contract has been designated as held for hedging purposes will be recognised in accordance with IFRS 9 as cash flow hedges or fair value hedges.

Financial derivative instruments are used by the Group to hedge interest rate and currency exposures. All such derivatives are recognised at fair value and are re-measured to fair value at the balance sheet date. With the exception of the inflation linked interest rate swaps the majority of other derivative financial instruments are designated as being held for hedging purposes.

The designation of the hedge relationship is established at the inception of the contract. The treatment of gains and losses on subsequent re-measurement is dependent on the classification of the hedge and whether the hedge relationship is designated as either a fair value or cash flow hedge.

All fair value movements on derivatives that are not designated as hedging relationships are recorded through the income statement within finance income and expense or other operating costs, as appropriate. Fair value movements on the commodity derivatives which primarily relate to energy margin are recorded in total operating costs while any fair value movements on interest related derivatives impact finance costs in the income statement.

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised liability, a firm commitment or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in other comprehensive income. When the firm commitment or forecasted transaction results in the recognition of a non-financial asset or liability, the cumulative gain or loss is removed from other comprehensive income and included in the initial measurement of that asset or liability. Otherwise the cumulative gain or loss is removed from other comprehensive income and recognised in the income statement at the same time as the hedged transaction. The gain or loss relating to the ineffective portion is recognised in the income statement immediately.

When a hedging instrument or hedge relationship is terminated but the hedged transaction is still expected to occur, the cumulative gain or loss at that point remains in other comprehensive income and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer probable, the cumulative unrealised gain or loss recognised in other comprehensive income is recognised in the income statement immediately.

Hedge of net investment in foreign entity

Where a foreign currency liability hedges a net investment in a foreign operation, foreign exchange differences arising on translation of the liability are recognised directly in other comprehensive income, and taken to the translation reserve, with any ineffective portion recognised in the income statement immediately.

(c) Guarantees

During the normal course of business, the Group provides guarantees and bonds to third parties, subsidiary companies of the Parent and equity accounted investees. The Group has availed of the accounting policy choice available under IFRS 17 to account for financial guarantees in line with IFRS 9. Financial guarantees are therefore recognised initially at fair value. Subsequently, financial guarantees are measured at the higher of their fair value and a value calculated in line with the expected credit loss model as per IFRS 9.

(xiv) Capital stock

The units of capital stock are measured at the price at which they were initially issued to the Department of Public Expenditure and Reform, the Department of Environment, Climate and Communications and ESB ESOP Trustee Limited.

(xv) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement, except to the extent that it relates to items recognised directly in other comprehensive income or equity.

(a) Current tax

Current tax is provided at current rates and is calculated on the basis of results for the year. The income tax expense in the income statement does not include taxation on the Group's share of profits of joint venture undertakings, as this is included within the separate line on the face of the income statement for share of equity accounted investee profit / (loss), net of tax.

1. STATEMENT OF ACCOUNTING POLICIES (continued)

(b) Deferred tax

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets are recognised only to the extent that the Board consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying temporary differences can be deducted.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which temporary differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

(xvi) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

Provision for asset retirement obligations

The provision for retirement and decommissioning of generating stations, wind farms, other electricity generation assets, leased asset restoration liabilities, ESB Networks and NIE Networks creosote treated wood poles represents the present value of the current estimate of the costs of closure of the stations, restoration of leased assets (if applicable) and the disposal of the poles at the end of their useful lives.

The estimated costs of asset retirement obligations and restoration liabilities are recognised in full at the outset of the asset life, but discounted to present values using an appropriate pre-tax discount rate. The costs are capitalised in property, plant and equipment or right-of-use assets in respect of restoration liabilities and are depreciated over the useful economic lives of the stations or other assets to which they relate unless the related asset has reached the end of its useful life. Subsequent changes in the liability in respect of assets that have reached the end of their useful life are recognised in the income statement as they occur. The costs are reviewed each year and amended as appropriate. Amendments to the discounted estimated costs are capitalised into the relevant assets and depreciated over the remaining life of those assets to the extent that the assets are still in use.

As the costs are capitalised and initially provided on a discounted basis, the provision is increased by a financing charge in each period, which is calculated based on the provision balance and discount rate applied at the last measurement date (updated annually) and is included in the income statement as a financing charge. In this way, the provision will equal the estimated closure costs at the end of the useful economic lives of stations or other assets. The actual expenditure is set against the provision as stations are closed or other obligations are met.

The provision for asset retirement obligations is included within current or non-current provisions as appropriate on the balance sheet.

(xvii) Employee related liabilities

(a) Restructuring liabilities

Voluntary termination benefits are payable under various collective agreements between the Board of ESB and ESB Group of Unions when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement age, or to provide termination benefits as a result of an offer made to employees to encourage voluntary redundancy. Ordinary termination benefits not covered by the aforementioned agreement are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group begins to implement the restructuring plan. Benefits expected to be settled more than twelve months after the balance sheet date are discounted to present value. Future operating losses are not provided for.

(b) Other short-term employee related liabilities

The costs of holiday leave and bonuses accrued are recognised when employees render the service or performance that increases their entitlement to future compensated absences or payments.

(xviii) Pension obligations

The Group companies operate various pension schemes in the Republic of Ireland and Northern Ireland and Great Britain (GB), which are funded through payments to trustee administered funds.

Notes to the Financial Statements (continued)

1. STATEMENT OF ACCOUNTING POLICIES (continued)

Pension schemes in the Republic of Ireland

The Group operates two pension schemes, which are called the ESB Defined Benefit Pension Scheme and the ESB Defined Contribution Pension Scheme. Pensions for employees in the electricity business are funded through a contributory pension scheme called the ESB Defined Benefit (DB) Pension Scheme. The fund is vested in Trustees nominated by ESB and its members for the sole benefit of employees and their dependants. The Scheme is registered as a Defined Benefit Scheme with the Pensions Authority.

The regulations governing the Scheme stipulate the benefits that are to be provided and the contributions to be paid by both ESB and the contributing members. Benefits payable are determined by reference to a Career Average Revalued Earnings (CARE) pension model for benefits earned after 1 January 2012 (previously based on final salary). ESB has no legal obligation to increase contributions to maintain benefits in the event of a deficit and ESB's rate of contribution cannot be altered without the agreement of ESB and approval of the Minister for Environment, Climate and Communications. Should an actuarial deficit arise in the future, ESB is obliged under the Scheme regulations to consult with the Superannuation Committee, the Trustees and the Scheme Actuary to consider the necessity of submitting an amending Scheme for Ministerial approval.

Under the 2010 Pensions Agreement (approved by employees in July 2010 and formally ratified by the Board of ESB on 20 October 2010), ESB agreed to a once-off cash injection into the Scheme. The fixed contribution rates for the employer and for employees were not changed. Under the Agreement, membership of the Scheme has been closed to new joiners.

The obligations to the Scheme reflected in ESB's financial statements have been determined in accordance with IAS 19 Employee Benefits. Given that the Scheme is not a typical "balance of costs" Defined Benefit Scheme (where the employer is liable to pay the balance of contributions required to fund benefits), the obligations to be reflected in the financial statements require the exercise of judgement. Should a deficit arise in the future, the Group, as noted above, is obliged to consult with the parties to the Scheme. However, ESB has no obligation to increase contributions to maintain benefits in the event of a deficit and the Company does not intend that any further contributions, other than the normal on-going contributions will be made (note: the €591.0 million additional contribution agreed as part of the 2010 Pensions Agreement has now been fully paid). Therefore, ESB has concluded that the financial statements should reflect its obligations to the Scheme, which consist of:

(a) Pre-existing commitments relating to past service (the present value of the agreed contributions that relates to service prior to October 2010); and

(b) Past Voluntary Severance (VS) Programmes – in 2010 the Group recognised a future commitment in respect of staff who have left the Company under past VS programmes. ESB will make pension contributions in respect of those staff and these are recognised at fair value.

Ongoing contributions (up to 16.4%) are recognised in the income statement as incurred. Any unpaid amounts at year end are recognised as liabilities on the balance sheet.

The ESB Defined Contribution Pension Scheme is a defined contribution scheme and contributions to the Scheme are accounted for on a defined contribution basis with the employers' contribution charged to the Group Income Statement in the period the contributions become payable.

FM United Kingdom Stakeholder Scheme

ESB operates a stakeholder pension scheme in the UK for all its GB employees. The pension scheme is a defined contribution scheme and contributions to the Scheme are accounted for on a defined contribution basis with the employers' contribution charged to the Group Income Statement in the period the contributions become payable.

Pension scheme in Northern Ireland

The Group's wholly owned subsidiary undertaking, Northern Ireland Electricity Networks Limited (NIE Networks), operates a pension scheme which has two sections: Defined contribution Options, defined benefit Focus. Pension costs in respect of the defined contribution scheme are charged to the income statement as they become payable. Focus has been closed to new members since 1998. The defined benefit obligation of NIE Networks is calculated annually by independent actuaries using the projected unit credit method, and discounted at a rate selected with reference to the current rate of return of high quality corporate bonds of equivalent currency and term to the liabilities. Pension scheme assets are measured at fair value. Full actuarial valuations are obtained at least triennially and are updated annually thereafter. Actuarial gains and losses are recognised in full in the period in which they occur and are recognised in other comprehensive income.

1. STATEMENT OF ACCOUNTING POLICIES (continued)

The cost of providing benefits under the defined benefit scheme is charged to the income statement over the periods benefiting from employees' service. Past service costs including curtailment losses are recognised in the income statement in the period they occur. The interest income from pension scheme assets and the interest expense on pension scheme liabilities are included within net finance cost.

Where a surplus on the 'Focus' defined benefit scheme exists, the Group recognises an accounting surplus in line with the most recent IAS19 valuation on the basis of the Group's assessment that it has the right to any remaining surplus on the eventual winding up of the pension scheme following gradual settlement of the scheme's liabilities.

(xix) Revenue from contracts with customers

Revenue principally comprises the sales values derived from the following:

- Customer Solutions revenues consist primarily of sales to electricity and gas customers.
- ESB Networks and NIE Networks earn Use of System income in the Republic of Ireland and Northern Ireland respectively.
- Generation and Trading revenue derives mainly from electricity generation.
- Revenue derived from the provision of engineering, telecommunication and other services.

Customer Solutions

Revenue from sales to electricity and gas customers

This revenue is earned from both residential and business customers in the Republic of Ireland (ROI), Northern Ireland (NI) and Great Britain (GB). Revenue is recognised at the point in time of consumption of gas and electricity. Electricity and gas revenue includes the value of units supplied to customers between the date of the last meter reading and the period end. This estimate at the point in time of consumption is initially included in trade and other receivables in the balance sheet as retail energy receivables - unbilled, customers are billed monthly or bi-monthly depending on the type of account, and are subsequently recognised as retail energy receivables - billed. Residential credit terms and debtor days in respect of retail electricity receivables are 14 days. Credit terms for business customers vary by contract.

Unbilled revenue is arrived at by using estimated revenue which is calculated by applying the tariffs applicable to specific customer types to estimated volume (or actual volume, if available) of electricity or gas consumed across those customer types, less the total amounts already billed for the relevant period. This process includes the analysis of calculated unbilled volumes and rates (in GWh and millions of therms) taking into consideration, movements in pricing tariffs, seasonality and data on total consumption by supplier obtained by I-SEM. There are a number of offerings such as sign-up bonuses, discounts and rewards available to customers which are all accounted for as variable consideration under IFRS 15. Discounts and rewards that are enduring are applied over time to our relevant customer bills. On joining the sign-up bonuses are applied to customer accounts which are recognised over time in line with customer usage.

Other revenue

Other revenue comprises of income derived from the provision of energy and telecommunications services and represents the transaction prices of services and works delivered to customers. Services are deemed to have been delivered to customers when, and to the extent that, the entity has met its performance obligations under its contracts. Revenue is recognised over time in accordance with the input method in the income statement in line with the contract terms in proportion to the stage of completion, based on total costs of the contract. Billed revenue is recognised as a trade receivable-non energy and is normally settled in 30 business days. Unbilled revenue is recognised in other receivables.

ESB Networks - Revenue from Use of System charges to customers

ESB Networks mainly recognises revenue from Use of System that comprises of Distribution Use of System (DUoS) revenue and Transmission Use of System (TUoS) revenue. ESB Networks operates in the Republic of Ireland and is a regulated business, earning its revenue primarily from an allowed return on its Regulated Asset Base (RAB) and recovery of its operating costs.

DUoS revenue is earned through charges to suppliers for the use of the ESB Networks distribution system. DUoS revenue is recognised in line with the use of the system by suppliers and any outstanding billed and unbilled usage for DUoS is included as a Use of System receivable on the balance sheet. DUoS revenue is invoiced on a bi-monthly basis. Revenue is also earned from operations & maintenance annual charges for generators connected to the distribution system. These are based on a standard amount per kilometre line or cable and are recognised over time as the performance obligation is satisfied.

TUoS revenue is earned by maintaining the transmission assets to facilitate their effective operation by EirGrid. For this fixed price contract TUoS revenue is recognised over time on a straight-line basis and a Use of System receivable is recognised on the balance sheet.

Notes to the Financial Statements (continued)

1. STATEMENT OF ACCOUNTING POLICIES (continued)

ESB Networks receives non-repayable supply contributions income as a result of providing new connections to its existing network in respect of property, plant and equipment. These contributions are held in trade and other payables as progress payments until their performance obligation is satisfied. When the work on the connection has met the performance obligation they are transferred to deferred income and released to revenue in the income statement over the estimated useful economic lives of the related assets (as a proxy for the life of the customer relationship). The useful life of these assets is estimated at 25 and 30 years for distribution and transmission networks respectively.

ESB Networks also recognises revenue from a number of unregulated sources. Revenue is recognised from providing ancillary network services and other miscellaneous income. All unregulated income is recognised at a point in time with a corresponding receivable carried on the balance sheet for each item.

NIE Networks - Revenue from Use of System charges to customers

NIE Networks derives its revenue principally through charges for use of the distribution system (DUoS) levied on electricity suppliers and transmission service charges (TSC) mainly for use of the transmission system levied on System Operator for Northern Ireland (SONI). NIE Networks is a regulated business, earning revenue primarily from an allowed return on its Regulated Asset Base (RAB). Revenue is recognised when the Group has satisfied its performance obligations in respect of the contract with the customer. Revenue is measured based on the consideration specified in a contract with a customer. The following specific recognition criteria must also be met before revenue is recognised:

DUoS revenue is recognised over time in line with the use of the system by consumers under the schedule of entitlement set by the UR for each tariff period. Any outstanding billed and unbilled usage for DUoS is included within Use of System receivable at the balance sheet date. Revenue includes an assessment of the volume of electricity distributed, estimated using historical consumption patterns.

Transmission service charge revenue (TSC) is earned by maintaining the transmission assets to facilitate the effective operation by SONI. For this fixed price contract, revenue is recognised over time on a straight-line basis in line with the schedule of entitlement set by the UR for each tariff period and a Use of System receivable is recognised on the balance sheet.

Included within the Group's operating profit are revenues and costs associated with the Public Service Obligation (PSO) charges which are fully recoverable (including amounts paid under the NI Sustainable Energy Programme), albeit there are timing differences between the receipt of revenue / payment of costs and the recovery of those amounts through the PSO charges. PSO revenue is earned over time in line with the use of system by consumers under the schedule of entitlement set by the UR for each tariff period. In addition to PSO tariff revenues, NIE Networks recognises income received from the Power Procurement Business (PPB) at a point in time as NIE Networks does not have control over the amount or timing of receipt of PPB revenues.

NIE Networks receives non-repayable supply contributions income as a result of providing new connections to its existing network in respect of property, plant and equipment. These contributions are held in trade and other payables as progress payments until their performance obligation is satisfied. When the work on the connection has met the performance obligation they are transferred to deferred income and released to revenue in the income statement over the estimated useful economic lives of the related assets (as a proxy for the life of the customer relationship). The useful life of these assets is estimated at 25 and 30 years for distribution and transmission networks respectively.

Generation and Trading revenue - derives mainly from electricity generation

Republic of Ireland

Integrated-Single Electricity Market (I-SEM)

The I-SEM is the wholesale electricity market arrangement for Ireland and Northern Ireland. Within I-SEM there are multiple markets or auctions, each spanning different trading time frames, with separate (although related) clearing and settlement mechanisms.

There are two ex-ante markets for physical energy: the Day-Ahead Market and the Intraday Market. In addition, Energy balancing services are offered into the Balancing Market by generators (energy producers) and suppliers (energy consumers). Capacity is a commitment by a generator or interconnector owner to be available to deliver energy into the grid, if called on to do so. Capacity providers who are successful in the Capacity Market receive a regular capacity payment, which assists with funding generation capacity. Revenue from the sale of electricity in the I-SEM markets are recognised over time on consumption of electricity and an I-SEM receivable is recognised on the balance sheet and settled daily for the ex-ante market and weekly for the ex-post market.

Capacity income is received through the 'Capacity Remuneration Mechanism' (CRM) where a capacity payment is made to a participant in respect of a Generator Unit in each Capacity Period on the basis of the Unit's Eligible Availability, which is based on the Unit's Availability Profile. Revenue is recognised over time and recognised as an I-SEM receivable on the balance sheet and settled within one month.

1. STATEMENT OF ACCOUNTING POLICIES (continued)

Ancillary income is received through 'Delivering a Secure Sustainable Electricity System' (DS3) programme for provision of frequency response services to the grid. Ancillary income is recognised over time. Ancillary income is recognised as an I-SEM receivable on the balance sheet and settled within one month.

Great Britain

British Electricity Trading and Transmission Arrangements is the wholesale electricity market operating in Great Britain (GB). Unlike the I-SEM, trading can take place between generators and suppliers either bilaterally or through exchanges. Both physical and financial contracts can be struck to manage price volatility, for timescales ranging from several years ahead to on-the-day trading markets. The British Government operates a capacity remuneration scheme and under the scheme, generators are awarded capacity contracts (based on the outcome of an auction) that enable them to receive payments for the provision of generation capacity while also incurring penalties for non-delivery during scarcity events. Revenue in respect of capacity payments is recognised over time.

Revenue derived from GB is through the sale of power to individual GB counterparties and is recognised over time when performance obligations are satisfied. Revenue relating to the GB market is recognised as other electricity receivables on the balance sheet and settled daily or monthly depending on the terms of the individual contract.

Other Segments - Other revenue

Other revenue comprises of income derived from the provision of electrical, mechanical, civil, environmental, engineering, property sales and consultancy services and represents the transaction price of services and works delivered to customers.

Services are deemed to have been delivered to customers when, and to the extent that, the entity has met its performance obligations under its contracts. Revenue is recognised over time in accordance with the input method in the income statement in line with the contract terms in proportion to the stage of completion, based on total costs of the contract. Billed revenue is recognised as a trade receivable-non electricity and settled in 30 business days. Unbilled revenue is recognised in other receivables.

(xx) Other operating income

Other operating income comprises of income which accrues to the Group outside of the Group's trading activities.

(xxi) Operating segments – IFRS 8

ESB has applied the disclosure requirements of IFRS 8 Operating Segments to the Group. IFRS 8 specifies how an entity should disclose information about its segments using a "management approach" under which segment information is presented on the same basis as that used for internal reporting. Financial information for segments whose operating activities are regularly reviewed by the Executive Committee and the Board, collectively the Chief Operating Decision Maker (CODM), in order to make decisions about allocating resources and assessing performance has been presented in note 3 to the financial statements.

(xxii) Costs

(a) Employee costs

Salaries, overtime, expenses, bonuses, social welfare contributions (PRSI), national insurance, paid annual leave and sick leave are accrued in the period in which the associated services are rendered by the employees of the Group.

(b) Energy costs

Energy costs comprise direct fuel (primarily coal and gas), purchased electricity, Use of System charges (other electricity costs) and net emissions costs. Fuel and purchased electricity costs are recognised as they are utilised. Also included in energy costs is an amount relating to the impact of the Irish Government's scheme to cap the market revenues of certain electricity generators from 1 December 2022 until June 2023.

(c) Operating and other maintenance costs

Operating and other maintenance costs relate primarily to overhaul and project costs, contractor costs and establishment costs. These costs are recognised in the income statement as they are incurred.

(d) Finance income and finance costs

Finance income comprises interest income on bank deposits, which attract interest at prevailing deposit interest rates, interest income on loans, and interest income on amounts due from equity accounted investees. Finance income in Parent also comprises interest income on amounts due from subsidiary undertakings.

Notes to the Financial Statements (continued)

1. STATEMENT OF ACCOUNTING POLICIES (continued)

Finance costs comprise interest expense on borrowings, unwinding of the discount on provisions, pension financing charges, fair value gains and losses on financial instruments not qualifying for hedge accounting or where hedge accounting is not used, losses on hedging instruments that are not recognised in operating costs and reclassifications of amounts previously recognised in other comprehensive income.

2. USE OF ESTIMATES AND JUDGEMENTS

The preparation of Parent and consolidated financial statements requires a significant number of judgemental assumptions and estimates to be made. These impact on the income and expenses contained within the income statement and other comprehensive income, and the valuation of the assets and liabilities in the balance sheet. Such estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances and are subject to continual re-evaluation.

It should be noted that the impact of variation in some assumptions and estimates can have a particularly material impact on the reported results. These include but are not limited to:

(i) Impact of climate-related risks (Estimate)

Specifically given the nature of the Group's operations and the Group's Net Zero (see definition of Net Zero within the Glossary of these financial statements) by 2040 Strategy, ESB has considered how climate related risks may impact upon the financial statements. In this context, the following have been considered:

(a) Physical Climate Impacts

ESB has carried physical climate risk and vulnerability assessments for its activities and the relevant hazards under a number of Inter-Governmental Panel on Climate Change (IPCC) scenarios.

Physical climate events notably storms, flooding and changing weather patterns have the potential to cause damage to ESB assets, particularly in ESB's generation and networks businesses. Preventative maintenance, timber cutting and other programmes are in place to reduce physical climate risks in these businesses, and these are reviewed in the context of rising climate risk. In relation to electricity network assets, regulatory mechanisms exist in relation to the treatment of the costs of extreme storms.

Changing weather patterns may also impact on the volumes achieved from the Group's wind and hydro generation assets. Weather events such as intense rainfall could also lead to more incidences where ESB has to manage flood water through its hydro generation plants. A provision for legal claims relating to flooding in Cork in 2009 is in place as set out in note 29.

Physical climate issues are considered as part of ESB's impairment and provisions assessments as required.

(b) Net Zero Transition

ESB's commitments to Net Zero, as well as energy policy changes and the regulatory environment have the potential to impact, in the medium to long term, on the level of electricity generation from ESB's thermal generation fleet. This coupled with an increasing amount of renewables being connected to the grid both in Ireland and Great Britain, as well as increased costs related to thermal energy sources, including carbon costs, may result in changes to future cash flows derived from thermal assets and impact on expected useful lives. These changes are considered through the Group's annual impairment assessments and reviews of asset lives.

ESB's thermal generation fleet has been subject to impairment charges in recent years and the majority of thermal assets are close to the end of their useful economic lives (with the exception of some newer gas fired generation stations, notably Carrington in Great Britain and flexible gas generation assets). ESB's thermal assets, including new flexible generation assets, are required to provide security of supply in both Ireland and GB in the medium term during the transition to net zero. Therefore, no adjustments to the useful economic lives of assets with material carrying values have been made during the period ended 31 December 2024.

(c) Environmental Obligations

Given the nature of the Group's assets, there are specific decommissioning provisions in place relating to asset retirement obligations arising from environmental and other legislation. See part (v) below.

2. USE OF ESTIMATES AND JUDGEMENTS (continued)

(d) Going concern and Viability Statement

The implications of climate-related risks and opportunities have been considered in the Group's going concern viability statement assessments (as part of ESB's business planning process).

(ii) Impairment assessments and carrying value of long-lived assets and goodwill (Estimate)

Assessment of the recoverable amount, being the higher of value in use and the fair value less costs of disposal, of property plant and equipment, intangible assets, right-of-use assets, goodwill (described in note 15) and equity accounted investees, in accordance with IAS 36 Impairment of Assets, as described below:

- For power generation assets, value in use is based on the estimated cash flows expected to be generated by the asset which are based on an external review of forecast power generation and forecast power, gas, carbon and capacity prices (where applicable), the timing and extent of operating costs and capital expenditure and ancillary income.
- For goodwill on the acquisition of Northern Ireland Electricity Networks, the fair value is calculated by reference to the market valuations of comparable regulated utilities. See note 15 for further details.
- For goodwill on the acquisition of So Energy Ltd (So Energy), the value in use is based on expected cashflows and a terminal value. Expected cashflows are based on assumptions in respect of customer numbers, margin per customer and operating costs. See note 15 for further details.
- For other tangible and intangible assets, where assets are required to be tested for impairment, value in use is determined based on estimated cashflows or other benefits expected to be derived from use of the assets.
- For fair value less costs of disposal, the approach is consistent across all assets where fair values are based on independent third party assessments less costs.
- Cash flows used in value in use models are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the asset. The estimation of forecasted revenues and the timing of expenditure requires judgement and is dependent on the economic factors associated with these assets.
- The equity investment in Neart na Gaoithe has been assessed based on a fair value less costs of disposal approach determined by an independent third party. The valuer has determined the fair value less costs of disposal based on market assumptions in line with IAS 36. Please refer to note 16 for further details.

(iii) Asset retirement obligations, legal and other provisions (Estimate)

Future costs required to settle current provisions such as the power station closure costs, creosote treated wood pole retirement provision and employee liabilities including severance obligations. These liabilities are disclosed in notes 25, 26 and 29.

There is significant estimation and judgement required in the calculation of the provision for generation assets, including the impact of regulation, the accuracy of the site surveys, unexpected contaminants, the impact of alternative technologies and the use of appropriate discount rates.

There is significant estimation required in determining the level of provision required for the disposal of creosote treated wood poles. This includes estimating the disposal cost per pole, which will be determined via competitive tender processes, the period over which poles will be disposed of which is dependent on pole condition and the use of an appropriate discount rate. The period over which poles are disposed of is estimated based on current operational plans which could change significantly in the future as a result of environmental legislation or pole condition.

The calculation of provisions in respect of legal claims requires judgement including an assessment of the outcome of relevant claims. Details of estimates and judgements regarding ongoing legal claims are disclosed in notes 29 and 31.

(iv) Retirement benefits (Judgement)

The accounting for the ESB pension liability requires judgement regarding the appropriate accounting treatment in line with IAS 19 Employee Benefits relating to ESB's committed obligations to the scheme. The Board is satisfied that the appropriate accounting treatment, determined in accordance with IAS 19 Employee Benefits, is to reflect its existing committed obligations, as set out in the notes to the financial statements (see note 26).

The employees in NIE Networks are entitled to membership of the Northern Ireland Electricity Pension Scheme (the NIE Networks Scheme) which has both defined benefit and defined contribution arrangements. The estimation of and accounting for retirement benefits obligation involves judgements made in conjunction with independent actuaries. This involves estimates about uncertain future events including the life expectancy of scheme members, future salary and pension increases and inflation as well as discount rates. A pension asset on NIE Networks defined benefit pension scheme has been recognised as the amount of the surplus at the balance sheet date that the Group has a right to. The assumptions used by the Group and a sensitivity analysis of a change in these assumptions are described in note 25.

Notes to the Financial Statements (continued)

2. USE OF ESTIMATES AND JUDGEMENTS (continued)

(v) Financial instruments (Estimate)

As described in note 30 section (i), the valuation of certain financial instruments is based on a number of judgemental factors and assumptions which of necessity are not based on observable inputs. These have been classified as level 3 financial instruments, under the meaning of IFRS 13 Fair Value Measurement and IAS 36 Impairment of Assets. The designation of commodity contracts as own use (and therefore not within the scope of IFRS 9) requires judgement related to the nature of the contract and the expected sale, purchase or usage requirements of the relevant commodity.

(vi) Partnership with Ørsted (Estimate)

In June 2023, ESB and Ørsted entered into a joint arrangement to develop a portfolio of offshore wind projects around the east, south and west coast of Ireland. To this end, special purpose vehicles were incorporated and are controlled equally by ESB and Ørsted to develop these projects. These special purpose vehicles were wholly owned subsidiaries of ESB prior to the arrangement and are now joint ventures. In 2023, a gain of €10.2 million was recognised on the loss of control of the previously wholly owned subsidiaries with the fair value of ESB's retained investment in the joint ventures being valued at €nil. The arrangement also includes additional contingent consideration to be received by ESB from Ørsted related to a number of key milestones being reached on each project. Due to the projects being in the early stages of development, the fair value of this contingent consideration has been estimated as €nil (2023: €nil).

(vii) Valuation of receivables and payables (Estimate)

The measurement of a number of assets, liabilities, income and costs at year end which require a high degree of estimation and judgement are estimated in accordance with the accounting policies of the Group and current EU IFRS. Items which require a high degree of estimation and judgement include the calculation of unbilled electricity income and trade and other receivables (see note 19), amounts due from equity accounted investees (see note 19), the valuation of fuel stocks (see note 18), the cost of fuel consumed (see note 18), the useful lives of property, plant and equipment (see note 12) and also accruals for goods received or work carried out for which supplier invoices have not yet been received (see note 27).

ESB provide services to almost 1.9 million residential and business customer accounts, mainly on credit terms. It is known that certain debts due to ESB will not be paid through the default of a small number of customers. Forward looking estimates are used in determining the level of debts that is expected to not be collected. These estimates include such factors as the current state of the economic situation in Ireland and Great Britain and particular industry issues (see note 19).

Recoverability of amounts due from subsidiaries by ESB Parent requires judgement in respect of the ability of subsidiary companies to generate sufficient cash flows to repay the amounts as they fall due.

(viii) Lease liabilities (Estimate)

Application of IFRS 16 requires the Group to make judgements that affect the valuation of lease liabilities, the valuation of right-of-use assets, the discount rate used to discount the lease payments and the lease terms.

(ix) Accounting for Networks supply contributions (Judgement)

The accounting for network supply contributions area remains under consideration within the industry and the accounting profession more broadly, and the accounting treatment ultimately adopted by the Group in this area could therefore be impacted by the outcome of these ongoing discussions.

(x) Presentation of relevant balances associated with Temporary Emergency Generation contracts (Judgement)

During 2023 ESB entered into Temporary Emergency Generation contracts with EirGrid whereby ESB's role in the arrangements is to accommodate the provision of temporary electricity generation capacity providing security of energy supply to the Irish electricity grid. As of 31 December 2024, two such arrangements are in place at North Wall in Dublin and Shannonbridge in Co. Offaly. Under the arrangements, all associated costs (net of revenues generated) of the related assets, including purchasing, construction, operation, maintenance and decommissioning (net of disposal proceeds) are reimbursed in full to ESB by EirGrid. The direction regarding use of the asset is determined by EirGrid and not by ESB.

Judgement is required regarding how these arrangements are presented in the Group financial statements. In making this judgement the requirements of the IFRS Conceptual Framework for Financial Reporting, IAS 1 Presentation of Financial Statements, IAS 32 Financial Instruments: Presentation, IFRS 7 Financial Instruments: Disclosures and IFRS 16 Leases have been considered.

2. USE OF ESTIMATES AND JUDGEMENTS (continued)

With ESB not retaining risk and reward associated with ownership of the assets and ESB being fully reimbursed for all related costs (net of revenues generated), no Property, Plant and Equipment nor Right-of-Use assets have been recognised in the Group financial statements. Costs and associated reimbursements are presented on a net basis in the financial statements where transacted with the same party. Where this is not the case, costs and associated reimbursements are presented on a gross basis. Service fees accruing to ESB are recognised in line with the requirements of IFRS 15 Revenue from Contracts with Customers.

3. SEGMENT REPORTING

For management purposes, the Group is organised into four key reportable segments, being the Group's strategic divisions which are managed separately and in respect of which internal management information is supplied to Executive Management and to the Board being collectively the Chief Operating Decision Maker (CODM) of the Group. Four further corporate divisions, including primarily Engineering and Major Projects (EMP) and Enterprise Services, provide support and other services to the principal operating divisions of the Group and are combined as Other Segments in this Segment Reporting note.

A description of the Group's key reportable segments is as follows:

(a) Customer Solutions develops, markets, sells and services innovative energy supply and service offerings through all of ESB's customer-facing brands (Electric Ireland, Smart Energy Services, ESB e-Cars, ESB Telecoms, ESB Energy and So Energy) in Ireland (Republic of Ireland (ROI)), Northern Ireland (NI) and Great Britain (GB). Electric Ireland is the leading supplier of electricity and gas to domestic customers in the Republic of Ireland. Customer Solutions operates in the GB domestic market through So Energy. Electric Ireland also has a substantial market share in the non-domestic sector in both the ROI and NI. Revenues are primarily derived from sales to electricity and gas customers.

(b) ESB Networks is principally concerned with the ownership and operation of the electricity distribution network and the ownership of the electricity transmission network in ROI. ESB Networks is a regulated business earning an allowed return on its Regulated Asset Base (RAB) and derives its revenue principally from charges for the use of the distribution system levied on electricity suppliers and from charges for transmission services collected from EirGrid Plc. It is ring-fenced by regulation from the Group's generation and supply business.

(c) Generation and Trading operates, develops, constructs and trades the output of electricity generation and storage related assets in ROI, NI and GB. This includes wholly owned subsidiaries and investments in joint ventures.

(d) NIE Networks is principally concerned with the ownership and operation of the electricity distribution network and the ownership of the electricity transmission network in NI. NIE Networks is a regulated business earning an allowed return on its Regulated Asset Base (RAB) and derives its revenue principally from charges for the use of the distribution system levied on electricity suppliers and from charges for transmission services collected from the System Operator for Northern Ireland (SONI).

(e) Other Segments include the results of internal service providers, which supply the main business units of the Group with support services. These segments are governed by regulation, and service level agreements are designed to ensure that transactions between operating segments are on an arm's length basis similar to transactions with third parties. This segment also includes most finance costs in the Group, as the majority of Treasury activity is conducted centrally. Finance costs incurred centrally are not recharged to other operating segments.

The CODM monitors the operating results of the segments separately in order to allocate resources between segments and to assess performance. Segment performance is predominantly evaluated based on operating profit. Assets and liabilities are not reported by segment to the CODM.

Revenue by product

Reportable segments are split by type of product revenue earned. Customer Solutions revenues consist of sales to electricity and gas customers and other related services as set out at (a) above. Generation and Trading revenue derives mainly from electricity generation. ESB Networks and NIE Networks earn Use of System income in the ROI and NI respectively. Revenue included within Other Segments relates primarily to engineering services.

Notes to the Financial Statements (continued)

3. SEGMENT REPORTING (continued)

(a) Income Statement

	Customer Solutions €m	ESB Networks €m	Generation and Trading €m	NIE Networks €m	Other Segments €m	Consolidation and eliminations €m	Total €m
(i) Segment revenue and other operating income (net) before exceptional items - 2024							
External revenues	4,821.1	1,123.0	814.7	475.2	15.9	-	7,249.9
Inter-segment revenue	215.7	414.0	1,703.3	50.8	461.9	(2,845.7)	-
Other operating income (net)	0.2	1.2	2.7	-	151.5	(146.4)	9.2
Revenue and other operating income (net) before exceptional items	5,037.0	1,538.2	2,520.7	526.0	629.3	(2,992.1)	7,259.1
(ii) Segment operating costs (net) before exceptional items and certain re-measurement - 2024							
Net impairment losses on financial assets	(67.3)	(0.4)	(5.4)	-	(2.4)	-	(75.5)
Depreciation and amortisation	(27.2)	(575.5)	(166.6)	(202.4)	(32.9)	-	(1,004.6)
Impairment charge	(0.3)	-	(0.6)	-	(0.7)	-	(1.6)
Other operating costs	(4,828.9)	(595.6)	(2,037.5)	(135.1)	(597.4)	2,992.1	(5,202.4)
Operating costs (net)	(4,923.7)	(1,171.5)	(2,210.1)	(337.5)	(633.4)	2,992.1	(6,284.1)
(iii) Operating result - 2024							
Operating profit / (loss) before exceptional items and certain re-measurements	113.3	366.7	310.6	188.5	(4.1)	-	975.0
Exceptional items and certain re-measurements	-	-	115.5	-	-	-	115.5
Operating profit / (loss) after exceptional items and certain re-measurements	113.3	366.7	426.1	188.5	(4.1)	-	1,090.5
Net finance (cost) / income	(20.0)	(9.2)	42.1	(54.6)	(39.5)	-	(81.2)
Expected credit loss related to equity accounted investee (exceptional item)	-	-	(134.6)	-	-	-	(134.6)
Share of equity accounted investees' profit / (loss)	-	-	9.6	-	(14.9)	-	(5.3)
Profit / (loss) before taxation - including exceptional items	93.3	357.5	343.2	133.9	(58.5)	-	869.4

- Included within the operating results of the Customer Solutions segment is €54.9 million of revenue (2023: €117.2 million) and €14.0 million of operating loss (2023: €8.7 million) relating to the Electric Ireland's Northern Ireland Residential business which the Group is actively in the process of exiting.
- The operating results of the Generation and Trading segment includes €21.2 million of revenue (2023: €27.5 million) and €13.3 million of operating profit (2023: €21.2 million) relating to a gas-fired power station based in Corby, United Kingdom, which the Group is actively in the process of selling.

3. SEGMENT REPORTING (continued)

	Customer Solutions €m	ESB Networks €m	Generation and Trading €m	NIE Networks €m	Other Segments €m	Consolidation and eliminations €m	Total €m
(i) Segment revenue and other operating income (net) before exceptional items - 2023							
External revenues	5,838.5	973.6	1,618.9	334.5	10.2	-	8,775.7
Inter-segment revenue	217.6	400.4	1,828.7	48.7	427.0	(2,922.4)	-
Other operating income (net)	-	(0.2)	10.8	-	55.1	(56.5)	9.2
Revenue and other operating income (net) before exceptional items	6,056.1	1,373.8	3,458.4	383.2	492.3	(2,978.9)	8,784.9
(ii) Segment operating costs (net) before exceptional items and certain re-measurement - 2023							
Net impairment losses on financial assets	(70.0)	-	-	-	(0.4)	-	(70.4)
Depreciation and amortisation	(22.3)	(553.2)	(144.6)	(191.2)	(31.0)	-	(942.3)
Impairment charge	-	-	(5.1)	-	-	-	(5.1)
Other operating costs	(5,976.2)	(461.6)	(2,598.7)	(114.2)	(495.0)	2,978.9	(6,666.8)
Operating costs (net)	(6,068.5)	(1,014.8)	(2,748.4)	(305.4)	(526.4)	2,978.9	(7,684.6)
(iii) Operating result - 2023							
Operating profit / (loss) before exceptional items and certain re-measurements	(12.4)	359.0	710.0	77.8	(34.1)	-	1,100.3
Exceptional items and certain re-measurements	-	-	20.5	-	-	-	20.5
Operating profit / (loss) after exceptional items and certain re-measurements	(12.4)	359.0	730.5	77.8	(34.1)	-	1,120.8
Net finance (cost) / income	(24.1)	(11.5)	28.5	(50.2)	(60.8)	-	(118.1)
Impairment of equity accounted investees	-	-	(14.8)	-	-	-	(14.8)
Share of equity accounted investees' profit / (loss)	-	-	25.1	-	(11.4)	-	13.7
Profit / (loss) before taxation – including exceptional items	(36.5)	347.5	769.3	27.6	(106.3)	-	1,001.6

All inter-segment revenues are eliminated upon consolidation and are reflected in the eliminations column above.

(b) Other disclosures

	2024 €m	2023 €m
Additions to non-current assets		
Customer Solutions	38.7	49.7
ESB Networks	1,129.8	991.9
Generation and Trading	378.6	418.3
NIE Networks	276.6	248.6
Other Segments	19.9	20.0
Total	1,843.6	1,728.5

Additions to non-current assets includes investments in property, plant and equipment, intangible assets (excluding emission allowances), financial assets and equity accounted investees.

Notes to the Financial Statements (continued)

4. REVENUE FROM CONTRACTS WITH CUSTOMERS

IFRS 15 requires disclosure to reflect the nature, timing, amount and uncertainty of its revenue within its disclosure requirements. ESB has determined that the disaggregation using existing segments and the nature of revenues is appropriate for its circumstances.

	Customer Solutions	ESB Networks	Generation and Trading	NIE Networks	Other Segments	Consolidation and eliminations	Total
2024	€m	€m	€m	€m	€m	€m	€m
External revenues							
Revenue from Power Generation	-	-	783.7	-	-	-	783.7
Revenue from Use of System charges to customers	-	1,020.3	-	447.9	-	-	1,468.2
Revenue from supply contributions	-	68.4	-	26.2	-	-	94.6
Revenue from sales to electricity and gas customers	4,777.4	-	-	-	-	-	4,777.4
Other revenue	43.7	34.3	31.0	1.1	15.9	-	126.0
Revenue from contracts with customers	4,821.1	1,123.0	814.7	475.2	15.9	-	7,249.9
Inter-segment revenue	215.7	414.0	1,703.3	50.8	461.9	(2,845.7)	-
Other operating income (net)	0.2	1.2	2.7	-	151.5	(146.4)	9.2
Revenue and other operating income (net) before exceptional items	5,037.0	1,538.2	2,520.7	526.0	629.3	(2,992.1)	7,259.1

Included in revenue from sales to electricity and gas customers is an amount of €28.8 million (2023: €235.1 million) from the UK Government in respect of the Energy Price Guarantee scheme.

	Customer Solutions	ESB Networks	Generation and Trading	NIE Networks	Other Segments	Consolidation and eliminations	Total
2023	€m	€m	€m	€m	€m	€m	€m
External revenues							
Revenue from Power Generation	-	-	1,589.3	-	-	-	1,589.3
Revenue from Use of System charges to customers	-	879.3	-	309.4	-	-	1,188.7
Revenue from supply contributions	-	67.8	-	24.2	-	-	92.0
Revenue from sales to electricity and gas customers	5,792.0	-	-	-	-	-	5,792.0
Other revenue	46.5	26.5	29.6	0.9	10.2	-	113.7
Revenue from contracts with customers	5,838.5	973.6	1,618.9	334.5	10.2	-	8,775.7
Inter-segment revenue	217.6	400.4	1,828.7	48.7	427.0	(2,922.4)	-
Other operating income (net)	-	(0.2)	10.8	-	55.1	(56.5)	9.2
Revenue and other operating income (net) before exceptional items	6,056.1	1,373.8	3,458.4	383.2	492.3	(2,978.9)	8,784.9

5. GEOGRAPHIC INFORMATION

(a) Non-current assets by geographic location

	2024	2023
	€m	€m
Ireland	10,837.6	9,956.1
UK including Northern Ireland	3,373.5	3,294.7
Total	14,211.1	13,250.8

Non-current assets for this purpose consist of property, plant and equipment, intangible assets (excluding emission allowances and ROCs), right of use assets, and goodwill. Investments in equity accounted investees, financial asset investments, trade and other receivables, derivative financial instruments, deferred tax assets and NIE networks pension assets are excluded.

5. GEOGRAPHIC INFORMATION (continued)

(b) External revenue by geographic market

	2024	Reclassified' 2023
	€m	€m
Ireland	5,161.6	6,392.2
UK including Northern Ireland	2,085.4	2,384.8
Rest of world	12.1	7.9
Revenue and other operating income (net) before exceptional items	7,259.1	8,784.9

1 UK including Northern Ireland includes revenues earned by a Republic of Ireland registered company whose trading activities are carried out exclusively in Great Britain. Revenues of €413.1 million in 2023 have been reclassified from Ireland to UK including Northern Ireland to ensure consistency with the current year disclosure, which better reflects the economic substance of trading activity.

6. EXCEPTIONAL ITEMS AND CERTAIN RE-MEASUREMENTS

	2024	2023
	€m	€m
Profit on disposal of subsidiary (note 7)	58.6	-
Expected credit loss related to equity accounted investee	(134.6)	-
Exceptional items	(76.0)	-
Fair value gain on fuel commodity swaps	56.9	20.5
Exceptional items and certain re-measurements	(19.1)	20.5
Tax credit / (expense) on exceptional items and certain re-measurements	19.6	(2.6)
Exceptional items and certain re-measurements after taxation	0.5	17.9

The Group has used the term “exceptional” to describe certain items which, in management's view, warrant separate disclosure by virtue of their size or incidence, or due to the fact that certain gains or losses are determined to be non-recurring in nature.

In the normal course of business, the Group enters into forward fuel commodity price trades, and related foreign exchange contracts, to protect and optimise the value of its underlying generation assets and contracts, and to meet the future needs of its customers. These trades are designed to reduce the financial risks and exposures arising from holding such assets, contracts or customer demand, and are subject to strict risk limits and controls.

Because some of these trades are prohibited from being designated as 'own use', IFRS 9 Financial Instruments requires them to be individually fair valued. Fair value movements on these forward fuel commodity price trades, and related foreign exchange contracts, are included within operating costs, as they cannot be designated as accounting hedges under IFRS 9, although Management consider them to be effective economic hedges. Fair value movements on these trades do not reflect the underlying performance of the business because they are economically related to the Group's generation assets or customer demand, and to associated physically settled electricity price hedging trades, which are not fair valued. Therefore, fair value movements on these forward fuel commodity price trades and related foreign exchange contracts (together, “certain re-measurements”) have been reported separately for year ended 31 December 2024, and will be subsequently reflected in underlying operating profit when the underlying transaction or asset impacts profit or loss. The effects of these certain re-measurements are presented within either Revenue or Energy Costs when recognised in underling operating profit, depending on the nature of the contract.

The corresponding fair value movement on forward fuel commodity price trades and related foreign exchange contracts for the year ended 31 December 2023 has been reclassified to ensure comparability with the current year presentation.

Notes to the Financial Statements (continued)

6. EXCEPTIONAL ITEMS (continued)

2024 Profit on disposal of subsidiary (exceptional item)

In November 2024 ESB completed the disposal of its 80% shareholding in Thameside Energy Recovery Limited ("TERF"). TERF is a company incorporated in the United Kingdom which holds the development rights to construct an energy from waste plant located in port of Tilbury in the United Kingdom.

- A total gain of €58.6 million was recognised in 2024 on the disposal of ESB's shareholding in TERF.
- €69.0 million of total proceeds were received - including €14.2 million received in 2022 but deferred until all conditions of the sale were met.
 - compared to a carrying value of €10.4 million relating to the development rights held by TERF, recognised as a disposal during the year from intangible assets following the satisfaction of the conditions of sale.

2024 Expected credit loss related to equity accounted investee (exceptional item)

The Neart na Gaoithe ("NNG") project is being constructed through NNG Windfarm Holdings Limited, a joint arrangement between ESBII UK Limited and EDF Renewables UK Limited. The purpose of this joint arrangement is to construct a 448 MW wind farm off the east coast of Scotland. Following delivery issues on the foundation package and construction delays as a result of COVID-19 impacts, additional equity commitments - in the form of financial guarantee contracts to third party lenders - were made by the two Shareholders in 2022. Whilst the Project made good progress in 2023, construction was slower than expected in 2024 and such delay means commercial operations will be later than previously expected and additional construction costs will be incurred.

A calculation of the expected credit loss on ESB's shareholder loans to NNG was performed as at 31 December 2024 based on a lifetime expected credit loss model in line with IFRS 9. A discounted cash flow model was used to determine the level of expected credit loss based on the expected cashflows to and from the project over its life.

- The main assumptions used in expected credit loss model are outlined below:
- Revised project timelines, including the estimated Commercial Operation Date, which impact on the overall construction costs and operational cash flows.
 - Estimated construction costs to complete.
 - The level of additional loan drawdowns by the Project from ESB.
 - The impact of inflation, interest and FX rates, taking the Project's associated hedging instruments into account.
 - Estimate of long-term inflation rate for unhedged revenues.
 - Forecast wholesale market prices.
 - Forecast wind load factors, and level of curtailment.
 - An appropriate discount rate for operational cash flows.

The expected credit loss was assessed as €134.6 million as at 31 December 2024, which has been recognised in the Group Income Statement as an exceptional finance cost. Construction of the Project is now progressing well and is close to completion. The first export of power to the Grid was achieved in October 2024.

Fair value gains on fuel commodity swaps (certain re-measurements)

The Group enters into forward sale and purchase contracts to economically hedge the Group's exposure to the price risk associated with the purchase of fuel and the sale of electricity (including related foreign exchange risk). Certain of these contracts do not meet the criteria for hedge accounting or own use exemption and therefore are accounted for as trading derivatives and are recognised in the balance sheet at fair value under IFRS 9 Financial Instruments with movements in fair value recognised in the income statement. As a result, this creates a mismatch with the timing of recognition of gains and loss on these trading derivatives and related hedged positions which are not recorded at fair value and will be recognised in future years when those positions deliver.

At 31 December 2024 a non-cash fair value gain of €56.9 million (2023: a gain of €20.5 million) has been recognised in the income statement on these commodity contracts (predominantly gas related contracts), and disclosed separately from underlining financial performance as certain re-measurements. The gains arises as a result of high forward market prices for those commodities relative to contracted prices.

7. OTHER OPERATING INCOME / (EXPENSES)

	2024	2023
	€m	€m
Profit / (loss) on disposal of property, plant and equipment and intangible assets	0.8	(1.0)
Profit on disposal of investments	5.6	-
Profit on disposal of subsidiaries ¹	58.6	10.2
Dividends received	2.8	-
Total	67.8	9.2

1 See note 6 in relation to the profit on disposal of subsidiaries during 2024. This sale was classed as exceptional.

8. OPERATING COSTS (including net impairment losses on financial assets)

	2024	2023
	€m	€m
Employee costs (note 10)	680.2	598.7
Energy costs ¹	3,862.2	5,478.9
Operations and maintenance ²	660.0	589.2
Depreciation and amortisation (notes 12/13/14)	1,004.6	942.3
Impairment charges (note 12/13/14) ³	1.6	5.1
Operating costs (net) before fair value gains and net impairment losses on financial assets	6,208.6	7,614.2
Fair value (gains) on fuel commodity and related foreign exchange contracts	(56.9)	(20.5)
Operating costs (net)	6,151.7	7,593.7
Net impairment losses on financial assets (note 19)	75.5	70.4
Total	6,227.2	7,664.1

1 Included in Energy costs is an amount of €nil million (2023: €59.7 million) relating to the impact of the Irish Government's scheme to cap the market revenues of certain electricity generators from 1 December 2022 until June 2023. This was paid in January 2024.

2 Included in operations and maintenance is a foreign exchange retranslation gain of €27.5 million (2023: gain of €4.2 million) predominantly related to sterling denominated intercompany positions, short term deposits and long term debt and a charge of €0.3 million (2023: charge of €0.9 million) relating to fair valuing of foreign exchange contracts which have not been designated as accounting hedges.

3 Impairment charges of €1.6 million (2023: €5.1 million) in respect of Property, plant and equipment (note 12), Intangible assets (note 13) and Right-of-use assets (note 14) have been recognised in 2024.

Notes to the Financial Statements (continued)

9. NET FINANCE COST AND OTHER FINANCING CHARGES

	2024	2023
	€m	€m
Interest payable on borrowings	249.6	223.0
Less capitalised interest	(43.6)	(31.9)
Interest on borrowings	206.0	191.1
Financing charges:		
▪ on NIE Networks pension scheme (note 25)	(3.9)	(3.7)
▪ on ESB pension scheme (note 26)	3.4	4.2
▪ on provisions (note 29)	17.1	16.7
▪ on lease obligations (note 14)	3.2	2.3
Total financing charges	19.8	19.5
Fair value losses / (gains) on financial instruments:		
▪ interest rate swaps and inflation linked swaps not qualifying for hedge accounting	(14.5)	13.3
▪ currency / interest rate swaps: cash flow hedges, transfer from OCI	5.3	2.9
▪ foreign exchange contracts not qualifying for hedge accounting	-	4.3
▪ gain arising on derivatives as designated hedging instruments in fair value hedges	(19.7)	(40.4)
▪ loss arising on adjustment for the hedged item attributable to the hedged risk in a designated fair value hedge accounting relationship	19.7	40.4
Total fair value (gains) / losses on financial instruments	(9.2)	20.5
Expected credit loss related to equity accounted investee	134.6	-
Finance cost and other financing charges	351.2	231.1
Finance income from amounts due from equity accounted investees (note 16)	(54.4)	(38.0)
Finance income from cash deposits	(81.0)	(75.0)
Finance income	(135.4)	(113.0)
Net finance cost and other financing charges	215.8	118.1

The financing charges on provisions are calculated in accordance with the policy for discounting of future payment obligations as disclosed in the accounting policies - see note 1.

Included in interest rate swaps and inflation linked swaps not qualifying for hedge accounting are fair value losses relating to interest rate swaps, fair value losses on inflation linked interest rate swaps and fair value gains on currency swaps. See note 24a for further details of these movements.

10. EMPLOYEES

Group

(a) Average number of employees in year by business activity, including temporary employees:

	2024	2023
	Number	Number
Generation and Trading	842	771
Customer Solutions	1,038	980
ESB Networks	3,883	3,626
NIE Networks	1,582	1,436
Engineering & Major Projects	947	869
Enterprise Services	1,004	989
Other	292	219
Total	9,588	8,890

(b) Employee costs in year

	2024	2023
	€m	€m
Current staff costs (excluding pension)		
Salaries	711.6	662.7
Overtime	56.4	48.2
Wages and salaries	768.0	710.9
Social welfare costs (PRSI and national insurance)	67.0	59.1
Other payroll costs ¹	64.5	37.3
Payroll cost for employees	899.5	807.3

(c) Pension and other employee benefit costs

	2024	2023
	€m	€m
Pensions charge - other schemes ²	66.7	64.3
NIE Networks pension scheme charge ³	5.3	5.3
Total employee related costs	971.5	876.9
Capitalised employee costs	(291.3)	(278.2)
Total employee related costs charged to the income statement	680.2	598.7

1 These costs primarily relate to travel and subsistence allowances.
2 The pension charge for other schemes include contributions of €20.8 million (2023: €26.4 million) to the ESB Defined Benefit Pension Scheme, €26.4 million (2023: €22.5 million) to the ESB Defined Contribution Scheme, €18.6 million (2023: €14.5 million) to the Options section of the NIE Networks Pension Scheme (NIE Networks Scheme) and €0.9 million (2023: €0.9 million) to the stakeholder pension scheme for Great Britain (GB) employees (FMUK Pension Scheme). See note 25 and 26 for further details.
3 The NIE Networks pension scheme charge relates solely to the Focus section of the Northern Ireland Electricity Scheme (the NIE Networks Scheme). See note 25 for further details.

Notes to the Financial Statements (continued)

10. EMPLOYEES (continued)

Parent

(a) Average number of employees in year by business activity, including temporary employees:

	2024	2023
	Number	Number
Generation and Trading	561	514
Customer Solutions	434	411
ESB Networks	3,872	3,614
Engineering & Major Projects	862	774
Enterprise Services	1,004	989
Other	292	219
Total	7,025	6,521

(b) Employee costs in year

	2024	2023
	€m	€m
Current staff costs (excluding pension)		
Salaries	542.1	510.2
Overtime	42.0	37.5
Wages and salaries	584.1	547.7
Social welfare costs (PRSI and national insurance)	52.0	45.9
Other payroll costs ¹	56.8	31.0
Payroll cost for employees	692.9	624.6

(c) Pension and other employee benefit costs

	2024	2023
	€m	€m
Pension charge ²	43.0	45.1
Total employee related costs	735.9	669.7
Capitalised employee costs	(205.8)	(205.7)
Total employee related costs charged to the income statement	530.1	464.0

1 These costs primarily relate to travel and subsistence allowances.
2 The pension charge includes contributions to the ESB Defined Contribution Scheme and the ESB Defined Benefit Pension Scheme. See note 25 for further details.

11. PROFIT FOR THE FINANCIAL YEAR

	2024	2023
	€m	€m
Auditor's remuneration:		
▪ Audit of Group financial statements ¹	0.7	0.7
▪ Audit of subsidiaries	1.2	1.1
▪ Other assurance services	0.2	0.2
▪ Tax advisory services (Parent and NIE Networks entities only)	0.2	0.1
▪ Other non-audit services	0.1	-
ESB (Parent) Board members' remuneration:		
▪ Emoluments	0.5	0.5
▪ Pension contributions	0.1	0.1

1 Auditors remuneration attributable to the Parent comprises €0.4 million (2023: €0.4 million) related to audit of Parent financial statements, €0.4 million (2023: €0.4 million) related to other assurance services, €nil million (2023: €nil million) related to tax advisory services and €0.1 million (2023: €nil million) related to other non-audit services.

11. PROFIT FOR THE FINANCIAL YEAR (continued)

The details of Board members remuneration do not include amounts paid to four Worker Board members as employees of ESB (as such pay is neither increased nor decreased because of their membership of the Board), but do include amounts paid to them by way of Board fees.

Post-employment benefit charges of €0.1 million (2023: €0.1 million) arise under the ESB Defined Benefit Scheme relating to one Board Member.

12. PROPERTY, PLANT & EQUIPMENT

Group	Land and buildings €m	Plant and machinery €m	Total assets in commission €m	Assets under construction €m	Total €m
Cost					
Balance at 1 January 2023	1,359.0	22,342.2	23,701.2	1,518.6	25,219.8
Additions	(13.6)	656.3	642.7	875.0	1,517.7
Retirements / disposals	(15.9)	(140.6)	(156.5)	-	(156.5)
Transfers out of assets under construction	11.1	370.5	381.6	(381.6)	-
Translation adjustments	0.3	95.4	95.7	0.4	96.1
Balance at 31 December 2023	1,340.9	23,323.8	24,664.7	2,012.4	26,677.1
Balance at 1 January 2024	1,340.9	23,323.8	24,664.7	2,012.4	26,677.1
Additions	2.6	802.1	804.7	835.2	1,639.9
Retirements / disposals	(1.3)	(516.9)	(518.2)	(1.2)	(519.4)
Transfers out of assets under construction	47.7	752.3	800.0	(800.0)	-
Transfers from / (to) intangible assets	(7.0)	7.6	0.6	(9.7)	(9.1)
Translation adjustments	1.0	284.9	285.9	1.1	287.0
Balance at 31 December 2024	1,383.9	24,653.8	26,037.7	2,037.8	28,075.5
Depreciation					
Balance at 1 January 2023	762.3	12,841.8	13,604.1	1.6	13,605.7
Charge for the year	24.5	818.8	843.3	-	843.3
Retirements / disposals	(12.3)	(134.8)	(147.1)	-	(147.1)
Impairment	-	0.3	0.3	4.3	4.6
Translation adjustments	(0.2)	45.9	45.7	-	45.7
Balance at 31 December 2023	774.3	13,572.0	14,346.3	5.9	14,352.2
Balance at 1 January 2024	774.3	13,572.0	14,346.3	5.9	14,352.2
Charge for the year	24.1	867.1	891.2	-	891.2
Retirements / disposals	(0.9)	(511.2)	(512.1)	-	(512.1)
Transfers to intangible assets	-	(0.3)	(0.3)	-	(0.3)
Impairment	-	0.6	0.6	-	0.6
Translation adjustments	0.1	140.7	140.8	-	140.8
Balance at 31 December 2024	797.6	14,068.9	14,866.5	5.9	14,872.4
Carrying amount at 31 December 2024	586.3	10,584.9	11,171.2	2,031.9	13,203.1
Carrying amount at 31 December 2023	566.6	9,751.8	10,318.4	2,006.5	12,324.9
Carrying amount at 1 January 2023	596.7	9,500.4	10,097.1	1,517.0	11,614.1

During the year the Group capitalised interest of €39.2 million (2023: €28.4 million) in assets under construction, using a capitalisation rate of 2.6% (2023: 2.4%).

The carrying value of non-depreciable assets (land) at 31 December 2024 is €137.6 million (2023: €97.0 million).

Property, plant and equipment with a carrying amount of €nil million at 31 December 2024 is included above at a cost of €5,459.5 million (2023: €5,193.9 million).

Notes to the Financial Statements (continued)

12. PROPERTY, PLANT & EQUIPMENT (continued)

Included within additions in 2024 is the net decrease in the asset retirement provision capitalised for Generation and Trading, ESB Networks and NIE Networks of (€4.8) million (2023: increase in the asset retirement provision capitalised of €21.3 million). See note 29 for further details.

Retirements / disposals in both 2024 and 2023 primarily relate to the retirement of assets that have been fully depreciated.

The impairment charge in 2024 of €0.6 million (2023: €4.6 million) relates to development projects no longer proceeding and individual assets which are no longer operational.

Parent	Land and buildings €m	Plant and machinery €m	Total assets in commission €m	Assets under construction €m	Total €m
Cost					
Balance at 1 January 2023	1,242.2	15,819.4	17,061.6	1,442.7	18,504.3
Additions	-	410.6	410.6	824.9	1,235.5
Retirements / disposals	(12.3)	(11.9)	(24.2)	-	(24.2)
Transfers out of assets under construction	72	338.3	345.5	(345.5)	-
Balance at 31 December 2023	1,237.1	16,556.4	17,793.5	1,922.1	19,715.6
Balance at 1 January 2024	1,237.1	16,556.4	17,793.5	1,922.1	19,715.6
Additions	-	471.7	471.7	740.2	1,211.9
Retirements / disposals	(0.6)	(16.9)	(17.5)	3.9	(13.6)
Transfers out of assets under construction	47.5	728.4	775.9	(775.9)	-
Transfers from / (to) intangible assets	(7.0)	7.6	0.6	(13.6)	(13.0)
Balance at 31 December 2024	1,277.0	17,747.2	19,024.2	1,876.7	20,900.9
Depreciation					
Balance at 1 January 2023	745.3	9,596.2	10,341.5	-	10,341.5
Charge for the year	22.7	526.3	549.0	-	549.0
Retirements / disposals	(12.3)	(10.1)	(22.4)	-	(22.4)
Balance at 31 December 2023	755.7	10,112.4	10,868.1	-	10,868.1
Balance at 1 January 2024	755.7	10,112.4	10,868.1	-	10,868.1
Charge for the year	22.3	561.8	584.1	-	584.1
Retirements / disposals	(0.1)	(8.7)	(8.8)	-	(8.8)
Transfers to intangible assets	-	(0.3)	(0.3)	-	(0.3)
Balance at 31 December 2024	777.9	10,665.2	11,443.1	-	11,443.1
Carrying amount at 31 December 2024	499.1	7,082.0	7,581.1	1,876.7	9,457.8
Carrying amount at 31 December 2023	481.4	6,444.0	6,925.4	1,922.1	8,847.5
Carrying amount at 1 January 2023	496.9	6,223.2	6,720.1	1,442.7	8,162.8

During the year the Parent capitalised interest of €39.2 million (2023: €27.8 million) in assets under construction, using a capitalisation rate of 2.6% (2023: 2.4%).

The carrying value of non-depreciable assets (land) at 31 December 2024 is €120.8 million (2023: €79.9 million).

Property, plant and equipment with a carrying amount of €nil at 31 December 2024 are included above at a cost of €4,385.9 million (2023: €4,098.7 million).

Included within additions in 2024 is the increase in the asset retirement provision capitalised for Generation and Trading and ESB Networks of €4.4 million (2023: reduction in the asset retirement provision capitalised of €18.7 million). See note 29 for further details.

Retirements / disposals in both 2024 and 2023 primarily relate to the retirement of assets that have been fully depreciated.

13. INTANGIBLE ASSETS

Group	Software and other intangible assets €m	Emission allowances & ROCs €m	Software under development €m	Total €m
Cost				
Balance at 1 January 2023	1,121.3	678.0	196.2	1,995.5
Software additions	13.8	-	161.7	175.5
Purchase of / internally generated emission allowances	-	257.7	-	257.7
Settlement of emission allowances	-	(497.8)	-	(497.8)
Software retirements	(91.6)	-	(3.0)	(94.6)
Transfers out of software under development	149.8	-	(149.8)	-
Translation adjustments	3.8	0.2	0.9	4.9
Balance at 31 December 2023	1,197.1	438.1	206.0	1,841.2
Balance at 1 January 2024	1,197.1	438.1	206.0	1,841.2
Software additions	21.0	-	166.2	187.2
Purchase of / internally generated emission allowances	-	400.4	-	400.4
Settlement of emission allowances	-	(454.1)	-	(454.1)
Software retirements	(8.4)	-	(9.8)	(18.2)
Transfers out of software under development	131.6	-	(131.6)	-
Transfers from / (to) property, plant and equipment	12.0	-	(2.9)	9.1
Translation adjustments	13.4	-	0.5	13.9
Balance at 31 December 2024	1,366.7	384.4	228.4	1,979.5
Amortisation				
Balance at 1 January 2023	805.5	-	-	805.5
Charge for the year	84.2	-	-	84.2
Retirements	(91.5)	-	-	(91.5)
Impairment	0.6	-	-	0.6
Translation adjustments	3.6	-	-	3.6
Balance at 31 December 2023	802.4	-	-	802.4
Balance at 1 January 2024	802.4	-	-	802.4
Charge for the year	97.0	-	-	97.0
Transfers from / (to) property, plant and equipment	0.3	-	-	0.3
Retirements	(8.4)	-	-	(8.4)
Impairment	0.3	-	-	0.3
Translation adjustments	10.8	(1.4)	-	9.4
Balance at 31 December 2024	902.4	(1.4)	-	901.0
Carrying amount at 31 December 2024	464.3	385.8	228.4	1,078.5
Carrying amount at 31 December 2023	394.7	438.1	206.0	1,038.8
Carrying amount at 1 January 2023	315.8	678.0	196.2	1,190.0
Analysed as follows:				
Non-current intangible assets	464.3	-	228.4	692.7
Current intangible assets	-	385.8	-	385.8
Total intangible assets at 31 December 2024	464.3	385.8	228.4	1,078.5
Non-current intangible assets	394.7	-	206.0	600.7
Current intangible assets	-	438.1	-	438.1
Total intangible assets at 31 December 2023	394.7	438.1	206.0	1,038.8

Software assets include both internally developed and externally purchased assets with the majority being represented by internally developed assets.

Other intangibles assets include grid connections with a carrying value of €7.2 million (2023: €3.9 million).

During the year the Group capitalised interest of €4.4 million (2023: €3.5 million) in software under development, using a capitalisation rate of 2.6% (2023: 2.4%).

Notes to the Financial Statements (continued)

13. INTANGIBLE ASSETS (continued)

Retirements / disposals in both 2024 and 2023 primarily relate to the retirement of assets that have been fully amortised.

The impairment charge in 2024 of €0.3 million (2023: €0.6 million) relates to windfarm projects that may no longer proceed.

Parent	Software and other intangible assets €m	Emission allowances €m	Software under development €m	Total €m
Cost				
Balance at 1 January 2023	899.6	649.2	184.2	1,733.0
Software additions	-	-	156.9	156.9
Purchase of / internally generated emission allowances	-	(6.5)	-	(6.5)
Settlement of emission allowances	-	(239.3)	-	(239.3)
Software retirements	(91.6)	-	(3.0)	(94.6)
Transfers out of software under development	149.4	-	(149.4)	-
Balance at 31 December 2023	957.4	403.4	188.7	1,549.5
Balance at 1 January 2024	957.4	403.4	188.7	1,549.5
Software additions	0.4	-	163.0	163.4
Purchase of / internally generated emission allowances	-	141.4	-	141.4
Settlement of emission allowances	-	(192.9)	-	(192.9)
Software retirements	(8.4)	-	(0.2)	(8.6)
Transfers out of software under development	131.6	-	(131.6)	-
Transfers from / (to) property, plant and equipment	12.1	-	0.9	13.0
Balance at 31 December 2024	1,093.1	351.9	220.8	1,665.8
Amortisation				
Balance at 1 January 2023	621.3	-	-	621.3
Charge for the year	78.4	-	-	78.4
Retirements / disposals	(91.5)	-	-	(91.5)
Balance at 31 December 2023	608.2	-	-	608.2
Balance at 1 January 2024	608.2	-	-	608.2
Charge for the year	84.9	-	-	84.9
Retirements / disposals	(7.9)	-	-	(7.9)
Balance at 31 December 2024	685.2	-	-	685.2
Carrying amount at 31 December 2024	407.9	351.9	220.8	980.6
Carrying amount at 31 December 2023	349.2	403.4	188.7	941.3
Carrying amount at 1 January 2023	278.3	649.2	184.2	1,111.7
Analysed as follows:				
Non-current intangible assets	407.9	-	220.8	628.7
Current intangible assets	-	351.9	-	351.9
Total intangible assets at 31 December 2024	407.9	351.9	220.8	980.6
Non-current intangible assets	349.2	-	188.7	537.9
Current intangible assets	-	403.4	-	403.4
Total intangible assets at 31 December 2023	349.2	403.4	188.7	941.3

Software assets include both internally developed and externally purchased assets with the majority being represented by internally developed assets.

Other intangible assets include grid connections with a carrying value of €1.0 million (2023: €1.1 million).

During the year the Parent capitalised interest of €4.4 million (2023: €3.5 million) in software under development, using a capitalisation rate of 2.6% (2023: 2.4%).

Retirements / disposals in both 2024 and 2023 primarily relate to the retirement of assets that have been fully amortised.

14. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Group
(a) Amounts recognised in the balance sheet

	Land and buildings €m	Motor vehicles €m	Total €m
Right-of-use assets			
Balance at 1 January 2023	117.5	5.7	123.2
Additions	15.7	2.2	17.9
Depreciation	(11.9)	(2.9)	(14.8)
Remeasurement of right-of-use assets	3.2	-	3.2
Translation adjustments	0.3	0.1	0.4
Balance at 31 December 2023	124.8	5.1	129.9
Balance at 1 January 2024	124.8	5.1	129.9
Additions	20.3	(1.9)	18.4
Depreciation	(15.6)	(0.8)	(16.4)
Impairment	(0.7)	-	(0.7)
Remeasurement of right-of-use assets	(23.0)	-	(23.0)
Translation adjustments	1.8	0.3	2.1
Balance at 31 December 2024	107.6	2.7	110.3
Lease liabilities			Total €m
Balance at 1 January 2023			(128.8)
Additions			(17.9)
Interest expense			(2.3)
Effect of modification of lease liability			(4.9)
Lease payments ¹			18.5
Translation adjustments			(0.6)
Balance at 31 December 2023			(136.0)
Balance at 1 January 2024			(136.0)
Additions			(18.4)
Interest expense			(3.2)
Effect of modification of lease liability			26.8
Lease payments ¹			15.7
Translation adjustments			(1.9)
Balance at 31 December 2024			(117.0)
	2024 €m	2023 €m	
Analysed as follows:			
Non-current liabilities	(99.0)	(120.5)	
Current liabilities	(18.0)	(15.5)	
Total	(117.0)	(136.0)	

1 Lease payments include principal elements shown as financing activities of €12.5 million (2023: €16.2 million).

Notes to the Financial Statements (continued)

14. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

(b) Other amounts recognised in the income statement

	2024	2023
	€m	€m
Expenses relating to short-term leases	-	0.2
Expenses relating to variable lease payments not included in lease liabilities	3.5	6.0
Total	3.5	6.2

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Parent

(a) Amounts recognised in the balance sheet

	Land and buildings
	€m
Right-of-use assets	
Balance at 1 January 2023	61.7
Additions	2.8
Depreciation	(7.8)
Remeasurement of right-of-use assets	3.1
Balance at 31 December 2023	59.8
Balance at 1 January 2024	59.8
Additions	5.5
Depreciation	(7.9)
Remeasurement of right-of-use assets	(27.1)
Impairment	(0.7)
Balance at 31 December 2024	29.6

	Total
	€m
Lease liabilities	
Balance at 1 January 2023	(64.6)
Additions	(2.8)
Interest expense	(0.8)
Effect of modification of lease liability	(4.6)
Lease payments ¹	9.9
Balance at 31 December 2023	(62.9)
Balance at 1 January 2024	(62.9)
Additions	(5.5)
Interest expense	(0.8)
Effect of modification of lease liability	28.3
Lease payments ¹	8.6
Balance at 31 December 2024	(32.3)

14. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (continued)

	2024	2023
	€m	€m
Analysed as follows:		
Non-current liabilities	(24.1)	(55.0)
Current liabilities	(8.2)	(7.9)
Total	(32.3)	(62.9)

1 Lease payments include principal elements shown as financing activities of €7.8 million (2023: €9.1 million).

(b) Other amounts recognised in the income statement

	2024	2023
	€m	€m
Expenses relating to short-term leases	-	0.1
Expenses relating to variable lease payments not included in lease liabilities	0.1	0.1
Total	0.1	0.2

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

15. GOODWILL

	€m
Balance at 1 January 2023	191.9
Translation adjustments	3.4
Balance at 31 December 2023	195.3
Balance at 1 January 2024	195.3
Translation adjustments	9.7
Balance at 31 December 2024	205.0

NIE Networks

Goodwill was recognised on the acquisition of Northern Ireland Electricity Networks (NIE Networks) in December 2010.

Goodwill is reviewed annually in December for impairment by assessing the recoverable amount of the investment. The annual impairment test of goodwill was carried out in December 2024 based on its fair value less costs of disposal in line with IAS 36. The Group calculated the fair value of NIE by reference to market valuations of comparable regulated utilities using a Regulated Asset Base (RAB) valuation. This involved a review of comparable regulated utility transactions over several years and applying a conservative RAB multiple (based on the RAB multiples used in those transactions) in determining the valuation of NIE. Based on this assessment, the fair value of NIE significantly exceeded its carrying value and no reduction in the value of goodwill was deemed to be required.

The carrying value of this goodwill at 31 December 2024 is €183.2 million (2023: €174.5 million).

So Energy Ltd (So Energy)

Goodwill was recognised on the acquisition of So Energy in 2021.

Goodwill is reviewed annually in December for impairment, by assessing the recoverable amount of the investment, based on its value in use. The annual impairment test of goodwill was carried out in December 2024 in accordance with IAS 36. The Group calculated the value in use using a 5-year discounted cash flow model and a terminal value based on a multiple of EBITDA. Key drivers of the discounted cash flow included customer numbers, margin per customer, operating costs, market valuation multiples and discount rate. The discount rate was determined with reference to an appropriate Weighted Average Cost of Capital (WACC) for the So Energy business. No reduction in the value of goodwill was deemed to be required.

The carrying value of this goodwill at 31 December 2024 is €21.8 million (2023: €20.8 million).

Notes to the Financial Statements (continued)

16. FINANCIAL ASSET INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS AND EQUITY ACCOUNTED INVESTEEES

(a) Group

	Equity accounted investees	Financial assets at fair value through profit or loss	Total
	€m	€m	€m
Balance at 1 January 2023	332.2	5.0	337.2
Additions	35.3	-	35.3
Transfer to other receivables	(0.5)	-	(0.5)
Share of profit	13.7	-	13.7
Fair value movement on cash flow hedges (net of tax)	(45.7)	-	(45.7)
Increase in contingent consideration provision (note 29)	3.2	-	3.2
Dividends received ¹	(34.1)	-	(34.1)
Impairments	(14.8)	-	(14.8)
Translation adjustments	2.9	-	2.9
Balance at 31 December 2023	292.2	5.0	297.2
Balance at 1 January 2024	292.2	5.0	297.2
Additions	16.5	-	16.5
Disposal of investments	-	(4.2)	(4.2)
Transfer to other receivables	(0.3)	-	(0.3)
Share of loss	(5.3)	-	(5.3)
Fair value movement on cash flow hedges (net of tax)	(4.3)	-	(4.3)
Reduction in contingent consideration provision (note 29)	(6.3)	-	(6.3)
Dividends received ¹	(24.1)	-	(24.1)
Translation adjustments	8.7	-	8.7
Balance at 31 December 2024	277.1	0.8	277.9

1 Dividends received during the year from equity accounted investees consists of Aldeburgh Offshore Wind Holdings Limited €18.0 million (2023: €20.3 million), Oweninny Power Holdings DAC €3.0 million (2023: €10.0 million), and Raheenleagh Power DAC €3.1 million (2023: €3.8 million).

Equity accounted investees

The entities listed below are legally separated from the parties and the legal form and the contractual arrangement do not give the parties direct rights to the assets and liabilities of the vehicle. Having assessed each investment, ESB have concluded that they have joint control under IFRS 10 and IFRS 11, with the exception of Five Estuaries Offshore Wind Farm Limited, Western Isles Offshore Wind N2 & Western Isles Offshore Wind N4 which are considered associates. Accordingly, ESB's investment in these entities is equity accounted in line with IAS 28 Investment in Associates and Joint Ventures.

The fair value movement on cash flow hedges for equity accounted investees relates to derivatives held in Aldeburgh Offshore Wind Holdings Limited, NNG Windfarm Holdings Limited, Oweninny Power Holdings DAC, Oweninny Power Holdings 2 DAC, SIRO Limited, and Raheenleagh Power DAC which have been designated as cash flow hedging relationships in these entities.

Translation adjustments for equity accounted investees relate to Aldeburgh Offshore Wind Holdings Limited, Inch Cape Offshore Holdings Limited, Five Estuaries Offshore Wind Farm Limited, Lewis Wind Power Holdings Limited, Highland Wind Farm Limited, Western Isles Offshore Wind N2, Western Isles Offshore Wind N4, Gwynt Glass Offshore Wind Farm and NNG Windfarm Holdings Limited as these companies' functional currency is sterling.

The Group have assessed the nature of, and changes in, the risks associated with its interests in equity accounted investees.

1. The credit risks associated with the amounts due from equity accounted investees are assessed in note 19.

2. Equity accounted investees are assessed for impairment when an indicator of impairment exists. Refer to note 6 for details of the impairment charges in respect of NNG Windfarm Holdings Limited in 2024.

The Group's share of capital commitments for all equity accounted investees are detailed in note 31.

16. FINANCIAL ASSET INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS AND EQUITY ACCOUNTED INVESTEEES (continued)

Interests in equity accounted investees

The following companies have been included in the ESB Group accounts as joint ventures using equity accounting:

		Holding of share capital owned		Carrying value of Group Equity Interest		Amounts due from Equity Accounted Investees	
		2024	2023	2024	2023	2024	2023
Name of the company	Country	%	%	€m	€m	€m	€m
Offshore Renewables							
Inch Cape Offshore Holdings Limited	Great Britain	50.0	50.0	21.8	26.8	450.0	153.8
NNG Windfarm Holdings Limited	Great Britain	50.0	50.0	-	-	339.5	369.5
Aldeburgh Offshore Wind Holdings Limited	Great Britain	50.0	50.0	122.6	119.1	-	-
Five Estuaries Offshore Wind Farm Limited	Great Britain	20.8	12.5	16.0	2.7	-	-
Western Isles Offshore Wind N2 ¹	Great Britain	24.5	24.5	6.2	6.3	0.2	-
Western Isles Offshore Wind N4 ¹	Great Britain	24.5	24.5	18.5	20.4	0.2	-
Gwynt Glas Offshore Wind Farm Limited	Great Britain	33.3	-	1.6	-	3.5	-
Clogherhead Offshore Wind Holdings DAC	Republic of Ireland	75.0	75.0	-	-	2.7	4.6
Celtic 1 OSW Power DAC ²	Republic of Ireland	50.0	50.0	-	-	1.1	1.2
Celtic 2 OSW Power DAC ²	Republic of Ireland	50.0	50.0	-	-	0.4	0.9
Helvick Head Offshore Wind DAC ²	Republic of Ireland	50.0	50.0	-	-	9.5	2.6
Loch Garman Offshore Wind DAC ²	Republic of Ireland	50.0	50.0	-	-	0.2	1.9
Moneypoint 1 Offshore Wind DAC ²	Republic of Ireland	50.0	50.0	-	-	0.4	1.0
Moneypoint 2 Offshore Wind DAC ²	Republic of Ireland	50.0	50.0	-	-	0.2	1.6
Seastacks Offshore Wind DAC ²	Republic of Ireland	50.0	50.0	-	-	0.2	1.6
Saoirse Wave Energy Limited	Republic of Ireland	50.0	50.0	-	-	-	-
				186.7	175.3	808.1	538.7
Onshore Renewables							
Raheenleagh Power DAC	Republic of Ireland	50.0	50.0	5.1	6.5	0.6	-
Oweninny Power Holdings DAC	Republic of Ireland	50.0	50.0	11.5	13.8	4.3	3.9
Oweninny Power Holdings 2 DAC	Republic of Ireland	50.0	50.0	8.8	11.4	19.4	18.9
FuturaEnergy Ireland Development Holdings DAC	Republic of Ireland	50.0	50.0	49.8	52.5	34.5	32.0
Sundew Solar DAC	Republic of Ireland	50.0	50.0	-	-	47.1	31.0
Lewis Wind Power Holdings Limited	Great Britain	50.0	50.0	3.0	2.8	12.7	11.6
Highland Wind Farm Limited	Great Britain	50.0	50.0	-	0.3	1.3	-
				78.2	87.3	119.9	97.4
Other							
Emerald Bridge Fibres DAC	Republic of Ireland	50.0	50.0	-	-	0.2	0.2
SIRO Limited ³	Republic of Ireland	50.0	50.0	9.9	26.8	82.3	83.4
Superhomes Ireland DAC	Republic of Ireland	50.0	50.0	2.3	2.8	2.3	3.2
Kestrel Energy Storage DAC	Republic of Ireland	33.3	-	-	-	-	-
				12.2	29.6	84.8	86.8
Total				277.1	292.2	1,012.8	722.9

1 These investments are part of the investment in the Western Isles Group.
2 These investments are part of the investment in the ESB & Ørsted Offshore Portfolio Group.
3 This investment is held by parent. Please refer to Note 16 (b) for further details.

Notes to the Financial Statements (continued)

16. FINANCIAL ASSET INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS AND EQUITY ACCOUNTED INVESTEEES (continued)

Inch Cape Offshore Holdings Limited

In November 2020, the Group acquired a 50% stake in Inch Cape Offshore Holdings Limited (ICOHL), a joint arrangement with Red Rock Power Limited. The amount included in financial assets above includes €18.1 million of contingent consideration (2023: €22.3 million) which is contingent upon achieving project milestones and specified returns included in the financial investment decision.

ICOHL owns 100% of Inch Cape Offshore Limited (IC). The 50% investment in ICOHL indirectly provides ESB with a 50% stake in IC.

Located off the east coast of Scotland, the project has a grid connection agreement for 1,080 MW. In January 2025, the project reached financial close and will now progress into it's offshore construction phase.

NNG Windfarm Holdings Limited (Neart na Gaoithe)

In December 2019, the Group acquired a 50% stake in NNG Windfarm Holdings Limited (NNGWH), a joint arrangement with EDF Renewables UK Limited.

NNGWH owns 100% of Neart na Gaoithe Offshore Wind Limited (NNGOW). The purpose of this joint arrangement is to develop the 448 MW Neart na Gaoithe wind farm off the east coast of Scotland. The 50% investment in NNGWH indirectly provides ESB with a 50% stake in NNGOW.

Significant delays to the Project were experienced from 2021 to 2023, with further delays regarding turbine installation arising in 2024. As a result, commercial operations will not now be achieved until 2025 and additional construction costs to complete the Project have arisen. Construction of the Project is now progressing well and is close to completion. The first export of power to the Grid was achieved in October 2024.

The carrying value of the Group's equity interest in NNGWH had been reduced to €Nil as of 31 December 2023. (2023: Impairment Charge of €14.8 million).

An expected credit loss assessment was performed as of 31 December 2024 in respect of loans to the Project, (included in Trade and Other Receivables) and an expected credit loss provision of €134.6 million was recorded in respect of these loans at 31 December 2024 (2023: €Nil). See note 6 for further details.

The amount due in respect of loans to the Project (before provision for expected credit loss) at 31 December 2024 was €476.5 million (2023: €368.9 million). The Group also had further commitments and guarantees of €331.3 million at 31 December 2024 (2023: €286.3 million). See note 31 for further details.

Aldeburgh Offshore Wind Holdings Limited (AOWHL)

In March 2018, the Group acquired 50% of the issued share capital of AOWHL. The Group also acquired 50% of the loan notes issued by Aldeburgh Offshore Wind Investments Limited (AOWIL) a 100% owned subsidiary of AOWHL to become a 50% Joint Venture Partner with Sumitomo Corporation Europe Limited.

AOWHL has a 25% stake in the Galloper Wind Farm project. The Galloper project is a 353 MW development located in the Outer Thames estuary, 30km off the coast of Suffolk, England. The 50% investment in AOWHL indirectly provides ESB with a 12.5% stake in the Galloper project.

Five Estuaries Offshore Wind Farm Limited

In March 2024, the group increased its equity shareholding in Five Estuaries Offshore Wind Farm Limited from 12.5% to 20.8%. The purpose of Five Estuaries Offshore Wind Farm Limited is the development of the Five Estuaries Offshore Wind Farm adjacent to the Galloper Offshore Wind Farm off the Suffolk coast. This investment is accounted for using the equity method and is classified as an associate as ESB has power to participate in the financial and operating policy decisions of the investee but do not control or joint control the policies.

16. FINANCIAL ASSET INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS AND EQUITY ACCOUNTED INVESTEEES (continued)

Western Isles Group

In May 2023, the Group purchased two 24.5% equity shareholding's in Western Isles Offshore Wind N2 Limited (Havbredey Limited) and Western Isles Offshore Wind N4 Limited (Spiorad na Mara Limited) from Northland Power Inc. These investments are accounted for using the equity method and are classified as an associates as ESB has power to participate in the financial and operating policy decisions of the investee but do not control or joint control the policies. The purpose of these associates are to build a 840 MW fixed bottom site and 1,500 MW floating site off the coast of Scotland.

Gwynt Glas Offshore Wind Farm Limited

In May 2024, the Group purchased a 33.3% equity shareholding in Gwynt Glas Offshore Wind Farm Limited. In partnership with EDF Renewables UK and Reventus Power, the purpose of this Joint Venture is to develop a floating offshore wind farm in the Celtic Sea with a capacity of up to 1.5GW.

Clogherhead Offshore Wind Holdings DAC

The Group is a 75% partner in Clogherhead, a joint arrangement formed with Parkwind NV. The purpose of this joint arrangement is to develop an offshore windfarm off the coast of Co. Louth in Ireland.

In December 2022, the Group entered into agreements, including a joint venture agreement with Parkwind NV which resulted in Parkwind NV acquiring 25% of Clogherhead. The joint venture agreement is structured so that the power to manage activities are held jointly by both the investors and as such the arrangement is considered a joint arrangement.

ESB & Ørsted Offshore Group

In June 2023, ESB and Ørsted entered into a joint arrangement to develop a portfolio of offshore wind projects around the east, south and west coast of Ireland. To this end, special purpose vehicles have been incorporated and are controlled equally by ESB and Ørsted to develop these projects. These special purpose vehicles were wholly owned subsidiaries of ESB prior to the arrangement and are now joint ventures.

Saoirse Wave Energy Limited

In October 2023, the Group entered into a joint venture agreement with Simply Blue Group. The purpose of this joint arrangement is to deliver a pioneering 5 MW wave farm array, located adjacent to the Co. Clare coast.

Raheenleagh Power DAC (Raheenleagh)

The Group is a 50% partner in Raheenleagh, a joint arrangement with GR Wind Farms 1 Limited. This joint arrangement operates a 35 MW wind farm in Co. Wicklow.

Oweninny Power Holdings DAC (Oweninny)

The Group is a 50% partner in Oweninny Power Holdings DAC (OPH), a joint arrangement formed with Bord na Móna. This joint arrangement operates a 89 MW wind farm located in Bellacorrick, Co. Mayo.

OPH owns 100% of Oweninny Power DAC (OP1). The 50% investment in OPH indirectly provides ESB with a 50% stake in OP1.

Oweninny Power Holdings 2 DAC

The Group is a 50% partner in Oweninny Power Holdings 2 DAC (OPH2), a joint arrangement formed with Bord na Móna. The joint arrangement operates a 83 MW wind farm in Bellacorrick, Co. Mayo.

OPH2 owns 100% of Oweninny Power 2 DAC (OP2). The 50% investment in OPH2 indirectly provides ESB with a 50% stake in OP2.

FuturEnergy Ireland Development Holdings DAC

The Group is a 50% partner in FuturEnergy Ireland Development Holdings DAC (FEIDH), a joint arrangement with Coillte Limited.

FEIDH owns 100% of FuturEnergy Ireland Development DAC (FEID). The purpose of this joint arrangement is to develop relevant renewable energy projects. The 50% investment in FEIDH indirectly provides ESB with a 50% stake in FEID.

Sundew Solar DAC

The Group is a 50% partner in Sundew Solar DAC, a joint arrangement formed with Bord na Móna. The purpose of this joint arrangement is solar farm development.

Notes to the Financial Statements (continued)

16. FINANCIAL ASSET INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS AND EQUITY ACCOUNTED INVESTEEES (continued)

Lewis Wind Power Holdings Limited

In October 2023, the Group entered into a joint venture agreement with EDF Renewables UK Limited. The purpose of this joint arrangement is the development of Stornoway Wind Farm on the Isle of Lewis. Stornoway Wind Farm is a consented 180 MW remote island wind project on the Isle of Lewis, off the west coast of Scotland.

Highland Wind Farm Limited

In December 2023, the Group entered into a joint venture agreement with Ampyr Energy UK Limited. The purpose of this joint arrangement is the development of a 168 MW wind farm project Highland Wind Farm in the highlands of Scotland.

Emerald Bridge Fibres DAC (EBFD)

The Group is a 50% partner in EBFD, a joint arrangement with ZAYO Group. The purpose of this joint arrangement is the development and provision of telecommunication infrastructure between Ireland and the United Kingdom in the form of a subsea fibre optic cable network.

SIRO Limited (SIRO)

SIRO is a joint arrangement in which the Group has joint control and a 50% ownership interest. SIRO was founded by the Group with Vodafone Ireland Limited acquiring a 50% stake in November 2014. This joint arrangement runs fibre optic cables alongside ESB's existing electricity network to provide broadband straight to homes and businesses in regional towns and cities across Ireland.

Superhomes Ireland DAC

The Group is a 50% partner in Superhomes Ireland DAC (SIDAC), a joint arrangement with Tipperary Energy Agency. The purpose of this joint arrangement is to develop a national deep-retrofit business of scale focusing exclusively on the Irish domestic market.

Kestrel Energy Storage DAC

In June 2024, ESB entered into a joint venture agreement with dCarbonX and Bord Gáis Energy. The purpose of this joint agreement is to redevelop the decommissioned gas reservoirs in the offshore Kinsale area gas fields for large-scale energy storage of renewable gas and green hydrogen with provision of storage of natural gas until large volumes of these gasses are available for storage.

The Group's aggregate share of the non-current assets, current assets, non-current liabilities, current liabilities, income and expenses related to its interests in these joint ventures are as follows:

Summarised profit or loss¹

	Offshore Renewables		Onshore Renewables		Other		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	€m	€m	€m	€m	€m	€m	€m	€m
Revenue	12.4	-	49.2	63.4	75.6	71.0	137.2	134.4
Depreciation	(4.4)	-	(11.3)	(11.1)	(41.0)	(35.7)	(56.7)	(46.8)
Interest paid	(30.2)	(5.1)	(7.9)	(6.9)	(12.2)	(21.4)	(50.3)	(33.4)
Income tax	(0.2)	(0.7)	(0.4)	(3.1)	9.0	8.0	8.4	4.2
Total gain / (loss)	(9.5)	33.0	-	19.5	(30.4)	(22.9)	(39.9)	29.6
Group share of gain / (loss)	(0.7)	19.1	-	9.8	(15.1)	(11.4)	(15.8)	17.5
Other adjustments ^{1/2}	10.5	(2.9)	(0.3)	(1.0)	0.2	0.1	10.4	(3.8)
Impairment of investment	-	(14.8)	-	-	-	-	-	(14.8)
Group share of fair value movements on cash flow hedges (net of tax)	0.9	(36.1)	(2.6)	(3.5)	(2.6)	(6.1)	(4.3)	(45.7)
Total comprehensive (loss) / gain	10.7	(34.7)	(2.9)	5.3	(17.5)	(17.4)	(9.7)	(46.8)

16. FINANCIAL ASSET INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS AND EQUITY ACCOUNTED INVESTEEES (continued)

Summarised balance sheet

	2024	2023	2024	2023	2024	2023	2024	2023
	€m	€m	€m	€m	€m	€m	€m	€m
Non-current assets	4,349.8	3,334.4	469.2	425.1	656.9	609.7	5,475.9	4,369.2
Current assets	573.1	403.4	77.5	73.9	45.9	54.0	696.5	531.3
Cash	362.3	72.4	31.0	106.6	40.1	16.4	433.4	195.4
Current liabilities	(1,421.6)	(749.8)	(123.5)	(90.6)	(195.2)	(196.4)	(1,740.3)	(1,036.8)
Non-current liabilities	(4,217.6)	(3,364.5)	(412.5)	(442.2)	(544.0)	(444.6)	(5,174.1)	(4,251.3)
Net assets / (liabilities)	(354.0)	(304.1)	41.7	72.8	3.7	39.1	(308.6)	(192.2)

Reconciliation of the above amounts to the investment recognised in the consolidated balance sheet.

Group equity interest⁴

	2024	2023	2024	2023	2024	2023	2024	2023
	€m	€m	€m	€m	€m	€m	€m	€m
Net assets / (liabilities)	(354.0)	(304.1)	41.7	72.8	3.7	39.1	(308.6)	(192.2)
Group Share	(198.5)	(175.6)	20.9	36.4	1.9	19.6	(175.7)	(119.6)
Other adjustments ³	385.2	350.9	57.3	50.9	10.3	10.0	452.8	411.8
Carrying value of Group's equity interest	186.7	175.3	78.2	87.3	12.2	29.6	277.1	292.2

- 1 The numbers included in the above table are based on unaudited management accounts. When audited financial statements become available, any adjustments are reflected in the following year.
- 2 Where the Group's share of losses of an associate or joint venture equals or exceeds its interest in the associate or joint venture, the Group discontinues recognising its share of further losses unless there is legal or constructive obligation to recognise further losses. Unrecognised losses in 2024 include Five Estuaries, Saoirse Wave, Highland Wind Farm, Emerald Bridge Fibres DAC, Clogherhead Offshore Wind Holdings Limited and ESB & Ørsted Offshore Group of €5.6 million (cumulative unrecognised losses to date of €15.6 million (2023: €10.0 million)).
- 3 Other adjustments represent the difference between the carrying value of the Group's share of the net assets acquired and the investment amount.
- 4 Please refer to Interest in equity accounted investees table for the breakdown of group equity interest % holding and grouping of equity accounting investees within the above sub-groups Offshore Renewables, Onshore Renewables and Other.

Interest in financial assets held at fair value through profit or loss

The Group owns a venture capital fund, ESB Novusmodus Limited Partnership, in which seed capital is invested into emerging technology entities. These investments are managed purely for an investment return and are consequently carried at fair value through profit or loss. ESB does not control the entity in which these financial assets are held. The investments comprise of a number of clean energy and new technology companies. These investments have been fair valued at the year end and the movement is reflected in profit or loss. There was a disposal of €4.2 million during the year.

The Group has a 5% share in Oriel Offshore Wind Farm Limited and this investment is accounted for under fair value to profit or loss as a financial asset investment in line with IFRS 9.

Notes to the Financial Statements (continued)

16. FINANCIAL ASSET INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS AND EQUITY ACCOUNTED INVESTEEES (continued)

(b) Parent

	Equity accounted investees investments	Subsidiary undertakings
	€ m	€ m
Balance at 1 January 2023	43.9	61.8
Share of loss	(10.9)	-
Fair value movement on cash flow hedges (net of tax)	(6.2)	-
Balance at 31 December 2023	26.8	61.8
Balance at 1 January 2024	26.8	61.8
Additions	-	8.0
Share of loss	(14.4)	-
Fair value movement on cash flow hedges (net of tax)	(2.5)	-
Balance at 31 December 2024	9.9	69.8

17. GROUP ACQUISITIONS

Acquisition of Pallas Windfarm

On 21 August 2024, the ESB Group acquired 100% of the shares and voting interest in Pallas Windfarm Limited and its wholly owned subsidiary Pallas Energy Supply (together “Pallas Windfarm”) thereby obtaining a 100% control of its operations. Pallas Windfarm owns and operates an operational onshore wind farm site in Co. Kerry, Ireland. The site consists of two phases of operational windfarms, Clahane Wind Farm (“Clahane 1”) and Clahane Wind Farm Extension (“Clahane 2”). Clahane 1 became operational in 2008 and Clahane 2 in 2018.

Taking control of Pallas Windfarm will support ESB Group’s aim to reducing the carbon intensity of the existing generation fleet as it has a potential to deliver operational, zero carbon, generation capacity immediately in ESB Group’s home market of Ireland. ESB Group is targeting a renewable generation portfolio of 5 GW by 2030 to support progression to Net Zero by 2040 and onshore wind will be a substantial part of this portfolio as an established technology. The acquisition will add an additional 51.6 MW to the portfolio, with Clahane 1 adding 37.8 MW and Clahane 2 adding a further 13.8 MW of maximum export capacity.

For the four months ended 31 December 2024, Pallas contributed revenue of €3.9 million and profit of €0.9 million to the Group’s results. If the acquisition had occurred on 1 January 2024, management estimates that consolidated revenue would have been €11.6 million, and consolidated profit for the year would have been €2.6 million. In determining these amounts, management has assumed that the fair value adjustments, determined provisionally, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2024.

(A) Consideration transferred:

The following table summarises the acquisition date fair value of each major class of consideration transferred:

Total Consideration Summary

	Ref:	€m
Agreed purchase price		39.9
Shareholder Loan Amount	(i)	24.0
Total consideration transferred		63.9

(i) Shareholder Loan Amount

The shareholder loan amount of €24.0 million represents amount owed by Pallas Windfarm Limited to its former parent Irish Wind Investments Group Limited as at the date of acquisition, which has been procured by the ESB Group to settle on Company’s behalf and consequently loaned to the subsidiary.

17. GROUP ACQUISITIONS (continued)

(B) Acquisition-related costs:

The Group incurred acquisition-related costs of €0.4 million. These costs are included in ‘Operating costs (net)’ within the Consolidated Income Statement.

(C) Identifiable assets acquired and liabilities assumed:

The following table summarises the recognised amounts of assets acquired, and liabilities assumed at the date of acquisition:

Pallas Windfarm	€m
Property, Plant and Equipment	64.4
Cash at Bank	6.8
Trade Receivables	4.2
Trade Payables	(2.3)
Deferred Tax	(6.2)
Provisions	(3.0)
Total identifiable net assets acquired	63.9

Measurement of fair values

The valuation techniques used for measuring the fair value of material assets acquired were as follows:

Property, Plant, and Equipment

A discounted cashflow model has been prepared to assess the fair value of Property, Plant and Equipment.

(D) Goodwill:

No goodwill has arisen from the transaction as demonstrated below:

	€m
Goodwill on acquisition	
Consideration transferred	63.9
Fair value of identifiable net assets	63.9
Goodwill	-

18. INVENTORIES

	Group		Parent	
	2024	2023	2024	2023
	€m	€m	€m	€m
Materials	61.6	48.6	22.1	16.4
Fuel	82.4	113.0	69.2	99.1
Total	144.0	161.6	91.3	115.5

Included within inventories in Group at 31 December 2024 is €35.6 million carried at net realisable value (2023: €98.1 million). The cost of inventories carried at net realisable value in Group at 31 December 2024 is €37.2 million (2023: €107.2 million).

Notes to the Financial Statements (continued)

18. INVENTORIES (continued)

Included within inventories in Parent at 31 December 2024 is €nil million carried at net realisable value (2023: €72.7 million). The cost of inventories carried at net realisable value in Parent at 31 December 2024 is €nil million (2023: €79.8 million).

	Group		Parent	
	2024	2023	2024	2023
	€m	€m	€m	€m
Inventories consumed	135.6	167.1	133.1	163.7
Inventory write-off / (writeback)	(1.3)	1.5	(0.8)	0.6

19. TRADE AND OTHER RECEIVABLES

	Group		Parent	
	Reclassified ¹		Reclassified ¹	
	2024	2023	2024	2023
	€m	€m	€m	€m
Current receivables:				
Retail energy receivables - billed	200.4	225.4	58.8	59.7
Retail energy receivables - unbilled	420.8	511.3	157.2	245.9
Total retail energy receivables	621.2	736.7	216.0	305.6
I-SEM pool & GB related receivables	11.2	17.9	-	-
Use of System receivables (including unbilled)	355.7	289.4	59.2	65.5
Other electricity receivables ¹	107.4	110.8	85.5	75.3
Total energy receivables	1,095.5	1,154.8	360.7	446.4
Trade receivables - non-energy	38.5	34.0	7.4	6.7
Amounts due from equity accounted investees	428.1	22.3	2.1	1.4
Amounts due from insurers	22.2	23.9	22.4	23.9
Cash collateral	116.1	590.0	83.5	559.0
Other receivables ¹	256.7	348.0	220.2	268.3
Amounts due from subsidiary undertakings	-	-	3,558.3	2,166.9
Prepayments	115.4	44.7	69.3	25.7
Total current receivables	2,072.5	2,217.7	4,323.9	3,498.3
Non-current receivables:				
Amounts due from equity accounted investees	584.7	700.6	116.8	112.1
Amounts due from subsidiary undertakings	-	-	1,447.8	2,107.6
Amounts due from insurers	22.5	24.1	22.3	24.1
Total non-current receivables	607.2	724.7	1,586.9	2,243.8
Total receivables	2,679.7	2,942.4	5,910.8	5,742.1

1 Other electricity receivables have been reclassified to include PSO (€75.3 million) and electricity trading in the UK market which is not included in I-SEM (€33.2 million) for comparative purposes. Other receivables have also been adjusted by the same amount.

19. TRADE AND OTHER RECEIVABLES (continued)

Expected credit loss allowance

Under IFRS 9 an expected credit loss (ECL) impairment model is in place for the calculation of impairment loss allowances. Under this impairment model, it is assumed that all receivables carry a risk of default. This impairment model is used to calculate the probability of default at a range of possible outcomes, weighted by the probability of their occurrence. These ECLs are measured under the general approach or simplified approach.

The simplified approach is applied to ESB's trade and other receivables within the scope of IFRS 15. Under the simplified approach, an entity will recognise a loss based on the lifetime ECLs. It allows an entity to use a provision matrix for calculating the ECLs. This matrix considers the historical default rates over the expected life of the trade receivable and is adjusted for forward-looking estimates.

The general approach is applied to all loans and receivables not eligible for application of the simplified approach, which for the Group are loans to equity accounted investees and for Parent also includes amounts due from subsidiary undertakings. Assessment of the probability of default for loans to equity accounted investees is included below. For further details of these loans see note 16. Under the general approach, an entity must determine whether the financial asset is in one of three stages in order to determine the amount of ECL to recognise;

Stage 1 is where credit risk has not increased significantly since initial recognition. For financial assets in stage 1, entities are required to recognise 12 month ECL and recognise interest income on a gross basis – this means that interest will be calculated on the gross carrying amount of the financial asset before adjusting for ECL.

Stage 2 is where credit risk has increased significantly since initial recognition. When a financial asset transfers to stage 2, entities are required to recognise lifetime ECL but interest income will continue to be recognised on a gross basis.

Stage 3 is where the financial asset is credit impaired. This is effectively the point at which there has been an incurred loss event. For financial assets in stage 3, entities will continue to recognise lifetime ECL but they will now recognise interest income on a net basis. This means that interest income will be calculated based on the gross carrying amount of the financial asset less ECL.

The expected credit losses of the Group at 31 December 2024 and 31 December 2023 are set out on the following tables. The Parent company balances stated in the following tables exclude amounts due from subsidiary undertakings of €5,006.1 million (2023: €4,274.5 million).

Impact of macro-economic environment

The economic impacts arising from the sustained high energy costs (relative to historical prices) in energy markets in the geographies in which the Group operates have increased the level of uncertainty around the estimates the Group makes in measuring the impairment loss allowances of financial assets. Where customers experience difficulties in settling balances, the increased aging of these amounts results in an increase in allowances held in respect of them under the simplified approach employed. In measuring the allowance for expected losses, the Group has also considered macro-economic forecasts and the potential economic impacts of rising energy prices on the sectors in which they operate.

The assumptions made in estimating the impairment charge for the period and allowances held at the reporting date are deemed to be appropriate, however the current high level of economic uncertainty means that impairment charges and allowances in respect of financial assets are a matter of significant judgement.

Notes to the Financial Statements (continued)

19. TRADE AND OTHER RECEIVABLES (continued)

Simplified approach - Expected Credit Losses

	2024					
	Group			Parent		
	Gross amount receivable	Loss allowance	Net amount receivable	Gross amount receivable	Loss allowance	Net amount receivable
	€m	€m	€m	€m	€m	€m
Not past due receivables	1,290.6	(9.9)	1,280.7	615.0	(4.2)	610.8
Past due < 30 days	110.5	(6.3)	104.2	25.3	(4.8)	20.5
Past due 30 - 120 days	61.3	(16.9)	44.4	23.1	(8.5)	14.6
Past due > 120 days	167.3	(113.5)	53.8	48.6	(30.3)	18.3
Past due by more than one year	77.9	(54.2)	23.7	50.2	(42.6)	7.6
Total	1,707.6	(200.8)	1,506.8	762.2	(90.4)	671.8

	2023					
	Group			Parent		
	Gross amount receivable	Loss allowance	Net amount receivable	Gross amount receivable	Loss allowance	Net amount receivable
	€m	€m	€m	€m	€m	€m
Not past due receivables	1,743.2	(8.2)	1,735.0	1,179.7	(5.9)	1,173.8
Past due < 30 days	209.4	(5.4)	204.0	13.6	(3.1)	10.5
Past due 30 - 120 days	78.8	(18.2)	60.6	29.6	(10.5)	19.1
Past due > 120 days	131.6	(82.0)	49.6	56.0	(30.7)	25.3
Past due by more than one year	111.6	(34.0)	77.6	78.7	(27.0)	51.7
Total	2,274.6	(147.8)	2,126.8	1,357.6	(77.2)	1,280.4

General approach - Expected Credit Losses

	2024					
	Group			Parent		
	Gross amount receivable	Loss allowance	Net amount receivable	Gross amount receivable	Loss allowance	Net amount receivable
	€m	€m	€m	€m	€m	€m
Stage 1 - 12 Month ECL (not credit impaired)	590.6	(0.2)	590.4	36.6	-	36.6
Stage 2 - Lifetime ECL (not credit impaired)	86.3	(3.1)	83.2	82.3	-	82.3
Stage 3 - Lifetime ECL (credit impaired)	473.8	(134.6)	339.2	-	-	-
Total	1,150.7	(137.9)	1,012.8	118.9	-	118.9

19. TRADE AND OTHER RECEIVABLES (continued)

	2023					
	Group			Parent		
	Gross amount receivable	Loss allowance	Net amount receivable	Gross amount receivable	Loss allowance	Net amount receivable
	€m	€m	€m	€m	€m	€m
Stage 1 - 12 Month ECL (not credit impaired)	273.9	-	273.9	33.4	-	33.4
Stage 2 - Lifetime ECL (not credit impaired)	449.0	-	449.0	80.1	-	80.1
Stage 3 - Lifetime ECL (credit impaired)	-	-	-	-	-	-
Total	722.9	-	722.9	113.5	-	113.5

Expected Credit Losses Reconciliation

	Group		Parent	
	2024	2023	2024	2023
	€m	€m	€m	€m
Simplified approach	1,506.8	2,126.8	671.8	1,280.4
General approach	1,012.8	722.9	118.9	113.5
Prepayments ¹	115.4	44.7	69.3	25.7
Amounts due from subsidiary undertakings	-	-	5,006.1	4,274.5
Amounts due from insurers ¹	44.7	48.0	44.7	48.0
Total	2,679.7	2,942.4	5,910.8	5,742.1

1 Prepayments, amounts due from insurers and short term deposits are excluded from the analysis as no credit exposure is perceived in relation to these balances.

Parent

Amounts due from subsidiary undertakings

At 31 December 2024, the Parent had balances receivable of €5,006.1 million (2023: €4,274.5 million) from its subsidiaries. These receivables mainly relate to management services and loans to subsidiaries as well as electricity charges including Use of System charges. Total allowance in respect of amounts due from subsidiary undertakings at 31 December 2024 is €166.3 million (2023: €143.1 million).

The impairment loss recognised in the Parent in respect of amounts due from subsidiary undertakings has been calculated using the expected credit loss model as required by IFRS 9. In determining the impairment loss, amounts due from subsidiaries were classified as either amounts repayable on demand, low credit risk receivables or amounts for which there has been a substantial increase in credit risk since initial recognition. In determining the expected credit loss (including probability of default and loss given default), regard was given to the historic performance of the relevant loan as well as forward looking information for the relevant subsidiary including detailed discounted cash flow forecasts. For repayable on demand loans where the loan could not be repaid at the reporting date, expected credit losses were calculated by considering the likely recovery strategies of the Parent, including consideration of 'repay over time' strategies. For loans with a substantial increase in credit risk, consideration was given to the future activities and cash flows of the subsidiary and lifetime expected credit losses were recognised accordingly where appropriate.

Notes to the Financial Statements (continued)

19. TRADE AND OTHER RECEIVABLES (continued)

Movement in the expected credit loss of trade and other receivables

The loss allowances for financial assets are based on assumptions about credit risk of default and expected credit loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the expected credit loss calculations, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the company. The movement in the expected credit loss in respect of trade receivables during and other receivables the year was as follows:

	Group		Parent	
	2024	2023	2024	2023
	€m	€m	€m	€m
Balance at 1 January	147.8	98.9	77.2	55.0
Impairment loss recognised (net)	72.2	70.4	29.8	37.8
Allowance utilised	(19.3)	(21.7)	(15.3)	(12.9)
Translation adjustments	0.1	0.2	(1.3)	(2.7)
Balance at 31 December	200.8	147.8	90.4	77.2

Amounts due from equity accounted investees

Amounts due from equity accounted investees include shareholder loans, interest on these loans and trade receivable balances. Trade receivable balances from equity accounted investees are assessed for probability of default using the simplified approach under IFRS 9. All other balances due from equity accounted investees are assessed for probability of default using the general approach. In applying the general approach, the Group has used judgement in making assumptions and selecting the inputs to the expected credit loss calculation based on market conditions as well as forward looking estimates at the end of the reporting period.

Following an assessment of all ESB's shareholder loans advanced to equity accounted investees it was determined that there was an increase in the credit risk of loans to NNG Windfarm Holdings Limited. Expected credit losses of €134.6 million (31 December 2023: €nil) was recognised in the income statement during the year.

The remaining shareholder loans to equity accounted investees are assessed as stage 1 (not credit impaired) financial assets. The 12-month expected credit loss approach has been applied to the stage 1 loans consisting of analysis on both historical and forward looking qualitative and quantitative information to determine the credit risk. These loans are deemed to be of low credit risk given no indications of an increase in credit risk since initial recognition. As a result, the expected credit loss for these loans is immaterial.

Retail energy receivables

Retail energy receivables which include electricity and gas customers relate to both residential and business customers. The credit risk on energy accounts is managed through the ongoing monitoring of debtor days, putting in place appropriate collateral and a collection policy based on the credit worthiness, size and duration of debt. The concentration of risk in Customer Solutions is in relation to retail energy accounts that have closed in arrears. Receivables from residential and business customers are generally considered to be credit impaired where the payment is past the contractual due date. In addition, given the continuing increase in competition, certain customers may switch suppliers before they have settled their outstanding balances. These accounts are managed within the Group's debt collection policy by a combination of internal debt follow-up, the use of debt collection agencies and legal action where necessary including the obtaining of publication of judgements.

19. TRADE AND OTHER RECEIVABLES (continued)

Providing for future expected losses in relation to retail electricity receivables, including both billed and unbilled, is based on analysis of recent debt performance and an evaluation of the impact of economic conditions and industry issues. An additional loss allowance may be made on a portfolio basis to cover additional anticipated losses. Collateral is held in the form of security deposits on new customer accounts not on direct debit arrangements.

Controls around energy receivables are focused on the full recovery of amounts invoiced. The closing balance of the expected credit loss in respect of energy receivables as at 31 December 2024 is €191.1 million (31 December 2023: €149.9 million). Retail energy receivables are written off where there is no reasonable expectation of recovery and only once a period of time has elapsed since the final bill. The single largest customer amount written off during the year was €156,000 (2023: €56,000) relating to a company dissolution/liquidation. Retail energy receivables arise largely in the Republic of Ireland (ROI), with 13% (2023: 14%) relating to Northern Ireland (NI) revenue and 16% (2023: 15%) relating to Great Britain (GB) revenue.

Unbilled electricity receivables represent estimates of consumption not yet invoiced. A 5% sensitivity on the unbilled retail energy receivables accrual would equate to an increase or decrease in the receivables balance of €21.4 million (2023: €25.6 million). Credit risk in relation to unbilled electricity is managed in line with billed electricity receivables as discussed above.

Integrated Single Electricity Market (I-SEM & GB) receivables

Credit risk in relation to the I-SEM related receivables is managed by the Energy Trading and Risk functions within those business units engaged in electricity trading through the I-SEM. Each of these functions is ring-fenced from each other and segregation of responsibilities between the back office, middle office and front office functions is maintained in each case. The Trading back office function is responsible for invoicing customers and maintaining all accounts receivable. Payment terms for all trading balances relating to each of the I-SEM revenue streams are governed by the I-SEM settlement calendar.

Use of System receivables

Use of System income in ROI comprises of Distribution Use of System (DUoS) income, Transmission Use of System (TUoS) income and Operation and Maintenance (O&M) charges for generators connected to the Distribution System. The credit terms for DUoS are 10 business days and there are currently 50 suppliers (2023: 51 suppliers). TUoS is collected by EirGrid, and the Transmission Asset Owner (TAO) allowed revenue is invoiced to EirGrid over 12 monthly instalments with each invoice due 36 days after month end. Invoices were issued in respect of 259 generators during 2024 for O&M charges (2023: 256 generators), credit terms for O&M charges are 30 days. Generators are invoiced for connection charges on a staged basis, as approved by CRU, with 65% of the capital contribution recouped in advance of construction, 90% in advance of energisation and the balance post energisation. Included in amounts due from subsidiary undertakings in Parent are amounts billed and collected through ESB Networks DAC, a subsidiary of the Parent in respect of Use of System receivables €129.4 million (2023: €78.0 million).

The credit risk in relation to DUoS is managed by the invocation of section 7 of the DUoS Framework Agreement approved by CRU on 1 August 2002. This section provides for the provision of security by each supplier. Before a supplier can register as a customer they must sign up to the DUoS agreement. All suppliers must provide security in accordance with section 7.2 of the DUoS Framework Agreement. The DUoS credit risk is also managed through the timely collection procedures in place which are in line with what is outlined in section 6 of the DUoS Framework Agreement and the monitoring of debtor days to keep these to a minimum. In the event of a supplier defaulting in line with section 7 of the DUoS Framework Agreement there is security cover in place for all suppliers.

Notes to the Financial Statements (continued)

19. TRADE AND OTHER RECEIVABLES (continued)

TUoS credit risk is managed through the timely collection procedures in place and the monitoring of debtor days to keep these to a minimum. Procedures for the payment by EirGrid of TUoS income due to ESB Networks DAC as TAO are governed by the Infrastructure Agreement between EirGrid and ESB. This is not a normal bilateral contract freely entered into by the will of the parties, but an arrangement required by legislation and many of whose terms are specified in that legislation. Accordingly, the credit risk in relation to TUoS receivables is considered to be low. The amount due in respect of TUoS income at 31 December 2024 was €59.2 million (2023: €65.5 million), which is the largest Use of System receivable balance in ROI.

In respect of the networks business in NI, revenue is derived principally from charges for use of the distribution system, PSO charges levied on electricity suppliers and charges for transmission services levied on SONI (System Operator for Northern Ireland). Credit risk in respect of Use of System receivables from electricity suppliers is mitigated by security received in the form of cash deposits, letters of credit or Parent company guarantees. With the exception of public bodies, payments in relation to new connections or alterations are paid for in advance of the work being carried out. Normal credit terms and debtor days in respect of trade receivables from electricity suppliers are less than 30 days. The largest Use of System electricity receivable in NI at 31 December 2024 is €12.5 million (2023: €12.4 million).

Other electricity receivables

Other electricity receivables include amounts in relation to ancillary services and amounts owed in relation to the PSO REFIT & RESS Schemes administered by the CRU.

Cash collateral

The cash collateral balance includes amounts pledged by the Group to clearing banks for exchange trading of gas, carbon and power contracts of €91.3 million (2023: €567.5 million). The amounts pledged cover initial margin and daily mark to market movements.

Included within this category are also collateral amounts pledged by the Group to bilateral parties of €24.8 million (2023: €22.5 million).

Trade - non-electricity and other receivables

Trade receivables (non-electricity) and other receivables relate to balances due in respect of the Group's non-electricity trading (including commodity trading) and other operations. It includes amounts due in respect of the Group's telecommunications, consultancy, facility management and other ancillary operations. Credit risk with regard to these balances is not considered to be significant. The largest unsecured single balance included within this category at 31 December 2024 is an amount of €59.1 million (2023: €30.8 million) due from an external company.

20. CASH AND CASH EQUIVALENTS

	Group		Parent	
	2024	2023	2024	2023
	€m	€m	€m	€m
Cash at bank and in hand	858.3	1,428.3	672.7	1,201.8
Restricted cash	206.6	549.5	72.7	80.0
	1,064.9	1,977.8	745.4	1,281.8

As at 31 December 2024, €91.3 million (2023: €567.5 million) was paid in respect of exchange traded gas, carbon and power contracts. €21.6 million (2023: €22.5 million) was also paid in respect of collateral amounts pledged by the Group to bilateral parties. These amounts are included in trade and other receivables and trade and other payables.

Included in the cash and cash equivalents at 31 December 2024 is €206.6 million (€72.7 million Parent related) (2023: €549.5 million (€80.0 million Parent related)) of restricted cash relating to the Irish Government's Electricity Costs Emergency Benefit Scheme. Such cash is not freely available to ESB and is paid to customers of ESB Networks or credited to relevant customer accounts for electricity customers of ESB Group.

21. CHANGES IN EQUITY

(i) Capital stock

There are 1,936,081,855 units of capital stock in issue at a par value of €1.00 each (2023: 1,939,081,855 units at a par value of €1.00 each).

	2024	2023
	€m	€m
Comprised as:		
Stock issued from converted reserves	1,880.9	1,880.9
Stock issued for subscription by ESOT	55.2	58.2
	1,936.1	1,939.1

In accordance with the Electricity (Supply) (Amendment) Act 2001, on 30 December 2001, the equity of ESB was converted to capital stock which was issued to the Department of Finance. At the same time, ESB ESOP Trustee Limited, established to act as Trustee for an ESB employee shareholding scheme, subscribed for 5% of the stock. The principal rights attaching to each unit of capital stock include the rights to exercise a vote at annual meetings, entitlements to dividends from profits when declared and the rights to proportionate participation in a surplus on winding up.

The Energy (Miscellaneous Provisions) Act 2006 amended Section 2 of the 2001 Act and as a result 10.2% of issued capital stock in ESB now stands vested in the Minister for Climate, Environment and Energy, with the Minister for Public Expenditure and Reform (currently known as the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation) retaining 86.9% of ESB's capital stock and the ESOP retaining 2.9% of the stock at 31 December 2024.

The Ministers and Secretaries Amendment Act 2011, which came into force on 6 July 2011, established the office of the Minister for Public Expenditure and Reform (currently known as the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation). The 2011 Act has the effect of transferring ownership of the stock previously held by the Minister for Finance in ESB to the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation as and from 6 July 2011.

Notes to the Financial Statements (continued)

21. CHANGES IN EQUITY (continued)

(ii) Capital Redemption Reserve

During 2024, ESB continued the repurchase of the ESOP capital stock. A capital redemption reserve movement of €3.0 million (2023: €2.3 million) was recognised from the purchase and cancellation of 3.0 million ESOP share capital (2023: 2.3 million) for a consideration of €8.1 million (2023: €4.5 million) and represents the nominal amount of the share capital cancelled. The repurchase reduced the ESOP repurchase provision by €8.1 million (2023: €4.5 million) and at 31 December 2024, the ESOP repurchase provision (note 29) recognised in other provisions amounts to €2.0 million (2023: €10.1 million). See note 33 for further details.

(iii) Cash flow hedging

The hedging reserve primarily represents the fair value of derivatives which are part of effective cash flow hedging relationships at year end. As the derivatives are held for hedging purposes as defined by IFRS 9 and designated as hedges, their fair value movements are retained in OCI instead of being charged to the income statement during the year and will be charged to income in the same period as the corresponding transaction.

(iv) Other reserves

Group other reserves include the following:

- Non-distributable reserves of (€5.0) million which was created on the sale of the Group's share in Ocean Communications Limited in 2001;
- Actuarial movements on the NIE Networks defined benefit scheme, net of the related deferred tax adjustments, totalling (€130.4) million (2023: (€119.7) million);
- ESOP repurchase provision of (€2.0 million) (2023: (€10.1 million)) which relates to the amount that ESB has committed to date to repurchase from the ESOP internal market.

Parent other reserves include the following:

ESOP repurchase provision of (€2.0 million) (2023: €10.1 million) which relates to the amount that ESB has committed to date to repurchase from the ESOP internal market.

(v) Non-controlling interest - Group

Non-controlling interests at 31 December 2024 relate to non-controlling shareholdings in So Energy, Crockahenny Wind Farm DAC, Mountain Lodge Power DAC and other companies associated with wind projects.

Dividends

Group	2024 €m	2023 €m
Dividends on capital stock:		
Total dividend paid 11.35 (2023: 16.84) cent per capital stock unit	220.1	327.0
Dividend to non-controlling interest	-	0.2
Total	220.1	327.2

Parent	2024 €m	2023 €m
Dividends on capital stock:		
Total dividend paid 11.35 (2023: 16.84) cent per capital stock unit	220.1	327.0
Total	220.1	327.0

Total dividends paid during 2024 amounted to €220.1 million related to the final dividend (11.35 cents per unit of stock) in respect of 2023.

The Board is now recommending that a dividend for 2024 of 9.75 cent per unit of capital stock, or €188.7 million.

22. TAXATION

(a) Income tax expense

	2024 €m	2023 €m
Current tax expense		
Current tax	100.9	131.3
Prior year over provision	(6.0)	(3.3)
Value of tax losses surrendered to equity accounted investees	3.8	4.0
	98.7	132.0
Deferred tax expense		
Origination and reversal of temporary differences	43.0	4.7
Increase in tax rate ¹	-	(1.0)
Prior year (over) / under provision	21.5	(1.9)
	64.5	1.8
Total	163.2	133.8

Reconciliation of effective tax rate

	2024 €m	2023 €m
Profit before tax	869.4	1,001.6
Profit before tax		
Plus: impairment of equity accounted investees	-	14.8
Plus: after tax share of equity accounted investees results (or loss)	5.3	(13.7)
Profit before tax (excluding equity accounted investees loss)	874.7	1,002.7
Taxed at 12.5%	109.3	125.3
Expenses not deductible	23.3	8.0
Transfer pricing adjustments	9.1	(3.5)
Tax effect of losses not recognised	(2.6)	(0.2)
Income not taxable	(8.2)	-
Higher tax on chargeable gains	0.8	-
Income taxed at higher rate of corporation tax	-	3.1
Deferred tax impact of increase in UK tax rate ¹	-	(1.0)
Higher tax rates on overseas profits	15.8	7.3
Prior year under / (over) provisions	15.7	(5.2)
Income tax expense	163.2	133.8

1 The UK deferred tax liability as at 31 December 2024 has been calculated based on the rate of 25%.

Taxation is calculated at the rates prevailing in the respective jurisdictions in which ESB carries out its activities.

Notes to the Financial Statements (continued)

22. TAXATION (continued)

The Group has applied the temporary exemption issued by the IAS on May 2023 from the accounting requirements for deferred taxes relating to Pillar Two under IAS12. Accordingly, the Group neither recognises nor discloses information about deferred taxes assets and liabilities related to Pillar Two income taxes.

On 18 December 2023 the Government of Ireland, where the ultimate Parent entity of the Group resides, enacted the Pillar Two income taxes legislation into Finance (No.2) Act 2023. The legislation became effective for the ESB Group for the accounting year end 31 December 2024. Under the legislation, the Parent company, Electricity Supply Board, will be required to pay, in Ireland, top-up tax on profits of its subsidiaries that are taxed at an effective tax rate of less than 15% (the Minimum Tax Rate “MTR”). The main jurisdictions in which exposures to this tax may exist for the Group are Ireland and the UK. However, substance based carveouts apply for eligible fixed assets and payroll costs which reduce the profits in any one jurisdiction subject to the top-up tax. As ESB's business activities are largely in the Republic of Ireland and the UK, where substantial investment is made in public infrastructure and electricity generation assets, it is expected that the Group's profits subject to the MTR will be substantially reduced in Ireland and the UK for the foreseeable future. The Group's current tax expense related to Pillar Two is €nil for 31 December 2024 based on transitional safe harbour exemptions.

(b) Deferred tax assets and liabilities

Group	2024 €m	2023 €m
Deferred tax assets		
Lease liabilities	12.6	15.2
ESB pension scheme	9.4	17.7
Provisions	1.4	6.0
Tax losses forward	6.8	14.2
Derivative financial instruments	65.2	50.8
Total deferred tax assets	95.4	103.9
Less deferred tax asset recognised separately on the balance sheet	(1.3)	(1.4)
Net deferred tax asset being netted against deferred tax liability	94.1	102.5
Deferred tax liabilities		
Property, plant and equipment and intangible assets	687.4	595.5
Right-of-use assets	11.9	14.9
NIE Networks pension scheme	17.1	18.4
Provisions	7.4	8.8
Derivative financial instruments	1.2	24.0
Capital gains tax	1.2	1.2
Total deferred tax liabilities	726.2	662.8
Netted deferred tax liabilities	(632.1)	(560.3)
Net deferred tax liability	(630.8)	(558.9)

22. TAXATION (continued)

The movement in temporary differences for the Group were as follows:

	Balance at 1 January €m	IAS 12 amendment €m	Acquisition of Pallas €m	Recognised in income €m	Recognised in OCI €m	Translation adjustments €m	Balance at 31 December €m
2024							
Assets							
Lease liabilities	15.2	-	-	(2.8)	-	0.2	12.6
ESB pension scheme	17.7	-	-	(8.3)	-	-	9.4
Provisions	6.0	-	-	(4.8)	-	0.2	1.4
Tax losses forward	14.2	-	-	(7.9)	-	0.5	6.8
Derivative financial instruments	50.8	-	-	34.9	(22.1)	1.6	65.2
Total deferred tax assets	103.9	-	-	11.1	(22.1)	2.5	95.4
Liabilities							
Property, plant and equipment and intangible assets	595.5	-	6.0	78.2	1.3	6.4	687.4
Right-of-use assets	14.9	-	-	(3.2)	-	0.2	11.9
NIE Networks pension scheme	18.4	-	-	2.5	(4.6)	0.8	17.1
Provisions	8.8	-	-	(1.8)	-	0.4	7.4
Derivative financial instruments	24.0	-	-	(0.1)	(22.7)	-	1.2
Capital gains tax	1.2	-	-	-	-	-	1.2
Total deferred tax liabilities	662.8	-	6.0	75.6	(26.0)	7.8	726.2
Net deferred tax liability	(558.9)	-	(6.0)	(64.5)	3.9	(5.3)	(630.8)

	Balance at 1 January €m	IAS 12 amendment €m	Recognised in income €m	Recognised in OCI €m	Translation adjustments €m	Balance at 31 December €m
2023						
Assets						
Lease liabilities	-	10.3	4.9	-	-	15.2
ESB pension scheme	25.8	-	(8.1)	-	-	17.7
Provisions	3.7	-	2.3	-	-	6.0
Tax losses forward	11.4	-	2.7	-	0.1	14.2
Derivative financial instruments	46.6	-	(2.2)	5.8	0.6	50.8
Total deferred tax assets	87.5	10.3	(0.4)	5.8	0.7	103.9
Liabilities						
Property, plant and equipment and intangible assets	601.0	0.2	(8.1)	-	2.4	595.5
Right-of-use assets	-	10.1	4.8	-	-	14.9
NIE Networks pension scheme	16.4	-	6.4	(4.7)	0.3	18.4
Provisions	8.6	-	-	-	0.2	8.8
Derivative financial instruments	12.7	-	-	11.3	-	24.0
Capital gains tax	2.9	-	(1.7)	-	-	1.2
Total deferred tax liabilities	641.6	10.3	1.4	6.6	2.9	662.8
Net deferred tax liability	(554.1)	-	(1.8)	(0.8)	(2.2)	(558.9)

There is no expiry date to when tax losses in the Group can be utilised.

Notes to the Financial Statements (continued)

22. TAXATION (continued)

Deferred tax asset on tax losses not recognised in the accounts:

Deferred tax assets not recognised amounted to €10.1 million in 2024 (2023: €16.1 million). This amount relates to deferred tax assets not recognised against tax losses arising in So Energy Trading Ltd.

Deferred tax in relation to unremitted reserves of overseas subsidiaries:

Deferred tax has not been provided for in relation to unremitted reserves of the Group's overseas subsidiaries for two reasons: either there is no commitment for these reserves to be distributed in the foreseeable future or it has been established that no tax would arise on the remittance. Deferred tax has not been provided for in relation to unremitted reserves of the Group's overseas joint ventures as the Group has the ability to control the repatriation of these reserves to the Republic of Ireland. Cumulative unremitted reserves of overseas subsidiaries and joint ventures totalled €1,128.4 million as at 31 December 2024 (31 December 2023: €1,050.8 million).

(b) Deferred tax assets and liabilities (continued)

	2024	2023
Parent	€m	€m
Deferred tax assets		
Lease liabilities	4.0	7.6
ESB pension scheme	9.4	17.7
Provisions	1.7	1.7
Derivative financial instruments	-	21.1
Total deferred tax assets	15.1	48.1
Deferred tax liabilities		
Property, plant and equipment	440.4	425.1
Right-of-use assets	3.7	7.5
Derivative financial instruments	0.5	20.3
Capital gains tax	1.2	1.2
Total deferred tax liabilities	445.8	454.1
Net deferred tax liability	(430.7)	(406.0)

The movement in temporary differences for the Parent were as follows:

	Balance at 1 January	IAS 12 amendment	Recognised in income	Recognised in OCI	Balance at 31 December
2024	€m	€m	€m	€m	€m
Assets					
Lease liabilities	7.6	-	(3.6)	-	4.0
ESB pension scheme	17.7	-	(8.3)	-	9.4
Provisions	1.7	-	-	-	1.7
Derivative financial instruments	21.1	-	-	(21.1)	-
Total deferred tax assets	48.1	-	(11.9)	(21.1)	15.1
Liabilities					
Property, plant and equipment	425.1	-	15.3	-	440.4
Right-of-use assets	7.5	-	(3.8)	-	3.7
Derivative financial instruments	20.3	-	-	(19.8)	0.5
Capital gains tax	1.2	-	-	-	1.2
Total deferred tax liabilities	454.1	-	11.5	(19.8)	445.8
Net deferred tax (liability) / asset	(406.0)	-	(23.4)	(1.3)	(430.7)

22. TAXATION (continued)

	Balance at 1 January	IAS 12 amendment	Recognised in income	Recognised in OCI	Balance at 31 December
2023	€m		€m	€m	€m
Assets					
Lease liabilities	-	7.6	-	-	7.6
ESB pension scheme	25.8	-	(8.1)	-	17.7
Borrowings	1.7	-	-	-	1.7
Derivative financial instruments	12.6	-	-	8.5	21.1
Total deferred tax assets	40.1	7.6	(8.1)	8.5	48.1
Liabilities					
Property, plant and equipment	422.0	(0.1)	3.2	-	425.1
Right-of-use assets	-	7.7	(0.2)	-	7.5
Derivative financial instruments	12.1	-	-	8.2	20.3
Capital gains tax	1.2	-	-	-	1.2
Total deferred tax liabilities	435.3	7.6	3.0	8.2	454.1
Net deferred tax (liability) / asset	(395.2)	-	(11.1)	0.3	(406.0)

23. BORROWINGS AND OTHER DEBT

	Recourse borrowings	Non-recourse borrowings	2024 Total	Recourse borrowings	Non-recourse borrowings	2023 Total
Group	€m	€m	€m	€m	€m	€m
Current borrowings						
▪ Repayable by instalments	59.0	-	59.0	63.7	-	63.7
▪ Repayable other than by instalments	-	421.2	421.2	300.0	-	300.0
Total current borrowings	59.0	421.2	480.2	363.7	-	363.7
Non-current borrowings						
▪ Repayable by instalments						
- Between one and two years	50.2	-	50.2	58.0	-	58.0
- Between two and five years	78.8	-	78.8	97.1	-	97.1
- After five years	103.0	-	103.0	132.8	-	132.8
	232.0	-	232.0	287.9	-	287.9
▪ Repayable other than by instalments						
- Between one and two years	-	481.4	481.4	-	401.0	401.0
- Between two and five years	1,493.5	-	1,493.5	995.4	458.2	1,453.6
- After five years	4,317.0	420.9	4,737.9	4,792.4	400.1	5,192.5
▪ Fair value hedge adjustment	60.1	-	60.1	40.4	-	40.4
	5,870.6	902.3	6,772.9	5,828.2	1,259.3	7,087.5
Total non-current borrowings	6,102.6	902.3	7,004.9	6,116.1	1,259.3	7,375.4
Total borrowings outstanding	6,161.6	1,323.5	7,485.1	6,479.8	1,259.3	7,739.1

See section (b) for details of applicable interest rates.

Notes to the Financial Statements (continued)

23. BORROWINGS AND OTHER DEBT (continued)

Current borrowings by facility

	Ref	2024 €m	2023 €m
ESB Eurobonds	1	-	300.0
Non-recourse NIE Networks Sterling bonds	2	421.2	-
Bank borrowings	3	59.0	63.7
		480.2	363.7

Non-current borrowings by facility

	Ref	2024 €m	2023 €m
ESB Eurobonds	1	5,657.8	5,634.8
Non-recourse NIE Networks Sterling bonds	2	902.3	1,259.3
Bank borrowings	3	384.7	440.9
Fair value hedge adjustment	4	60.1	40.4
		7,004.9	7,375.4

None of the borrowings are secured against the Group assets.

ESB was rated A- from Standard & Poor's and A3 (equivalent to A-) from Moody's at 31 December 2023 and 31 December 2024. Both Standard & Poor's and Moody's changed their outlook on ESB from Stable to Positive during 2024.

1. ESB Eurobonds

The table below provides details of ESB Eurobonds (all listed) included in borrowings at 31 December 2024:

Issuer	Value	Issue Date	Tenor	Coupon
ESB Finance DAC	Euro €500.0 million	June 2015	12 years	2.125%
ESB Finance DAC	Euro €600.0 million	June 2016	15 years	1.875%
ESB Finance DAC	Euro €500.0 million	January 2017	12 years	1.750%
ESB Finance DAC	Euro €500.0 million	November 2018	15 years	2.125%
ESB Finance DAC	Euro €100.0 million	April 2019	25 years	2.000%
ESB Finance DAC	Euro €700.0 million (Green bond)	June 2019 / July 2020	11 years	1.125%
ESB Finance DAC	Stg £325.0 million	January 2020	15 years	1.875%
ESB Finance DAC	Euro €500.0 million (Green bond)	January 2022	12 years	1.000%
ESB Finance DAC	Euro €550.0 million	November 2022	10 years	4.000%
ESB Finance DAC	Euro €350.0 million	January 2023	20 years	3.750%
ESB Finance DAC	Euro €500.0 million (Green bond)	October 2023	12.4 years	4.250%
ESB Finance DAC	Euro €500.0 million	October 2023	5 years	4.000%

€300.0 million was repaid in January 2024.

23. BORROWINGS AND OTHER DEBT (continued)

2. Non-recourse NIE Networks Sterling Bonds

The table below provides details of non-recourse NIE Networks sterling bonds included in borrowings at 31 December 2024:

Issuer	Value	Issue Date	Tenor	Coupon
NIE Networks Limited	Stg £400.0 million	June 2011	15 years	6.375%
NIE Networks Limited	Stg £350.0 million	September 2018	7 years	2.500%
NIE Networks Limited	Stg £350.0 million	November 2022	10.1 years	5.875%

3. Bank borrowings

The table below provides details of bank borrowings included in borrowings (excluding adjustments for amortised fees) at 31 December 2024:

	Balance at 31 December 2024	Balance at 31 December 2023
€200.0 million European Investment Bank (EIB) to support renewable connections to the electricity network in the southwest of Ireland	Euro €120.0 million	Euro €131.7 million
Other long term bank borrowings of floating rate debt borrowed on a bilateral basis (apart from the above €200.0 million)	Euro €33.9 million	Euro €51.8 million
€450.0 million European Investment Bank (EIB) to support the roll out of Smart Meters in Ireland	Euro €150.0 million	Euro €150.0 million
€1.4 billion Sustainability Linked Revolving Credit (with a syndicate of 13 banks)	Euro €0 million	Euro €0 million
Other EIB fixed rate debt	Euro €140.1 million	Euro €172.6 million

A €200.0 million facility with the European Investment Bank (EIB) was agreed in 2013 and 2014 to support renewable connections to the electricity network in the southwest of Ireland. The balance due to be repaid is €120.0 million as at 31 December 2024 (2023: €131.7 million).

A €450.0 million facility with the European Investment Bank (EIB) to support the roll out of Smart Meters in Ireland has been agreed. €150.0 million of this facility is drawn down at 31 December 2024 (2023: €150.0 million).

In 2020, ESB entered into a €1.4 billion Sustainability Linked Revolving Credit Facility up to February 2027 with a group of thirteen international banks. There has been no drawdown of this facility as at 31 December 2024 (2023: €nil million).

In December 2022, ESB entered into a new £750.0 million Revolving Credit Facility with a group of six international banks. The facility matured in June 2024.

Certain facilities have conditions which require ESB to maintain certain financial covenants. In the opinion of the members of the Board, at 31 December 2024 ESB is fully in compliance with all the covenant requirements associated with these facilities.

Notes to the Financial Statements (continued)

23. BORROWINGS AND OTHER DEBT (continued)

4. Fair value hedge adjustment

In September 2023, ESB entered into an interest rate swap maturing in March 2036. ESB designated the interest rate swap in a fair value hedge of the benchmark interest risk of a fixed rate debt. Adjustment to borrowings for Fair Value hedge accounting as at 31 December 2024 is €60.1 million (2023: €40.4 million).

	Recourse Borrowings	
	2024 Total €m	2023 Total €m
Parent		
Current borrowings		
▪ Repayable by instalments	59.0	63.7
Total current borrowings	59.0	63.7
Non-current borrowings		
▪ Repayable by instalments		
- Between one and two years	50.2	58.0
- Between two and five years	78.8	97.1
- After five years	103.0	132.8
	232.0	287.9
▪ Repayable other than by instalments		
- After five years	150.0	150.0
- Fair value hedge adjustment	60.1	40.4
	210.1	190.4
Total non-current borrowings	442.1	478.3
Total borrowings outstanding	501.1	542.0

(a) Funding and liquidity management

The principal liquidity risks faced by the Group relate to cash flow requirements arising from day-to-day operations, maturing debt obligations and the funding of capital investment programmes. The Group's treasury function manages this risk through a combination of liquid investments, cash and cash equivalents and undrawn committed bank facilities. The Group negotiates facilities with relationship banks and debt capital markets to pre-fund, or pre-hedge, any funding requirements arising from maturing debt, capital expenditure and general business requirements.

At 31 December 2024 the Group had almost €2.5 billion available in cash or cash equivalents (excluding restricted cash) and committed bank facilities, ensuring liquidity demands can be met as required. The committed bank facilities include a syndicated loan facility with a large number of well-rated financial institutions, which is fully undrawn and available to draw down at 31 December 2024, and a €450.0 million facility from the European Investment Bank to support the roll out of Smart Meters in the Republic of Ireland, of which €150.0 million has been drawn down at 31 December 2024 (2023: €150.0 million) and a further €218.0 million is available to draw down at 31 December 2024.

The Group's debt management strategy targets a debt portfolio profile with a diverse mix of counterparties, funding sources and maturities. Structured non-recourse and limited recourse financing is used where appropriate, taking into account both funding costs and risk mitigation.

23. BORROWINGS AND OTHER DEBT (continued)

The maturity profile of the carrying amount of the Group's borrowings, and the expiry of material undrawn committed bank borrowing facilities are as follows:

Maturing	Drawn Debt - Group		Drawn Debt - Parent		Undrawn Facility - Group and Parent	
	2024 €m	2023 €m	2024 €m	2023 €m	2024 €m	2023 €m
In one year or less	480.2	363.7	59.0	63.7	-	862.6
Between one and two years	531.6	459.0	50.2	58.0	-	-
Between two and five years	1,572.3	1,550.7	78.8	97.1	1,400.0	1,400.0
In more than five years	4,901.0	5,365.7	313.1	323.2	300.0	300.0
	7,485.1	7,739.1	501.1	542.0	1,700.0	2,562.6

The following table sets out the contractual maturities of Group borrowings, including the associated interest payments. Borrowings with a carrying value of €6,984.0 million (31 December 2023: €7,197.0 million) relate to borrowings of subsidiaries in the Group.

	Carrying amount €m	Contractual cash outflows / (inflows) - net €m	Within 1 year €m	1-2 years €m	2-5 years €m	More than 5 years €m
31 December 2024						
Recourse borrowings	6,161.6	7,406.7	209.0	198.2	1,973.1	5,026.4
Non-recourse borrowings	1,323.5	1,598.9	488.7	538.6	74.5	497.1
Total borrowings	7,485.1	9,005.6	697.7	736.8	2,047.6	5,523.5
31 December 2023						
Recourse borrowings	6,479.8	7,899.1	516.4	207.6	1,525.1	5,650.0
Non-recourse borrowings	1,259.3	1,586.2	63.1	465.6	560.4	497.1
Total borrowings	7,739.1	9,485.3	579.5	673.2	2,085.5	6,147.1

(b) Interest rate risk management

The Group's interest rate policy was updated in 2021 and the target is to have a significant majority of its debt at fixed interest rate to maturity, with a minimum of 60% fixed at all times. This is achieved either by borrowing directly at fixed interest rates or via interest rate swaps. At 31 December 2024, 92% of the Group's debt was fixed and 8.0% floating (31 December 2023: 92.0% and 8.0% respectively). The fair value of interest rate swaps is disclosed in note 24.

Notes to the Financial Statements (continued)

23. BORROWINGS AND OTHER DEBT (continued)

In respect of interest bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date taking into account the effect of interest rate swaps:

	Effective interest rate	Total	Within 1 year	1-2 years	2-5 years	More than 5 years
	%	€m	€m	€m	€m	€m
2024						
Non-recourse borrowings (fixed interest rate)	4.98%	1,323.5	421.2	481.4	-	420.9
Other long-term borrowings (fixed and variable interest rate)	2.59%	6,161.6	59.0	50.2	1,572.3	4,480.1
		7,485.1	480.2	531.6	1,572.3	4,901.0
	Effective interest rate	Total	Within 1 year	1-2 years	2-5 years	More than 5 years
	%	€m	€m	€m	€m	€m
2023						
Non-recourse borrowings (fixed interest rate)	4.98%	1,259.3	-	401.0	458.2	400.1
Other long-term borrowings (fixed and variable interest rate)	2.53%	6,479.8	363.7	58.0	1,092.5	4,965.6
		7,739.1	363.7	459.0	1,550.7	5,365.7

Included within other long-term borrowings in this analysis are floating rate liabilities of €593.9 million (31 December 2023: €618.5 million).

In managing interest rate risk, the Group aims to reduce the impact of short-term fluctuations on the Group's earnings. Over the longer term, however, changes in interest rates will have an impact on consolidated earnings. It is estimated that a general increase of 50 basis points in interest rates (and corresponding real interest rates) for the year would have increased profit before taxation and reduced equity by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant, including the assumption that there is no change in inflation rates.

	31 December 2024		31 December 2023	
	50 bp increase gain / (loss)	50 bp decrease gain / (loss)	50 bp increase gain / (loss)	50 bp decrease gain / (loss)
	€ m	€ m	€ m	€ m
Profit before taxation				
Interest payable	(3.0)	3.0	(3.1)	3.1
Fair value movements on financial instruments	(25.5)	27.0	(26.8)	28.5
Other comprehensive income				
Fair value (losses) / gains	-	-	-	-

- The following assumptions were made in respect of the sensitivity analysis above:
- the balance sheet sensitivity to interest rates analysis relates only to derivative financial instruments;
 - the sensitivity of accrued interest to movements in interest rates is calculated on net floating rate exposures on debt, deposits and derivative instruments;
 - derivatives designated as cash flow hedges against movements in interest rates are assumed to be fully effective, recorded fully within equity with no impact on the income statement;
 - changes in the carrying value of derivative financial instruments not in hedging relationships affect the income statement only; and
 - the floating leg of any swap or any floating rate debt is treated as not having any interest rate already set, therefore a change in interest rates affects a full 12-month period for the accrued interest portion of the sensitivity calculations.

23. BORROWINGS AND OTHER DEBT (continued)

(c) Reconciliation of external borrowings Group

	Balance at 1 January	Proceeds	Repayments	Effects of foreign exchange	Other	Balance at 31 December
	€m	€m	€m	€m	€m	€m
2024						
Debt Facilities						
ESB Eurobonds	5,934.8	-	(300.0)	18.4	4.6	5,657.8
Non-recourse NIE Networks Eurobonds	1,259.3	-	-	62.8	1.4	1,323.5
Bank borrowings	545.0	-	(64.3)	2.1	21.0	503.8
Total	7,739.1	-	(364.3)	83.3	27.0	7,485.1

	Balance at 1 January	Proceeds	Repayments	Effects of foreign exchange	Other	Balance at 31 December
	€m	€m	€m	€m	€m	€m
2023						
Debt Facilities						
ESB Eurobonds	4,590.8	1,337.3	-	6.3	0.4	5,934.8
Non-recourse NIE Networks Eurobonds	1,236.4	-	-	22.0	0.9	1,259.3
Bank borrowings	798.3	734.5	(1,030.8)	1.0	42.0	545.0
Private placement borrowings	267.3	-	(258.6)	(8.7)	-	-
Total	6,892.8	2,071.8	(1,289.4)	20.6	43.3	7,739.1

Parent

	Balance at 1 January	Proceeds	Repayments	Effects of foreign exchange	Other	Balance at 31 December
	€m	€m	€m	€m	€m	€m
2024						
Debt Facilities						
Bank borrowings	542.0	-	(64.3)	2.1	21.3	501.1
Total	542.0	-	(64.3)	2.1	21.3	501.1

	Balance at 1 January	Proceeds	Repayments	Effects of foreign exchange	Other	Balance at 31 December
	€m	€m	€m	€m	€m	€m
2023						
Debt Facilities						
Bank borrowings	798.2	734.5	(1,030.8)	1.0	39.1	542.0
Private placement borrowings	267.3	-	(258.6)	(8.7)	-	-
Total	1,065.5	734.5	(1,289.4)	(7.7)	39.1	542.0

24. DERIVATIVE FINANCIAL INSTRUMENTS

(a) Fair value by class of derivative financial instrument

Derivative financial instruments are carried at fair value. The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The method used to calculate the fair value of the Group's financial instruments is discounted cash flow analysis, using a zero-coupon discount rate and reflecting counterparty credit risk. This method enables the Group to discount the cash flows at a rate equal to the prevailing market rate of interest taking into account maturity and credit margin.

Notes to the Financial Statements (continued)

24. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

The fair values of financial instruments, grouped by class of instrument, are as follows:

Group

	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Total
2024	€m	€m	€m	€m	€m
Interest rate swaps	69.3	-	-	(8.0)	61.3
Inflation linked interest rate swaps	-	-	(320.2)	(1.5)	(321.7)
Currency swaps	-	-	(14.8)	-	(14.8)
Foreign exchange contracts	1.9	20.5	(1.9)	(5.9)	14.6
Forward fuel price contracts	44.7	232.7	(13.1)	(97.5)	166.8
Total	115.9	253.2	(350.0)	(112.9)	(93.8)

	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Total
2023	€m	€m	€m	€m	€m
Interest rate swaps	63.5	-	(13.5)	-	50.0
Inflation linked interest rate swaps	-	-	(337.9)	(4.0)	(341.9)
Currency swaps	-	-	(9.1)	-	(9.1)
Foreign exchange contracts	1.1	16.4	(1.8)	(6.3)	9.4
Forward fuel price contracts	99.0	328.3	(44.5)	(385.5)	(2.7)
Total	163.6	344.7	(406.8)	(395.8)	(294.3)

Parent

	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Total
2024	€m	€m	€m	€m	€m
Interest rate swaps	69.2	8.0	-	(8.0)	69.2
Currency swaps	-	-	(14.8)	-	(14.8)
Foreign exchange contracts	1.6	20.9	(1.9)	(5.9)	14.7
Forward fuel price contracts	15.8	111.6	(12.8)	(92.4)	22.2
Total	86.6	140.5	(29.5)	(106.3)	91.3

	Non-current assets	Current assets	Non-current liabilities	Current liabilities	Total
2023	€m	€m	€m	€m	€m
Interest rate swaps	76.8	-	(13.4)	(0.1)	63.3
Currency swaps	-	-	(9.2)	-	(9.2)
Foreign exchange contracts	1.1	21.1	(1.9)	(6.4)	13.9
Forward fuel price contracts	78.9	310.1	(42.2)	(359.8)	(13.0)
Total	156.8	331.2	(66.7)	(366.3)	55.0

The Group decides at inception whether to designate financial instruments into hedge relationships for certain arrangements that meet the specific hedging accounting criteria of IFRS 9.

(i) Interest rate swaps ('IRS')

The Group has executed interest rate swaps of Stg £488.0 million (2023: Stg £488.0 million) in connection with a certain portion of its borrowings held by the Parent and ESB Finance DAC.

For interest rate swaps, the fair value takes into account the fixed, floating and market rates prevailing at the balance sheet date. As interest rate swaps are marked to market at 31 December 2024, their carrying value is equal to their fair value.

24. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

The fair value of the interest rate swaps has increased by €11.3 million (31 December 2023: increase of €74.7 million). ESB receives a fixed rate and pays variable under the instruments. The fair value movement reflects positive mark to market movements in the underlying swaps during the year, resulting from a rising interest rate environment. No ineffectiveness under the meaning of IFRS 9 arose on the interest swaps during the year (2023: €nil).

(ii) Inflation linked interest rate swaps

Inflation linked interest rate swaps with a fair value on acquisition of €272.5 million were acquired in December 2010 as part of the purchase of the NIE Networks business. The inflation linked interest rate swaps did not qualify for hedge accounting under IFRS 9 on acquisition of the NIE Networks business. The fair value of the inflation linked interest rate swaps is affected by relative movements in interest rates and in market expectations of future retail price index (RPI) movements in the UK.

On 12 April 2021 the Group, and its counterparty banks, together agreed a restructuring of the swaps, including amendments to certain terms. These changes included an extension of the date of the mandatory early termination clause (as defined in executed term sheet) from 22 June 2022 to 22 December 2025 for the swaps maturing 22 December 2036. The restructuring also included amendments to the fixed interest rate element of the swaps, and a change to the number of swap counterparties.

In January 2025, the Group entered into offsetting financial instruments to manage the risk of the existing inflation linked interest rate swaps, and reduce associated fair value volatility, going forward. As these instruments were executed after the year end, no adjustments were required to be made for the 2024 financial statements.

Arising from movements in forward interest rates, UK RPI forward prices, foreign currency exchange rates and payments during the year, the fair value of the liability has decreased by €20.2 million on these swaps in the year ended 31 December 2024 (2023: fair value of the liability decreased by €220.6 million). The movement reflects positive mark to market movements in the underlying swaps of €35.4 million (2023: negative movement (€37.7) million), reflected in finance costs in the income statement (note 9) and total payments of €1.4 million (2023: €269.1 million (which includes €265.5 million accretion payment)) arising under the swaps during the year. In addition, negative translation movements of (€16.6) million (2023: negative translation movements of (€10.8) million) during the year on translation of the swaps from sterling to euro are reflected in the OCI.

(iii) Currency swaps

The fair value of the currency swaps is affected by movements in foreign exchange and interest rates. ESB's currency swaps are primarily classified as cash flow hedges and relate to funding performed in one currency with full or partial underlying requirements in another currency. ESB had a portfolio of EUR USD cross-currency swaps entered into in connection with the private placement debt, which is described in note 22 of the 2023 consolidated financial statements. These cross-currency swaps were entered into in order to swap US dollar and sterling interest and principal repayments on the underlying debt to euro, thereby hedging the risk on these payments over the years to maturity from 2010 to 2023. The private placement debt amount of EUR equivalent €242.0 million matured in 2023. The cross-currency swaps entered into in connection with the private placement debt also matured simultaneously.

Similarly, ESB has a portfolio of EUR GBP cross-currency swaps entered into in connection with euro monies raised in public capital markets. These cross-currency swaps were entered into in order to swap Euro and Sterling interest and principal repayments on the underlying debt to sterling, thereby hedging the risk on these payments over the years to maturity from 2018 to 2032.

The fair value of the cross-currency interest rate swaps has decreased by €5.7 million (2023: fair value decreased by €25.6 million), the movement reflects negative mark to market movements during the year.

No ineffectiveness under the meaning of IFRS 9 arose on the currency swaps during the year (2023: €nil). Separately included in the income statement for the year 31 December 2024 is a loss of €23.4 million (2023: loss of €25.8 million) arising on cross currency swaps which is substantially offset by movements in the translation of the underlying hedged foreign currency borrowings at the prevailing exchange rates.

(iv) Foreign exchange contracts

In addition to foreign exchange contracts entered into in relation to the Group's borrowings, the Group has entered into foreign exchange contracts in relation to energy costs, Long Term Service Agreements (LTSA's) and fuel purchase requirements (which are in US dollar and sterling). These contracts have maturities extending until 2028. Total positive fair value movements of €5.2 million (2023: positive movements of €35.9 million) were recognised during the year in relation to such foreign exchange contracts, of which a fair value movement of €nil (2023: €nil) was recognised through OCI and a positive fair value movement of €5.2 million (2023: positive movement of €35.9 million) was recognised in the income statement.

(v) Forward fuel price contracts

The Group enters into forward fuel price contracts for gas, coal and carbon. Commodity contracts which are not designated as own use contracts are accounted for as trading derivatives and are recognised in the balance sheet at fair value (see note 1 (xiii)).

Notes to the Financial Statements (continued)

24. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Total positive fair value movements of €169.5 million (31 December 2023: positive movement of €25.8 million) were recognised during the year consisting of a positive fair value movement of €55.4 million (31 December 2023: negative movement of €20.0 million) recognised in the income statement, a positive fair value movement of €114.1 million (31 December 2023: positive movement of €40.1 million) recognised through OCI and settlements of €nil (31 December 2023: €5.7 million).

Further information on the methods of valuing financial instruments is included in note 30.

(b) Funding and liquidity management - maturity of derivative financial instruments

The following table sets out the contractual maturities of derivative financial instruments, including the associated undiscounted net cash flows attributable to them. These derivative financial instruments are expected to impact profit or loss over a time period similar to the cash outflows. Net derivative financial instrument liabilities of €185.1 million (2023: €349.3 million) are included in the Group balances below, but do not comprise part of the Parent's assets and liabilities as they are not held directly by the Parent. See note 30 (b) for further analysis of Group and Parent financial assets and liabilities.

	Carrying amount €m	Contractual cash inflows / (outflows) - net €m	Within 1 year €m	1-2 years €m	2-5 years €m	More than 5 years €m
31 December 2024						
Interest rate swaps	69.3	142.8	21.9	33.4	31.9	55.6
Currency swaps	-	8.2	-	-	-	8.2
Foreign exchange contracts	22.4	22.4	20.6	1.3	0.5	-
Forward fuel price contracts	277.4	278.4	231.5	42.4	4.5	-
Total assets	369.1	451.8	274.0	77.1	36.9	63.8
Interest rate swaps	(8.0)	(11.3)	(10.7)	(0.6)	-	-
Inflation linked interest rate swaps	(321.7)	(331.3)	(134.2)	(51.5)	(89.0)	(56.6)
Currency swaps	(14.8)	(22.1)	(8.5)	(6.0)	(7.6)	-
Foreign exchange contracts	(7.9)	(7.7)	(5.5)	(1.6)	(0.6)	-
Forward fuel price contracts	(110.5)	(110.0)	(96.9)	(11.0)	(2.1)	-
Total liabilities	(462.9)	(482.4)	(255.8)	(70.7)	(99.3)	(56.6)
Net derivative assets / (liabilities)	(93.8)	(30.6)	18.2	6.4	(62.4)	7.2
31 December 2023						
Interest rate swaps	63.5	136.7	10.2	18.7	40.8	67.0
Currency swaps	-	6.0	-	-	-	6.0
Foreign exchange contracts	17.5	18.6	18.6	-	-	-
Forward fuel price contracts	427.3	427.6	327.6	88.0	12.0	-
Total assets	508.3	588.9	356.4	106.7	52.8	73.0
Interest rate swaps	(13.5)	(27.4)	(21.6)	(5.8)	-	-
Inflation linked interest rate swaps	(341.9)	(357.5)	(4.2)	(13.3)	(50.0)	(290.0)
Currency swaps	(9.1)	(12.4)	(4.8)	(3.9)	(3.7)	-
Foreign exchange contracts	(8.1)	(9.5)	(7.3)	(1.4)	(0.8)	-
Forward fuel price contracts	(430.0)	(430.1)	(385.6)	(42.0)	(2.5)	-
Total liabilities	(802.6)	(836.9)	(423.5)	(66.4)	(57.0)	(290.0)
Net derivative assets / (liabilities)	(294.3)	(248.0)	(67.1)	40.3	(4.2)	(217.0)

24. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

(c) Hedging Reserves

The Group's hedging reserves movements relate to the following hedging instruments:

2024

	Cash flow hedging reserve ¹				Total €m
	Cross-currency interest rate swaps €m	Interest rate swaps €m	Foreign exchange contracts €m	Forward fuel price contracts ² €m	
Hedging reserve (gains) / losses					
Net fair value movements	10.1	-	(5.0)	(114.1)	(109.0)
Net fair value movements for equity accounted investees	-	4.7	-	-	4.7
Transfers to the income statement	(22.6)	-	-	-	(22.6)
Tax movements	2.2	(0.4)	-	21.5	23.3
Total (gains) / losses	(10.3)	4.3	(5.0)	(92.6)	(103.6)

2023

	Cash flow hedging reserve ¹				Total €m
	Cross-currency interest rate swaps €m	Interest rate swaps €m	Foreign exchange contracts €m	Forward fuel price contracts ² €m	
Hedging reserve (gains) / losses					
Net fair value movements	30.7	-	-	(40.1)	(9.4)
Net fair value movements for equity accounted investees	-	52.8	6.2	-	59.0
Transfers to the income statement	(34.6)	-	-	-	(34.6)
Tax movements	0.5	(13.3)	-	5.0	(7.8)
Total (gains) / losses	(3.4)	39.5	6.2	(35.1)	7.2

1 The cash flow hedge reserve includes a gain of €0.5 million (2023: €1.2 million loss) relating to hedging.
2 Contracts that link the forward electricity price more closely with forward fuel prices are presented net in forward fuel price contracts at 31 December 2024.

Hedge effectiveness

Hedge effectiveness is determined at the inception of the hedge relationship and through twice annual prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and the hedging instrument.

Foreign exchange contracts

For hedges of foreign currency purchases, the Group enters into hedge relationships where the critical terms of the hedging instrument match exactly with the terms of the hedged item. The Group performs a qualitative assessment of effectiveness. If changes in circumstances affect the terms of the hedged item such that the critical terms no longer match exactly with the critical terms of the hedging instrument, the Group uses the hypothetical derivative method to determine ineffectiveness.

In hedges of foreign currency purchases, ineffectiveness may arise if the timing of the forecast transaction changes from what was originally estimated, or if there are changes in credit risk.

Forward fuel and electricity contracts

For hedges of forward fuel and electricity contracts, the Group enters into hedge relationships where the critical terms of the hedging instrument match with the terms of the hedged item. Ineffectiveness may arise if the timing or quantity of the forecast transaction changes from what was originally estimated, or if there are changes in credit risk. Hedge ineffectiveness for forward fuel and electricity contracts is measured using the hypothetical derivative method.

Within its regular course of business, the Group routinely enters into sale and purchase contracts for commodities, including gas and electricity. Where the contract was entered into and continues to be held for the purposes of receipt or delivery of the commodities in accordance with the Group's expected sale, purchase or usage requirements, the contracts are designated as own use contracts and are accounted for as executory contracts. These contracts are therefore not within the scope of IFRS 9 - Financial Instruments.

Notes to the Financial Statements (continued)

24. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Cross-currency interest rate swaps

The Group enters into cross-currency interest rate swaps that have similar critical terms as the hedged item, such as reference rate, payment dates, maturities and notional amount. The hedged item is identified as a proportion of the outstanding amount up to the notional amount of the swaps. Hedge ineffectiveness for interest rate swaps is measured using the same principles as for hedges of foreign exchange contracts. It may occur primarily due to differences in critical terms between the cross currency-interest rate swaps and the loans.

(d) Effects of hedge accounting on the financial position and performance

The effects of the hedging instruments for which hedge accounting has been used (before taxation) on the Group's financial position and performance are as follows:

2024

	USD - Cross-currency interest rate swaps (Level 2) ¹	GBP-Cross-currency interest rate swaps (Level 2)	EUR - Interest rate swap (Level 2) ²	Forward fuel price contracts - Gas (Level 3) ³	Forward electricity price contracts (Level 3) ³
Carrying amount unit	€m	€m	€m	€m	€m
Carrying amount - asset / (liability) as at 31 December 2024	-	(14.8)	60.1	(204.0)	341.9
Notional unit	\$m	£m	€m	Gwh	Gwh
Notional amount	-	333.5	500.0	5.1	5.1
Maturity date - earliest	Dec-23	Nov-28	Mar-36	Jan-24	Jan-24
Maturity date - latest	Dec-23	May-32	Mar-36	Dec-26	Dec-26
Hedge ratio ⁴	1:1	1:1	1:1	1:1	1:1
Change in fair value unit	€m	€m	€m	€m	€m
Change in fair value of outstanding hedging instruments since 1 January	-	(5.6)	19.8	445.1	(330.8)
Change in value of hedged item used to determine hedge effectiveness	-	5.6	(19.8)	445.1	(330.8)
Unit of rate / price	FX rate	FX rate	Interest rate %	€/Mwh	€/Mwh
Weighted average hedged rate / price	0.00	4.13%/0.8734	4.25%	178.9	178.9

2023

	USD - Cross-currency interest rate swaps (Level 2) ¹	GBP-Cross-currency interest rate swaps (Level 2)	EUR - Interest rate swap (Level 2) ²	Forward fuel price contracts - Gas (Level 3) ³	Forward electricity price contracts (Level 3) ³
Carrying amount unit	€m	€m	€m	€m	€m
Carrying amount - asset / (liability) as at 31 December 2023	-	(9.1)	40.4	(661.3)	685.1
Notional unit	\$m	£m	€m	Gwh	Gwh
Notional amount	-	335.5	500.0	6.0	6.8
Maturity date - earliest	Dec-23	Nov-28	Mar-36	Jan-24	Jan-24
Maturity date - latest	Dec-23	May-32	Mar-36	Dec-26	Dec-26
Hedge ratio ⁴	1:1	1:1	1:1	1:1	1:1
Change in fair value unit	€m	€m	€m	€m	€m
Change in fair value of outstanding hedging instruments since 1 January	(14.4)	(3.7)	40.4	(442.1)	486.5
Change in value of hedged item used to determine hedge effectiveness	14.4	3.7	(40.4)	(442.1)	484.4
Unit of rate / price	FX rate	FX rate	Interest rate %	€/Mwh	€/Mwh
Weighted average hedged rate / price	0.00	4.07%/0.8726	4.25%	198.7	206.2

1 The private placement USD cross-currency interest rate swap matured on 15 December 2023.
2 ESB Group entered into a new swap in 2023.
3 Weighted average hedged rate / price is not applicable to the Level 3 contracts above. Level 3 hedge instruments link electricity more closely to fuel inputs.
4 The hedge ratio is the quantity of hedging instrument per quantity of hedged item. The appropriate hedge ratio is determined based on specific factors such as volumes of commodities required, contracted foreign exchange and interest rate exposures.

25. PENSION LIABILITIES

The Group operates a number of pension schemes for staff in both the Republic of Ireland, Northern Ireland and Great Britain (GB). Pension arrangements in respect of staff in the Republic of Ireland including ESB employees seconded overseas are set out in section (a) below. Pension arrangements in respect of staff in the GB and Northern Ireland are described in section (b) and (c).

(a) Parent and Group - Republic of Ireland

(i) ESB Defined Benefit Pension Scheme (The Scheme)

The ESB Defined Benefit Pension Scheme is a contributory pension scheme with just under 12,000 members. The Scheme was closed to new members in 2011.The fund is vested in Trustees nominated by ESB and its members for the sole benefit of the Scheme's members and their dependants. The Scheme is a defined benefit Scheme and is registered as such with the Pensions Authority.

The regulations governing the Scheme stipulate the benefits that are to be provided and the contributions to be paid by both ESB and the contributing members. Notwithstanding the defined benefit nature of the benefits, ESB has no legal obligation to increase contributions to maintain those benefits in the event of a deficit. ESB's rate of contribution cannot be altered without the agreement of ESB and approval of the Minister for Climate, Environment and Energy and the Minster for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation. Should a deficit arise in the future, ESB is obliged under the regulations to consult with the Trustees and the Scheme Actuary to consider the necessity of submitting an amending Scheme for Ministerial approval. This is different to the normal 'balance of cost' defined benefit approach, where the employer is liable to pay the balance of contributions required to fund benefits.

History

Historically the contributions of both ESB and members have been fixed by the Scheme regulations for long periods. On a number of occasions since the early 1980s, a deficit in the Scheme has been reported by the Scheme Actuary. On each occasion ESB has, in accordance with its obligations under the Scheme rules, consulted with the Committee¹, the Trustees and the Actuary. Following discussions with the unions, deficits were resolved by increasing contributions by both ESB and pension Scheme members.

Under an agreement with the ESB Group of Unions in 2010, ESB agreed to a once off cash injection into the Scheme, payable over a number of years, which had an agreed valuation for actuarial purposes as at 1 January 2010 of €591.0 million. In 2020, the remaining balance of this amount was paid to the Trustees of the Scheme by ESB. ESB does not intend that any further contributions, other than the normal ongoing contributions currently provided for under the Scheme regulations will be made.

1 The Superannuation Committee was dissolved in June 2024 in line with IORP regulations and Statutory Instrument 289/2024.

Ongoing Actuarial Valuations

There are three different methods of assessing the financial status of the Scheme:

- Ongoing Actuarial Valuation.
- Minimum Funding Standard, under the Pensions Act.
- Accounting, as set out in International Accounting Standard 19, Employee Benefits.

Each of these methods assesses the Scheme from specific perspectives using assumptions and projections which may differ.

Ongoing Actuarial Valuation

This valuation method assumes that both the Scheme and ESB continue in existence for the foreseeable future - it is not a wind-up valuation. As part of the triennial valuation carried out as at the end of 2023 and the interim valuation at the end of September 2024, the Scheme Actuary confirmed that the Scheme remained broadly in balance on an ongoing actuarial basis, i.e. that based on the assumptions made, the Scheme is projected to be able to meet its obligations as they fall due.

Wind Up / Minimum Funding Standard Valuation

The Pensions Act requires the Trustees of the Scheme to also assess whether it could meet a certain prescribed standard, known as the Minimum Funding Standard (MFS). This assesses whether, if the Scheme were wound up on a specified theoretical valuation date, it could secure the benefits on that date. It should be noted that ESB does not envisage the winding up of the Scheme.

The MFS and MFS Risk Reserve are monitored by both the Scheme Actuary and Trustees and the Scheme Actuary confirmed that at the end of 2023 and at the end of September of 2024, the Scheme met both the MFS and MFS Risk Reserve requirements.

Notes to the Financial Statements (continued)

25. PENSION LIABILITIES (continued)

Accounting

IAS 19 (revised) Employee Benefits is the relevant accounting standard to determine the way post-employment benefits should be reflected in ESB's financial statements.

The financial statements reflect the following obligations to the Scheme:

- Ongoing contributions - these are recognised in the income statement as incurred. Any unpaid amounts at year end are recognised as liabilities on the balance sheet.
- Obligations of €74.2 million (2023: €83.1 million) to the Scheme are also included on the balance sheet, made up of:
 - Past service contributions – the on-going rate of contribution by ESB includes a contribution towards past service accrued in 2010. The present value of future contributions in respect of that past service are recognised on the balance sheet. Amounts yet to be paid are subject to an annual financing charge and this is expensed in the income statement.
 - Past Voluntary Severance (VS) Programmes – in 2010 ESB recognised a future fixed commitment in respect of staff who had left ESB under previous VS programmes. ESB will make pension contributions in respect of those staff and the fair value of those future contributions are also recognised on the balance sheet. Amounts yet to be paid are subject to an annual financing charge and this is expensed in the income statement.

(ii) ESB Defined Contribution Pension Scheme

ESB also operates an approved defined contribution scheme (called the ESB Defined Contribution Pension Scheme) for employees of ESB subsidiary companies in the Republic of Ireland and, from 1 November 2010, new staff of ESB (the parent company). Contributions are paid by the members and the employer at fixed rates. The benefits secured at retirement reflect each employee's accumulated fund and the cost of purchasing benefits at that time. Death benefits are insured on a Group basis and may be paid in the form of a lump sum and/or survivor's pension. The pension charge for the year represents the defined employer contribution and amounted to €26.4 million (2023: €22.5 million).

(b) FM United Kingdom Worksave Scheme

In addition, ESB operates a contract based defined contribution pension scheme in the UK for all of its GB employees. Contributions are paid by the members and the employer at fixed rates. The benefits secured at retirement reflect each employee's accumulated fund and the cost of purchasing benefits at that time. Death benefits are insured on a Group basis and may be paid in the form of a lump sum. The assets of this Scheme are held in individual accounts managed by Legal & General Assurance Society Limited. The pension charge for the year represents the defined employer contribution and amounted to €0.9 million (2023: €0.9 million).

(c) Northern Ireland Electricity Pension Scheme

The majority of the employees in NIE Networks are members of the Northern Ireland Electricity Pension Scheme (the NIE Networks Scheme). This has two sections: "Options", which is a money purchase arrangement whereby the employer generally matches the members' contributions up to a maximum of 8% of salary, and "Focus" which provides benefits based on pensionable salary at retirement or earlier exit from service. The assets of the NIE Networks Scheme are held under trust and invested by the Trustees on the advice of professional investment managers. The Trustees are required by law to act in the interest of all relevant beneficiaries and are responsible for the investment policy with regard to the assets and the day-to-day administration of the benefits of the scheme. Focus has been closed to new members since 1998 and therefore under the projected unit credit method the current service cost for members of this section as a percentage of salary will increase as they approach retirement age.

As the benefits paid to members of the Options section of the scheme are directly related to the value of assets for Options, there are no funding issues with this section of the scheme. The remainder of this note is therefore in respect of the Focus section of the scheme. Under the Focus section of the scheme, employees are entitled to annual pensions on retirement at age 63 (for members who joined after 1 April 1988) of one-sixtieth of final pensionable salary for each year of service. Benefits are also payable on death and following events such as withdrawing from active service.

UK legislation requires that pension schemes are funded prudently. The last funding valuation of the Focus section of the scheme was carried out by a qualified actuary as at 31 March 2022 and showed a deficit of €35.0 (£29.0) million. The Company paid deficit contributions of €24.1 (£20.0) million per annum (increasing in line with inflation) from 1 April 2022. These deficit contribution payments ceased on 30 September 2023 in line with the recovery plan agreed with the Trustees. Since 1 April 2023, NIE Networks also pays contributions of 52.1% of pensionable salaries (2023: 52.1%) in respect of current accrual plus €120,714 (£100,000) monthly expenses (2023: €120,714 (£100,000)), with active members paying a further 6% of pensionable salaries.

25. PENSION LIABILITIES (continued)

Profile of the Scheme

The defined benefit pension scheme surplus includes benefits for current employees, former employees and current pensioners. Broadly, about 18% of the liabilities are attributable to current employees, 3% to former employees and 79% to current pensioners. The Scheme duration is an indication of the weighted average time until benefit payments are made. For the NIE Networks Scheme, the duration is around 11 years (2023: 11 years) based on the last funding valuation.

The Company has recognised an accounting surplus on the 'Focus' defined benefit pension scheme in line with the most recent IAS19 valuation on the basis of the Company's assessment that it has the right to any remaining surplus on the eventual winding up of the pension scheme following gradual settlement of the scheme's liabilities. In making this judgement, the Company is of the view that no other party has the unilateral right to wind-up the scheme or amend the liabilities of the scheme.

Financial assumptions

The valuation of the Focus section of the NIE Networks Scheme by independent actuaries for the purpose of IAS 19 disclosures is based on the following assumptions:

	% at 31 December 2024	% at 31 December 2023
Rate of interest applied to discount liabilities ¹	5.50	4.80
Price inflation (CPI in the United Kingdom)	2.80	2.70
Rate of increase of pensionable salaries	3.20	3.10
Rate of increase of pensions in payment	2.80	2.70

1 The discount rate used in the calculation of the pension liability at 31 December 2024 was 5.5% (2023: 4.8%). This was determined by reference to market yields as at that date on high quality corporate bonds. The currency and term of the corporate bonds was consistent with the currency and estimated term of the post-employment benefit obligations.

Mortality assumptions

The assumptions relating to life expectancy at retirement for members are set out below. These assumptions are based on standard actuarial mortality tables and include an allowance for future improvements in life expectancy.

	At 31 December 2024		At 31 December 2023	
	Males Years	Females Years	Males Years	Females Years
Current pensioners at aged 60	26.6	29.1	26.5	29.0
Future pensioners currently aged 40 (life expectancy age 60)	28.5	30.2	28.4	30.1

Pension assets and liabilities

	At 31 December 2024	At 31 December 2023
	€m	€m
Equities – quoted	60.4	49.8
Bonds – quoted	260.0	314.5
Multi-asset credit investments	601.9	582.9
Diversified growth – quoted	71.6	89.2
Other	23.1	21.6
Fair value of plan assets	1,017.0	1,058.0
Present value of funded obligations	(948.5)	(984.5)
Net surplus	68.5	73.5

Notes to the Financial Statements (continued)

25. PENSION LIABILITIES (continued)

	At 31 December 2024	At 31 December 2023
	€m	€m
Changes in the actuarial value of liabilities		
Benefit obligation at the beginning of the year	984.5	950.2
Current service cost	3.5	3.5
Interest cost	47.6	47.3
Plan members' contributions	0.3	0.3
Actuarial (gain) / loss impact of financial assumption changes	(49.0)	29.1
Actuarial loss - experience loss	1.2	12.7
Benefits paid	(77.1)	(70.7)
Curtailment cost	0.1	0.2
Translation adjustment on benefit obligation in the year	37.4	11.9
Benefit obligation at the end of the year	948.5	984.5
Changes in the market value of assets		
Fair value of plan assets at the beginning of the year	1,058.0	1,016.0
Interest income on plan assets	51.5	51.0
Return on plan assets	(63.1)	23.0
Employer contributions	7.9	27.2
Plan members' contributions	0.3	0.3
Administration expenses	(1.7)	(1.5)
Benefits paid	(77.1)	(70.7)
Translation adjustment on assets in the year	41.2	12.7
Fair value of plan assets at the end of the year	1,017.0	1,058.0
Actual return on plan assets for the year	(11.6)	74.0

The Group expects to make contributions of approximately €6.7 million to Focus in 2025.

Analysis of the amounts recognised in the employee costs as part of the employee benefit charge were as follows:

	2024	2023
	€m	€m
Current service cost	(3.5)	(3.5)
Curtailment cost	(0.1)	(0.2)
Administration expenses	(1.7)	(1.5)
Total defined benefit charge in year	(5.3)	(5.2)

Analysis of the amounts recognised in the finance costs, as net pension scheme interest:

	2024	2023
	€m	€m
Interest on pension scheme assets	51.5	51.0
Interest on pension scheme liabilities	(47.6)	(47.3)
Net pension scheme charge interest income	3.9	3.7

25. PENSION LIABILITIES (continued)

Analysis of the amounts recognised in the statement of comprehensive income (excluding translation)

	2024	2023
	€m	€m
Actuarial (loss) / gain on assets less interest	(63.1)	23.0
Actuarial gain / (loss) on liabilities	47.8	(41.8)
Net actuarial loss	(15.3)	(18.8)

Sensitivity analysis

The table below shows the possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	Impact on defined benefit obligation	
	2024	2023
	€m	€m
Discount rate (0.25% increase)	23.6	26.0
Inflation rate (0.25% increase)	(21.3)	(25.2)
Future mortality (1 year increase)	(25.2)	(28.5)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

26. LIABILITY- ESB PENSION SCHEME AND EMPLOYEE RELATED LIABILITIES

Group	Liability - ESB pension scheme €m	Employee related liabilities		
		Restructuring liabilities €m	Other €m	Total €m
Balance at 1 January 2023	88.7	39.7	66.2	105.9
Movements during the year:				
(Credited) / Charged to the income statement	-	(0.4)	113.8	113.4
Utilised during the year	(9.8)	(9.5)	(93.9)	(103.4)
Financing charge	4.2	-	-	-
Balance at 31 December 2023	83.1	29.8	86.1	115.9
Balance at 1 January 2024	83.1	29.8	86.1	115.9
Movements during the year:				
(Credited) / Charged to the income statement	(3.5)	5.3	123.4	128.7
Utilised during the year	(8.8)	(7.7)	(116.2)	(123.9)
Financing charge	3.4	-	-	-
Balance at 31 December 2024	74.2	27.4	93.3	120.7
Analysed as follows:				
Non-current liabilities	65.1	12.2	-	12.2
Current liabilities	9.1	15.2	93.3	108.5
Total at 31 December 2024	74.2	27.4	93.3	120.7
Non-current liabilities	73.5	15.4	-	15.4
Current liabilities	9.6	14.4	86.1	100.5
Total at 31 December 2023	83.1	29.8	86.1	115.9

Notes to the Financial Statements (continued)

26. LIABILITY- ESB PENSION SCHEME AND EMPLOYEE RELATED LIABILITIES (continued)

Parent	Liability - ESB pension scheme €m	Employee related liabilities		
		Restructuring liabilities €m	Other €m	Total €m
Balance at 1 January 2023	88.7	39.6	58.7	98.3
Movements during the year:				
(Credited) / Charged to the income statement	-	(0.4)	105.8	105.4
Utilised during the year	(9.8)	(9.4)	(87.4)	(96.8)
Financing charge	4.2	-	-	-
Balance at 31 December 2023	83.1	29.8	77.1	106.9
Balance at 1 January 2024	83.1	29.8	77.1	106.9
Movements during the year:				
(Credited) / Charged to the income statement	(3.5)	5.3	118.9	124.2
Utilised during the year	(8.8)	(7.7)	(111.7)	(119.4)
Financing charge	3.4	-	-	-
Balance at 31 December 2024	74.2	27.4	84.3	111.7
Analysed as follows:				
Non-current liabilities	65.1	12.2	-	12.2
Current liabilities	9.1	15.2	84.3	99.5
Total at 31 December 2024	74.2	27.4	84.3	111.7
Non-current liabilities	73.5	15.4	-	15.4
Current liabilities	9.6	14.4	77.1	91.5
Total at 31 December 2023	83.1	29.8	77.1	106.9

Liability - ESB pension scheme
See note 25 (a) part (i).

Restructuring liabilities
This provision represents the estimated cost of providing post-employment payments to former employees, before the pension scheme payment commences at age 65. It includes liabilities for continuing payments to employees who left under past voluntary severance initiatives, which are expected to be materially discharged by 2035. Expected future cash flows are discounted to the present value using long-term interest rates based on zero discount curve at the reporting date plus an appropriate credit spread.

Other
In accordance with the requirements of IAS19 Employee Benefits, provision has been made for employee remuneration liabilities, including accrued holiday leave and performance related payments.

27. TRADE AND OTHER PAYABLES

	Group		Parent	
	2024 €m	2023 €m	2024 €m	2023 €m
Current payables:				
Progress payments	184.6	144.8	141.0	80.3
Trade payables	581.3	434.4	327.4	332.7
Capital creditors	121.2	111.8	96.6	90.5
Other payables	449.6	915.1	187.6	300.6
Payroll taxes	24.2	25.0	20.3	21.5
Value added tax	18.6	33.7	-	-
Accruals	166.9	474.8	-	55.8
Amounts owed to subsidiary undertakings	-	-	8,743.4	8,736.0
Accrued interest on borrowings	108.7	106.0	81.3	79.8
Total current payables	1,655.1	2,245.6	9,597.6	9,697.2
Non-current payables:				
Other payables	13.8	-	-	-
Total non-current payables	13.8	-	-	-
Total payables	1,668.9	2,245.6	9,597.6	9,697.2

Included within other payables are collateral amounts pledged by the Group to bilateral parties of €3.1 million (31 December 2023: €nil million) and €206.6 million (€72.7 million Parent related) (2023: €549.5 million (€80.0 million Parent related)) of restricted cash relating to the Irish Government's Electricity Costs Emergency Benefit Scheme and the UK Government's Energy Bills Support Scheme. Refer to note 20 for further details.

Other payables include amounts received in advance from customers primarily as a result of fixed payment plans.

Notes to the Financial Statements (continued)

28. DEFERRED INCOME

Group

	Supply contributions €m	Other deferred Income €m	Total €m
Balance at 1 January 2023	1,478.1	40.3	1,518.4
Transfer from progress payments on work in progress	167.4	-	167.4
Deferred income received	-	29.7	29.7
Released to the income statement	(90.4)	(25.8)	(116.2)
Translation adjustments	14.9	-	14.9
Balance at 31 December 2023	1,570.0	44.2	1,614.2
Balance at 1 January 2024	1,570.0	44.2	1,614.2
Transfer from progress payments on work in progress	179.9	-	179.9
Deferred income received	-	27.6	27.6
Released to the income statement	(94.3)	(23.6)	(117.9)
Translation adjustments	20.6	-	20.6
Balance at 31 December 2024	1,676.2	48.2	1,724.4
Analysed as follows:			
Non-current liabilities	1,577.4	38.3	1,615.7
Current liabilities	98.8	9.9	108.7
Total at 31 December 2024	1,676.2	48.2	1,724.4
Non-current liabilities	1,475.8	32.4	1,508.2
Current liabilities	94.2	11.8	106.0
Total at 31 December 2023	1,570.0	44.2	1,614.2

Parent

	Supply contributions €m	Other deferred Income €m	Total €m
Balance at 1 January 2023	1,033.6	-	1,033.6
Transfer from progress payments on work in progress	128.3	-	128.3
Released to the income statement	(67.8)	-	(67.8)
Balance at 31 December 2023	1,094.1	-	1,094.1
Balance at 1 January 2024	1,094.1	-	1,094.1
Transfer from progress payments on work in progress	133.1	-	133.1
Released to the income statement	(68.3)	-	(68.3)
Balance at 31 December 2024	1,158.9	-	1,158.9
Analysed as follows:			
Non-current liabilities	1,084.1	-	1,084.1
Current liabilities	74.8	-	74.8
Total at 31 December 2024	1,158.9	-	1,158.9
Non-current liabilities	1,026.3	-	1,026.3
Current liabilities	67.8	-	67.8
Total at 31 December 2023	1,094.1	-	1,094.1

29. PROVISIONS

	Asset retirement provision €m	Emissions provision €m	Other €m	Total €m
Balance at 1 January 2023	542.9	470.3	197.7	1,210.9
Charged to the income statement				
▪ Emission allowances	-	378.0	-	378.0
▪ Legal and other	-	-	7.7	7.7
▪ Asset retirement	(0.5)	-	-	(0.5)
Reduction in asset retirement provision capitalised	(21.3)	-	-	(21.3)
Provision capitalised in the year (net)	-	-	4.3	4.3
Utilised in the year	(3.9)	(451.6)	(67.3)	(522.8)
Financing charge	16.7	-	-	16.7
Translation adjustments	1.3	1.5	0.5	3.3
Balance at 31 December 2023	535.2	398.2	142.9	1,076.3
Balance at 1 January 2024	535.2	398.2	142.9	1,076.3
Charged to the income statement				
▪ Emission allowances	-	351.3	-	351.3
▪ Legal and other	-	-	11.3	11.3
▪ Asset retirement	24.4	-	-	24.4
Reduction in asset retirement provision capitalised	(4.8)	-	-	(4.8)
Provision capitalised in the year (net)	-	-	(4.4)	(4.4)
Utilised in the year	(11.0)	(404.6)	(19.9)	(435.5)
Financing charge	17.1	-	-	17.1
Translation adjustments	2.9	5.8	1.0	9.7
Balance at 31 December 2024	563.8	350.7	130.9	1,045.4
Analysed as follows:				
Non-current liabilities	537.1	-	51.3	588.4
Current liabilities	26.7	350.7	79.6	457.0
Total at 31 December 2024	563.8	350.7	130.9	1,045.4
Non-current liabilities	521.5	-	63.6	585.1
Current liabilities	13.7	398.2	79.3	491.2
Total at 31 December 2023	535.2	398.2	142.9	1,076.3

Notes to the Financial Statements (continued)

29. PROVISIONS (continued)

Parent	Asset retirement provision €m	Emissions provision €m	Other €m	Total €m
Balance at 1 January 2023	442.1	231.5	161.3	834.9
Charged / (credited) to the income statement				
▪ Emission allowances	-	180.2	-	180.2
▪ Legal and other	-	-	5.2	5.2
▪ Asset retirement	0.2	-	-	0.2
Reduction in asset retirement provision capitalised	(18.7)	-	-	(18.7)
Provision capitalised in the year (net)	-	-	0.8	0.8
Utilised in the year	(3.2)	(221.9)	(64.3)	(289.4)
Financing charge	13.0	-	-	13.0
Balance at 31 December 2023	433.4	189.8	103.0	726.2
Balance at 1 January 2024	433.4	189.8	103.0	726.2
Charged / (credited) to the income statement				
▪ Emission allowances	-	151.0	-	151.0
▪ Asset retirement	23.8	-	-	23.8
Reduction in asset retirement provision capitalised	4.4	-	-	4.4
Provision capitalised in the year (net)	-	-	1.9	1.9
Utilised in the year	(10.1)	(192.9)	(14.5)	(217.5)
Financing charge	13.2	-	-	13.2
Balance at 31 December 2024	464.7	147.9	90.4	703.0
Analysed as follows:				
Non-current liabilities	439.6	-	41.3	480.9
Current liabilities	25.1	147.9	49.1	222.1
Total at 31 December 2024	464.7	147.9	90.4	703.0
Non-current liabilities	419.8	-	55.9	475.7
Current liabilities	13.6	189.8	47.1	250.5
Total at 31 December 2023	433.4	189.8	103.0	726.2

Asset retirement provision

The Group provision at 31 December 2024 of €563.8 million (2023: €535.2 million) for asset retirement represents the present value of the current estimate of the costs arising from certain obligations in relation to the retirement and decommission of generation assets, windfarms, ESB Networks and NIE Networks creosote treated wood poles at the end of their useful economic lives.

The impact of climate transition and moving away from the use of thermal plants over time has an impact on the timing of plant closure. The expected closure dates of generation assets and windfarms are up to 2045. Due to changes in estimates during the year ended 31 December 2024 the asset retirement provision in relation to the retirement and decommission of generating assets and windfarms increased by €23.6 million (2023: increased by €26.7 million). The estimated value of future retirement costs at the balance sheet date includes physical dismantling, site remediation and associated costs offset by scrap value of materials. There is significant estimation and judgement required in the calculation of the provision for generation assets, including the impact of regulation, the accuracy of the site surveys, unexpected contaminants, the impact of alternative technologies and use of appropriate changes in the discount rates.

Creosote treated wood poles on the network for ESB Networks and NIE Networks are expected to be disposed over a period of up to 60 years. After updates for changes in discount rates, the asset retirement provision in respect to these poles increased by €5.0 million (2023: decreased by €34.4 million). There is significant judgement in estimating the level of provision as operational plans and the cost of disposal may change significantly in the future as a result of environmental legislation or pole condition given the length of time over which they are held. Such changes could materially impact the level of provision required.

29. PROVISIONS (continued)

The Group has made its best estimate of the financial effect of these uncertainties in determining the level of provisions required, but future material changes in any of the assumptions could materially impact on the calculation of the provisions.

As the costs are provided on a discounted basis, a financing charge is included in the income statement and credited to the provision each year. The asset retirement provision is re-examined annually and the liability re-calculated in accordance with the most recent expected estimate. Expected future cash flows are discounted to present values using an appropriate pre-tax discount rate.

A sensitivity analysis reflecting possible fluctuations to the main assumptions used in the recognition of the asset retirement provision is set out below.

	2024 €m	2023 €m
Decrease of asset retirement provision due to a 1% increase in the discount rate	(89.8)	(87.8)
Increase of asset retirement provision due to a 1% increase in the inflation rate	107.8	96.7

Emissions provision

In accordance with the provisions of the European CO₂ emissions trading scheme and the UK emissions trading scheme, a provision is recognised to cover the liability for actual emissions during the year. Allowances purchased during the year are returned to the relevant Authority in charge of the scheme within four and three months respectively from the end of that calendar year, in line with the actual emissions of CO₂ during the year. The provision represents the obligation to return emission allowances equal to the actual emissions. This obligation is measured at the cost of the CO₂ emission allowances purchased and held as intangible assets together with the market value of any additional allowances required to settle the year end liability.

Other provisions

Legal case - Cork flooding

Following on from flooding in Cork in November 2009, Aviva as University College Cork's (UCC) insurer pursued a legal action against ESB in the High Court seeking recovery of €19 million for property damage. The Supreme Court decided that ESB is liable to UCC for negligence. The Court concluded that ESB had a duty of care to consider the effects of a natural flood on downstream landowners in operating its dams and that ESB had a duty to carry out a risk assessment of the effect of a flood downstream. The case was remitted to the High Court for a partial retrial to establish the extent of ESB's liability for the damage caused to UCC's buildings because of ESB's failure to discharge these duties.

On the issue of contributory negligence the Supreme Court found that UCC had been negligent in not carrying out its own risk assessments and taking steps to mitigate the risk posed to its buildings by the River Lee. The level of UCC's negligence was also remitted to the High Court. At a mediation held in December 2021, agreement was reached with UCC's insurers, Aviva, regarding settlement of the UCC claim and other claims made by plaintiffs insured by Aviva arising from the flooding in Cork in November 2009. On 18 January 2022 the High Court struck out the proceedings at the request of both parties and their insurers.

In addition to the UCC claim and associated Aviva claims, ESB has been served with 360 sets of proceedings relating to the flooding in Cork in November 2009. These claims are now being managed directly by ESB's insurers. On 31 December 2024, 245 claims remain outstanding. The financial statements for 2024 include a provision of €46.0 million in respect of estimated damages and related costs in respect of all claims. A corresponding amount of €44.7 million is included in the financial statements in respect of the expected reimbursement under the related insurance contracts. ESB does not anticipate that the total amount of damages awarded and related costs for all of the actions will exceed its insurance cover.

Onerous Contracts

Onerous contract provisions include €5.8 million (2023: €3.1 million) in relation to obligations relating to maintenance and other contracts which are expected to exceed the benefits to be received.

Other provisions

Other provisions also include:

- ESOP repurchase provision of €2.0 million (2023: €10.1 million). See note 33 for further details.
- Deferred consideration in respect of acquisition of a 50% stake in Inch Cape Offshore Holdings Limited (ICOHL) of €18.1 million (2023: €22.3 million). This consideration is contingent on ICOHL achieving project milestones and specified returns.
- Deferred consideration in respect of Superhomes Ireland DAC of €2.1 million (2023: €3.0 million).

Notes to the Financial Statements (continued)

29. PROVISIONS (continued)

Other legal

Other provisions also include estimates of liabilities to third parties, in respect of claims notified or provided for at year end. The year end provision includes an estimate for liabilities incurred but not yet reported.

30. FINANCIAL RISK MANAGEMENT AND FAIR VALUE

(a) Overview of financial risk management

Risk environment

The main financial risks faced by the Group relate to foreign exchange (particularly movements in the value of the euro relative to sterling and the US dollar) and commodity (electricity and fuel) price movements. Liquidity risk, and exposure to interest rate volatility, are key long-term financial risks also, but have been substantially addressed in the short run. Policies to protect the Group from these risks and other risk areas, such as credit risk, are regularly reviewed, revised and approved by the Board as appropriate. Group Treasury is responsible for the day-to-day treasury activities of the Group. The Finance and Investment Committee is regularly updated on key treasury matters, risk and associated mitigants.

Commodity price risk is managed by the front and middle office functions of the relevant business units: ESB Trading (within Generation and Trading) and Customer Solutions. This is done in the context of an overall Group risk management framework. These activities are reviewed regularly by Group Internal Audit. It is the responsibility of the Trading Risk Management Committees within these two business units to ensure that internal audit findings and recommendations are adequately addressed. This is overseen by the Executive Director level Group Trading Committee (GTC). The Group Trading Risk Management function ensures that the Group's market, credit and operational risks are managed in a way designed to protect the Group from loss, while respecting the ring-fencing obligations in place between the business units.

Contracts entered into in order to hedge exposures arising from the production and sale of electricity may be divided into forward fuel price contracts, forward electricity price contracts and foreign exchange contracts. Financial instruments are derecognised on settlement or sale.

Risk reporting structure

Through the Chief Executive, the Board has delegated to the GTC, the broader responsibility of managing ESB's trading risk in a manner consistent with the Group's risk tolerances and business strategies. The GTC has established risk limits to manage and limit trading risk exposure at Group and business unit level. These limits are documented for each of the ESB businesses engaged in wholesale trading activities. Furthermore the Group Trading Risk Management Policy is applicable to each of these businesses.

In both Generation and Trading and Customer Solutions, separate Trading Risk Management Committees meet on a monthly basis (or more frequently as required) and serve as the primary overseer of trading risk at individual ring-fenced business unit level. These committees include the head of the Front Office function, the Trading Risk (Middle Office) Manager, a representative from Group Trading Risk Management, and the business unit Financial Controller. The Trading Risk Management Committees are responsible for formulating trading risk strategy in accordance with the Group Trading Risk Management Policy and ensuring compliance with same, trading risk limit management, and for ensuring that an effective control framework is in place.

The Middle Office function in each business unit maintains a separate reporting line to the Group Trading Risk Management function, which is responsible for ensuring that the Group's net exposure to movements in commodity or other price movements is adequately managed in accordance with Group Trading Risk Management Policy.

Hedge accounting

ESB funds its operations using borrowings and uses deposit instruments to invest surplus funds. ESB also uses interest rate and foreign currency instruments to manage interest rate and currency risks that arise in the normal course of operations from sterling denominated borrowings, from its foreign currency subsidiaries and from the use of foreign currency suppliers. Hedge accounting pursuant to IFRS 9 is used both for hedges of foreign currency liabilities and interest rate risks from current and non-current liabilities.

In addition, the Group enters into certain commodity hedging transactions to fix fuel costs and to link electricity revenues more closely to fuel inputs, where possible. The Group decides at inception whether to designate financial instruments into hedge relationships. Certain arrangements meet the specific hedge accounting criteria of IFRS 9.

Within its regular course of business, the Group routinely enters into sale and purchase contracts for commodities, including gas and electricity. Where the contract was entered into and continues to be held for the purposes of receipt or delivery of the commodities in accordance with the Group's expected sale, purchase or usage requirements, the contracts are designated as own use contracts and are accounted for as executory contracts. These contracts are therefore not within the scope of IFRS 9 - Financial Instruments.

30. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (continued)

Where contracts do not meet the criteria for own use, they are accounted for as trading derivatives and are recognised in the balance sheet at fair value under IFRS 9, with movements in fair value recognised in the income statement as they cannot be designated as accounting hedges under IFRS 9, although Management consider them to be effective economic hedges. Fair value movements on these trades do not reflect the underlying performance of the business because they are economically related to the Group's generation assets or customer demand, and to associated physically settled electricity price hedging trades, which are not fair valued. Therefore, fair value movements on these forward fuel commodity price trades and related foreign exchange contracts (together, "certain re-measurements") are disclosed separately, and are subsequently reflected in underlying operating profit when the underlying transaction or asset impacts profit or loss. The effects of these certain re-measurements are presented within either Revenue or Energy Costs when recognised in underling operating profit, depending on the nature of the contract.

(b) Overview of financial assets and liabilities

Financial assets and liabilities, excluding employee related liabilities, at 31 December 2024 and at 31 December 2023 can be analysed as follows:

	Financial assets at fair value through profit or loss		Assets / liabilities held at amortised cost		Derivative financial instruments with hedging relationships		Derivative financial instruments with no hedging relationships		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Group	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
Assets										
Non-current assets										
Amounts due from insurer	-	-	22.5	24.1	-	-	-	-	22.5	24.1
Amounts due from equity accounted investees	-	-	584.7	700.6	-	-	-	-	584.7	700.6
Financial asset investment	0.8	5.0	-	-	-	-	-	-	0.8	5.0
Derivative financial instruments	-	-	-	-	86.0	60.5	29.9	103.1	115.9	163.6
Total non-current financial assets	0.8	5.0	607.2	724.7	86.0	60.5	29.9	103.1	723.9	893.3
Current assets										
Amounts due from insurer	-	-	22.2	23.9	-	-	-	-	22.2	23.9
Amounts due from equity accounted investees	-	-	428.1	22.3	-	-	-	-	428.1	22.3
Trade and other receivables*	-	-	1,506.8	2,126.8	-	-	-	-	1,506.8	2,126.8
Cash and cash equivalents	-	-	1,064.9	1,977.8	-	-	-	-	1,064.9	1,977.8
Derivative financial instruments	-	-	-	-	112.0	3.6	141.2	341.1	253.2	344.7
Total current financial assets	-	-	3,022.0	4,150.8	112.0	3.6	141.2	341.1	3,275.2	4,495.5
Total financial assets	0.8	5.0	3,629.2	4,875.5	198.0	64.1	171.1	444.2	3,999.1	5388.8
Liabilities										
Non-current liabilities										
Borrowings and other debt	-	-	7,004.9	7,375.4	-	-	-	-	7,004.9	7,375.4
Lease liabilities	-	-	99.0	120.5	-	-	-	-	99.0	120.5
Trade and other payables	-	-	13.8	-	-	-	-	-	13.8	-
Derivative financial instruments	-	-	-	-	14.5	9.2	335.5	397.6	350.0	406.8
Total non-current financial liabilities	-	-	7,117.7	7,495.9	14.5	9.2	335.5	397.6	7,467.7	7,902.7
Current liabilities										
Borrowings and other debt	-	-	480.2	363.7	-	-	-	-	480.2	363.7
Lease liabilities	-	-	18.0	15.5	-	-	-	-	18.0	15.5
Trade and other payables**	-	-	1,612.3	2,186.9	-	-	-	-	1,612.3	2,186.9
Derivative financial instruments	-	-	-	-	-	-	112.9	395.8	112.9	395.8
Total current financial liabilities	-	-	2,110.5	2,566.1	-	-	112.9	395.8	2,223.4	2,961.9
Total financial liabilities	-	-	9,228.2	10,062.0	14.5	9.2	448.4	793.4	9,691.1	10,864.6

* Prepayments have been excluded as they are not classified as a financial asset.
** VAT and employment taxes have been excluded as these are statutory liabilities.

Notes to the Financial Statements (continued)

30. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (continued)

The Group's provisions and employee related liabilities are not analysed in the table above, or in the further analysis on the following page. This includes the liability for pension obligation of €74.2 million at 31 December 2024 (2023: €83.1 million). See notes 25 and 26 in relation to this and employee related liabilities.

	Financial assets at fair value through profit or loss		Assets / liabilities held at amortised cost		Derivative financial instruments with hedging relationships		Derivative financial instruments with no hedging relationships		Total	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Parent	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
Assets										
Non-current assets										
Amounts due from insurer	-	-	22.3	24.1	-	-	-	-	22.3	24.1
Amounts due from equity accounted investees	-	-	116.8	112.1	-	-	-	-	116.8	112.1
Amounts due from subsidiary undertakings	-	-	1,447.8	2,107.6	-	-	-	-	1,447.8	2,107.6
Investments in subsidiary undertakings	-	-	69.8	61.8	-	-	-	-	69.8	61.8
Derivative financial instruments	-	-	-	-	60.1	40.3	26.5	116.5	86.6	156.8
Total non-current financial assets	-	-	1,656.7	2,305.6	60.1	40.3	26.5	116.5	1,743.3	2,462.4
Current assets										
Amounts due from insurer	-	-	22.4	23.9	-	-	-	-	22.4	23.9
Amounts due from equity accounted investees	-	-	2.1	1.4	-	-	-	-	2.1	1.4
Trade and other receivables*	-	-	4,230.1	3,447.3	-	-	-	-	4,230.1	3,447.3
Cash and cash equivalents	-	-	745.4	1,281.8	-	-	-	-	745.4	1,281.8
Derivative financial instruments	-	-	-	-	-	-	140.5	331.2	140.5	331.2
Total current financial assets	-	-	5,000.0	4,754.4	-	-	140.5	331.2	5,140.5	5,085.6
Total financial assets	-	-	6,656.7	7,060.0	60.1	40.3	167.0	447.7	6,883.8	7,548.0
Liabilities										
Non-current liabilities										
Borrowings and other debt	-	-	442.1	478.3	-	-	-	-	442.1	478.3
Lease liabilities	-	-	24.1	55.0	-	-	-	-	24.1	55.0
Derivative financial instruments	-	-	-	-	-	9.2	29.5	57.5	29.5	66.7
Total non-current financial liabilities	-	-	466.2	533.3	-	9.2	29.5	57.5	495.7	600.0
Current liabilities										
Borrowings and other debt	-	-	59.0	63.7	-	-	-	-	59.0	63.7
Lease liabilities	-	-	8.2	7.9	-	-	-	-	8.2	7.9
Trade and other payables**	-	-	9,577.3	9,675.7	-	-	-	-	9,577.3	9,675.7
Derivative financial instruments	-	-	-	-	-	-	106.3	366.3	106.3	366.3
Total current financial liabilities	-	-	9,644.5	9,747.3	-	-	106.3	366.3	9,750.8	10,113.6
Total financial liabilities	-	-	10,110.7	10,280.6	-	9.2	135.8	423.8	10,246.5	10,713.6

* Prepayments have been excluded as they are not classified as a financial asset.
** VAT and employment taxes have been excluded as these are statutory liabilities.

30. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (continued)

The Parent's employee related liabilities are not analysed in the table above, or in the further analysis on the following page. This includes the liability for pension obligation of €74.2 million at 31 December 2024 (2023: €83.1 million). See notes 25 and 26 in relation to this and employee related liabilities.

(c) Funding and liquidity management

The following table sets out the contractual maturities of financial liabilities (and assets of a similar nature), including the interest payments associated with borrowings and the undiscounted net cash flows attributable to derivative financial instruments. Borrowings with a carrying value of €6,984.0 million (2023: €7,197.0 million) and net derivative financial instrument liabilities of €185.1 million (2023: €349.3 million) are included in the Group balances below, but do not comprise part of the Parent's assets and liabilities as they are not held directly by the Parent. See notes 14, 23, 24 and 27 for further analysis of Group and Parent financial assets and liabilities associated with the note below.

	Carrying amount	Contractual cash outflows / inflows - net	Within 1 year	1-2 years	2-5 years	More than 5 years
Group	€m	€m	€m	€m	€m	€m
31 December 2024						
Borrowings	7,485.1	9,005.6	697.7	736.8	2,047.6	5,523.5
Lease liabilities	117.0	130.7	21.4	16.9	17.5	74.9
Trade and other payables (excluding tax balances and accrued interest on borrowings)	1,517.4	1,517.4	1,517.4	-	-	-
Derivative financial instruments	462.9	482.4	255.8	70.7	99.3	56.6
Total liabilities	9,582.4	11,136.1	2,492.3	824.4	2,164.4	5,655.0
Derivative financial instruments	369.1	451.8	274.0	77.1	36.9	63.8
Total assets	369.1	451.8	274.0	77.1	36.9	63.8
Net liabilities	9,213.3	10,684.3	2,218.3	747.3	2,127.5	5,591.2
31 December 2023						
Borrowings	7,739.1	9,485.3	579.5	673.2	2,085.5	6,147.1
Lease liabilities	136.0	158.1	16.5	14.7	34.9	92.0
Trade and other payables (excluding tax balances and accrued interest on borrowings)	2,080.9	2,080.9	2,080.9	-	-	-
Derivative financial instruments	802.6	836.9	423.5	66.4	57.0	290.0
Total liabilities	10,758.6	12,561.2	3,100.4	754.3	2,177.4	6,529.1
Derivative financial instruments	508.3	588.9	356.4	106.7	52.8	73.0
Total assets	508.3	588.9	356.4	106.7	52.8	73.0
Net liabilities	10,250.3	11,972.3	2,744.0	647.6	2,124.6	6,456.1

Notes to the Financial Statements (continued)

30. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (continued)

Parent	Carrying amount €m	Contractual cash outflows / inflows - net €m	Within 1 year €m	1-2 years €m	2-5 years €m	More than 5 years €m
31 December 2024						
Borrowings	501.1	485.7	69.3	58.2	94.8	263.4
Lease liabilities	32.3	35.6	8.8	5.7	8.7	12.4
Trade and other payables (excluding tax balances and accrued interest on borrowings)	9,496.0	9,496.0	9,496.0	-	-	-
Derivative financial instruments	135.8	138.2	108.9	19.0	10.3	-
Total liabilities	10,165.2	10,155.5	9,683.0	82.9	113.8	275.8
Derivative financial instruments	227.1	252.8	143.6	27.0	25.3	56.9
Total assets	227.1	252.8	143.6	27.0	25.3	56.9
Net liabilities	9,938.1	9,902.7	9,539.4	55.9	88.5	218.9
31 December 2023						
Borrowings	542.0	563.0	78.7	68.3	117.1	298.9
Lease liabilities	62.9	65.8	8.2	7.3	18.3	32.0
Trade and other payables (excluding tax balances and accrued interest on borrowings)	9,595.9	9,595.9	9,595.9	-	-	-
Derivative financial instruments	433.0	796.8	390.7	60.4	55.7	290.0
Total liabilities	10,633.8	11,021.5	10,073.5	136.0	191.1	620.9
Derivative financial instruments	488.0	502.9	329.9	78.3	32.4	62.3
Total assets	488.0	502.9	329.9	78.3	32.4	62.3
Net liabilities	10,145.8	10,518.6	9,743.6	57.7	158.7	558.6

(d) Master netting or similar agreements

The Group enters into derivative transactions under International Swaps and Derivatives Association (ISDA) master netting agreements. The ISDA agreements do not meet the criteria for offsetting in the consolidated balance sheet. This is because the Group does not have any current legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as a default on the bank loans or other credit events.

30. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (continued)

The following table sets out the carrying amounts of recognised financial instruments that are subject to the above agreements.

Group	Gross amount of financial instruments in the statement of financial position €m	Amounts that are offset on the balance sheet €m	Net amount €m
31 December 2024			
Financial assets			
Interest rate swaps	69.3	(13.6)	55.7
Foreign exchange contracts	22.4	(7.5)	14.9
Forward fuel price contracts	277.4	(100.5)	176.9
	369.1	(121.6)	247.5
Financial liabilities			
Interest rate swaps	(8.0)	5.4	(2.6)
Inflation linked interest rate swaps	(321.7)	-	(321.7)
Currency swaps	(14.8)	11.2	(3.6)
Foreign exchange contracts	(7.9)	4.4	(3.5)
Forward fuel price contracts	(110.5)	100.6	(9.9)
	(462.9)	121.6	(341.3)
31 December 2023			
Financial assets			
Interest rate swaps	63.5	(16.3)	47.2
Foreign exchange contracts	17.5	(3.1)	14.4
Forward fuel price contracts	427.3	(335.8)	91.5
	508.3	(355.2)	153.1
Financial liabilities			
Interest rate swaps	(13.5)	12.7	(0.8)
Inflation linked interest rate swaps	(341.9)	-	(341.9)
Currency swaps	(9.1)	4.3	(4.8)
Foreign exchange contracts	(8.1)	2.3	(5.8)
Forward fuel price contracts	(430.0)	335.9	(94.1)
	(802.6)	355.2	(447.4)

Notes to the Financial Statements (continued)

30. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (continued)

Parent	Gross amount of financial instruments in the statement of financial position €m	Amounts that are offset on the balance sheet €m	Net amount €m
31 December 2024			
Financial assets			
Interest rate swaps	77.2	(16.2)	61.0
Foreign exchange contracts	22.5	(7.5)	15.0
Forward fuel price contracts	127.4	(100.0)	27.4
	227.1	(123.7)	103.4
Financial liabilities			
Interest rate swaps	(8.0)	8.0	-
Currency swaps	(14.8)	11.2	(3.6)
Foreign exchange contracts	(7.8)	4.5	(3.3)
Forward fuel price contracts	(105.2)	100.0	(5.2)
	(135.8)	123.7	(12.1)
31 December 2023			
Financial assets			
Interest rate swaps	76.8	(32.5)	44.3
Foreign exchange contracts	22.2	(9.6)	12.6
Forward fuel price contracts	389.0	(349.6)	39.4
	488.0	(391.7)	96.3
Financial liabilities			
Interest rate swaps	(13.5)	13.4	(0.1)
Currency swaps	(9.2)	6.3	(2.9)
Foreign exchange contracts	(8.3)	7.6	(0.7)
Forward fuel price contracts	(402.0)	364.4	(37.6)
	(433.0)	391.7	(41.3)

(e) Credit risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including amounts due from equity accounted investees, outstanding receivables and committed transactions. In Parent credit risk also arises in respect of amounts due from subsidiary undertakings.

Financial assets

	2024		2023	
	Group €m	Parent €m	Group €m	Parent €m
Amounts due from insurer	44.7	44.7	48.0	48.0
Trade and other receivables ¹	2,519.6	5,796.8	2,849.7	5,668.4
Cash and cash equivalents ²	1,064.9	745.4	1,977.8	1,281.8
Derivative financial instruments	369.1	227.1	508.3	488.0
	3,998.3	6,814.0	5,383.8	7,486.2

1 Prepayments have been excluded as they are not classified as a financial asset.
2 Including restricted cash balances.

30. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (continued)

Trade and other receivables

The Group is exposed to credit risk from the counterparties with whom it transacts with in its day-to-day operations. See note 19 for details of the expected credit loss recognised.

Treasury related credit risk (relating to cash and derivative instruments)

The Group is exposed to credit risk from the counterparties with whom it holds its bank accounts and transacts with in the financial markets. The Group's policy is to limit its exposure to each financial institution based on accepted credit ratings of not less than BBB- or equivalent.

Trading in derivatives is performed to mitigate financial risks and is executed in compliance with the Specification and Requirements of the Minister for Finance issued under the aegis of the Financial Transactions of Certain Companies and Other Bodies Act 1992, most recently in December 2017. The Specification and Requirements outline the type of derivatives which ESB can transact and the associated requirements which ESB must satisfy regarding each derivative counterparty. Dealing activities are controlled by putting in place robust dealing mandates with counterparties. The Group does not hold or trade derivative instruments for speculative purposes. Exposures, related limits and compliance with the Minister's Specification and Requirements are subject to ongoing review and monitoring. The Group has not experienced any losses due to failure of such counterparties to deliver on their obligations.

Commodity credit risk (relating to derivatives)

The Group also has credit risk associated with commodity positions. These arise from derivative financial instruments that are entered into to hedge energy and fuel price risks and are managed in accordance with the Minister's Specification and Requirements (Financial Transactions of Certain Companies and Other Bodies Act 1992). The Group establishes counterparty credit risk limits to restrict uncollateralised exposure. Net exposures, collateral requirements and compliance are monitored on an ongoing basis. So Energy was acquired during the year ending 31 December 2021 and was fully incorporated in the governance structure in February 2022.

Collateral, in the form of bonds and guarantees, is required by ESB business units from various parties, specifically in the form of Letters of Credit from certain power Contract for Differences (CfD) counterparties. Total such collateral received by ESB in respect of power CfD positions at 31 December 2024 was €69.0 million (2023: €84.4 million collateral received by ESB). In addition an increasing proportion of fuel commodity purchases are executed on regulated exchanges. The Group's positions on trades executed on such exchanges are collateralised through the posting of initial margin and collateral in respect of the mark to market position on open forward trades. Total net exchange traded collateral at 31 December 2024 received by ESB was €91.3 million (2023: €567.5 million collateral received by ESB). The Group is cognisant of any changes in the creditworthiness of counterparties, and all appropriate steps are taken to further secure the Group's position, both by negotiating adequate protections in advance in the underpinning contractual master agreements and active management of any exposures, particularly where indications exist of a deterioration in the financial standing of counterparties.

Financial Guarantees

The Group enters into various commitments. These consist of financial guarantees, letters of credit and other commitments.

Even though these commitments may not be recognised on the Group balance sheet, credit risk exists in relation to these instruments as they commit the Group to make payments on behalf of subsidiary companies and equity accounted investees in the event of a specific act and therefore they form part of the overall risk of the Group.

The nominal values of such commitments are listed below:

	2024 €m	2023 €m
Financial guarantees	780.2	915.0
Letters of credit	489.0	544.2
Total	1,269.2	1,459.2

The fair value of financial guarantees entered into by the Group on behalf of entities which are not included in the consolidated results of the Group (such as associates and joint ventures) have not been recognised in the Group financial statements as they are immaterial.

Notes to the Financial Statements (continued)

30. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (continued)

(f) Foreign currency risk management

Foreign currency exposures arise mainly through the purchase of fuel and power, station overhaul costs, other purchases denominated in foreign currencies, borrowings in foreign currencies (including the private placement as described in note 23) and investments outside the Eurozone.

Foreign currency forward purchase contracts and cross currency swaps are used to reduce volatility arising from foreign currency exposures. The foreign currency forward purchase contracts in place at 31 December 2024 relate to forecast cash flows expected to occur up to 2025, with cross currency swaps relating to debt obligations extending to 2028.

At year end, ESB's total debt portfolio amounted to €7.5 billion (2023: €7.7 billion), of which the Parent held €0.5 billion (2023: €0.5 billion). The underlying debt, before and after swaps, was denominated in the following currencies:

Group	Before swaps		After swaps	
	2024	2023	2024	2023
	(%)	(%)	(%)	(%)
Currency				
Euro	76	78	72	73
Sterling	24	22	28	27
Total	100	100	100	100

Parent	Before swaps		After swaps	
	2024	2023	2024	2023
	(%)	(%)	(%)	(%)
Currency				
Euro	92	90	92	90
Sterling	8	10	8	10
Total	100	100	100	100

As shown above, the majority of the debt portfolio is either denominated in or swapped into euro for both principal and interest, thereby reducing the foreign currency risk exposure in the Group. In managing its foreign operations, the Group is cognisant of borrowing in currencies that match the functional currency of the foreign operation. Therefore a proportion of debt is sterling-denominated primarily as a result of the NIE Networks acquisition and the operations of Carrington Power Limited.

Movements in the Euro / Sterling exchange rate impact on the carrying value of Sterling Debt, in Euro terms. Overall sensitivity to exchange rate volatility is driven by the level of Sterling denominated debt. This sensitivity exists whether or not the debt is held in a Group company whose functional currency is Sterling. Whether the movement is recognised in the OCI or the income statement however depends on the functional currency of the company. Translation movements arising on Sterling denominated debt and intra Group balances in Group companies whose functional currency is Euro are recognised in the income statement. Translation movements on Sterling denominated debt in Group companies whose functional currency is Sterling are recognised in the translation reserve on consolidation.

A change of 10% in foreign currency exchange rates at 31 December 2024 would increase equity and profit before taxation by the amount set out below. This analysis assumes that all other variables remain constant.

30. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (continued)

Group	31 December 2024		31 December 2023	
	Other comprehensive income gain / (loss)	Profit before taxation gain / (loss)	Other comprehensive income gain / (loss)	Profit before taxation gain / (loss)
	€m	€m	€m	€m
10% strengthening				
US Dollar	-	(0.1)	-	1.1
Sterling	247.0	(125.7)	264.5	38.6
10% weakening				
US Dollar	-	0.2	-	(1.6)
Sterling	(301.9)	186.5	(323.2)	16.4

The following assumptions were made in respect of the sensitivity analysis above:

- changes in the carrying value of derivative financial instruments not in hedging relationships affect the income statement only.
- changes in the carrying value of derivative financial instruments that are cash flow hedges impact other comprehensive income only.

(g) Commodity price risk management

The volatility of the fuel prices required for the Group's electricity generation activities has been significant in recent years and the resulting exposures to fuel price movements are managed by the Group on a selective hedging basis. The Group has entered into forward commodity price contracts in relation to the purchase of gas and coal required for electricity generation activities, refer to note 24 for further details. Forward fuel price contracts are valued based on physical volumes contracted and outstanding, and on the forward prices of products of a similar nature, at the balance sheet date, discounted where necessary based on an appropriate forward interest curve.

Within its regular course of business, the Group routinely enters into sale and purchase contracts for commodities, including gas and electricity. Where the contract was entered into and continues to be held for the purposes of receipt or delivery of the commodities in accordance with the Group's expected sale, purchase or usage requirements, the contracts are designated as own use contracts and are accounted for as executory contracts.

A general increase of 10% in the price of gas and coal at 31 December 2024 would impact equity and profit before taxation by the amount set out below. This analysis refers exclusively to the impact on related derivatives at year end only and assumes that all other variables, in particular foreign exchange rates remain constant and includes the impact of the value of commodity contracts in place. A 10% reduction would have an equal and opposite effect, on the basis that all other variables remain constant.

Group	31 December 2024		31 December 2023	
	Other comprehensive income gain	Profit before taxation gain	Other comprehensive income gain	Profit before taxation gain
	€m	€m	€m	€m
Gain due to 10% increase in gas and coal prices	47.3	5.4	44.5	4.6

Parent	31 December 2024		31 December 2023	
	Other comprehensive income (loss)	Profit before taxation (loss)	Other comprehensive income (loss)	Profit before taxation (loss)
	€m	€m	€m	€m
Loss due to 10% increase in gas and coal prices	-	(1.3)	-	(1.5)

A general increase of 10% in the wholesale electricity price of the I-SEM at 31 December 2024 would impact other comprehensive income and profit before taxation by the amounts set out below. This analysis assumes that all other variables, in particular foreign exchange rates remain constant. A 10% reduction would have an equal and opposite effect, on the basis that all other variables remained constant.

Notes to the Financial Statements (continued)

30. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (continued)

Group	31 December 2024		31 December 2023	
	Other comprehensive income (loss)	Profit before taxation (loss)	Other comprehensive income (loss)	Profit before taxation (loss)
	€m	€m	€m	€m
Loss due to 10% increase in the Wholesale Electricity Price	(63.1)	-	(74.5)	-

Parent	31 December 2024		31 December 2023	
	Other comprehensive income gain / (loss)	Profit before taxation gain / (loss)	Other comprehensive income gain / (loss)	Profit before taxation gain / (loss)
	€m	€m	€m	€m
Gain / (loss) due to 10% increase in the Wholesale Electricity Price	-	-	-	-

The sensitivity analysis provided above for the Group and Parent has been calculated as at 31 December 2024 using the following base commodity prices and foreign currency rates:

	2024	2023
Gas (Stg. p/therm)	97.50	93.43
Wholesale Electricity Price (€/MWh)	114.90	112.16
Coal (US\$/tonne)	114.50	108.25
Foreign currency rate (US\$ = €1)	1.04	1.11
Foreign currency rate (Stg£ = €1)	0.8282	0.8694

(h) Fair value

The fair values of financial assets and liabilities carried at amortised cost together with the carrying amounts shown in the balance sheet are as follows:

31 December 2024	Group		Parent	
	Carrying value	Fair value	Carrying value	Fair value
	€m	€m	€m	€m
Long-term debt	7,004.9	6,651.7	442.1	367.3
Short-term borrowings	480.2	470.4	59.0	56.6
Lease liabilities	117.0	117.0	32.3	32.3
Total borrowings	7,602.1	7,239.1	533.4	456.2
Non-current trade and other payables	13.8	13.8	-	-
Current trade and other payables	1,612.3	1,612.3	9,577.4	9,577.4
Amounts due from insurers	(44.7)	(44.7)	(44.7)	(44.7)
Non-current trade and other receivables	(584.7)	(584.7)	(1,564.6)	(1,564.6)
Current trade and other receivables	(1,934.9)	(1,934.9)	(4,232.2)	(4,232.2)
Cash and cash equivalents	(1,064.9)	(1,064.9)	(745.4)	(745.4)
Net liabilities	5,599.0	5,236.0	3,523.9	3,446.7

30. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (continued)

31 December 2023	Group		Parent	
	Carrying value	Fair value	Carrying value	Fair value
	€m	€m	€m	€m
Long-term debt	7,375.4	7,048.1	478.3	444.3
Short-term borrowings	363.7	359.4	63.7	60.1
Lease liabilities	136.0	136.0	62.9	62.9
Total borrowings	7,875.1	7,543.5	604.9	567.3
Current trade and other payables	2,186.9	2,186.9	9,675.7	9,675.7
Amounts due from insurers	(48.0)	(48.0)	(48.0)	(48.0)
Non-current trade and other receivables	(700.6)	(700.6)	(2,219.7)	(2,219.7)
Current trade and other receivables	(2,149.1)	(2,149.1)	(3,448.7)	(3,448.7)
Cash and cash equivalents	(1,977.8)	(1,977.8)	(1,281.8)	(1,281.8)
Net liabilities	5,186.5	4,854.9	3,282.4	3,244.8

Current trade and other receivables and trade and other payables are all due within one year, and have been provided for where impaired. The carrying value of this is considered to be materially in line with their fair value.

ESB Eurobonds and NIE Networks Sterling bonds are regarded as Level 1 fair values. The fair value of these bonds are derived from observation of the most recent traded values for these bonds in liquid markets at the balance sheet date. Other borrowings and debt are Level 2 fair values. The primary valuation technique used for borrowings and other debt classified as Level 2 fair values is discounting of the future associated cash flows using the zero coupon discount curve of the relevant currency.

Fair value - discount rates

The interest rates used to discount future estimated cash flows, where applicable, are based on the applicable EURIBOR, or SONIA yield curve at the reporting date plus an appropriate constant credit spread.

(i) Fair value hierarchy

The table below analyses financial assets and liabilities carried at fair value, by valuation method. The different levels relevant to financial assets and liabilities held by the Group have been defined as follows:

- Level 1: Inputs are unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date;
- Level 2: inputs, other than unadjusted quoted prices in active markets for identical assets and liabilities, that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Notes to the Financial Statements (continued)

30. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (continued)

Group

	Level 1	Level 2	Level 3	Total
31 December 2024	€m	€m	€m	€m
Assets				
Derivative financial instruments				
▪ Interest rate swaps	-	69.3	-	69.3
▪ Foreign exchange contracts	-	22.4	-	22.4
▪ Forward fuel price contracts ¹	-	139.5	137.9	277.4
Financial assets at fair value through profit or loss	-	-	0.8	0.8
	-	231.2	138.7	369.9
Liabilities				
Derivative financial instruments				
▪ Interest rate swaps	-	(8.0)	-	(8.0)
▪ Currency swaps	-	(14.8)	-	(14.8)
▪ Foreign exchange contracts	-	(7.8)	-	(7.8)
▪ Forward fuel price contracts ¹	-	(110.6)	-	(110.6)
▪ Inflation-linked interest rate swaps	-	(321.7)	-	(321.7)
	-	(462.9)	-	(462.9)
Net (liability) / asset	-	(231.7)	138.7	(93.0)

	Level 1	Level 2	Level 3	Total
31 December 2023	€m	€m	€m	€m
Assets				
Derivative financial instruments				
▪ Interest rate swaps	-	63.5	-	63.5
▪ Foreign exchange contracts	-	17.5	-	17.5
▪ Forward fuel price contracts ¹	-	403.5	23.8	427.3
Financial assets at fair value through profit or loss	-	-	5.0	5.0
	-	484.5	28.8	513.3
Liabilities				
Derivative financial instruments				
▪ Interest rate swaps	-	(13.5)	-	(13.5)
▪ Currency swaps	-	(9.1)	-	(9.1)
▪ Foreign exchange contracts	-	(8.1)	-	(8.1)
▪ Forward fuel price contracts ¹	-	(430.0)	-	(430.0)
▪ Inflation-linked interest rate swaps	-	(341.9)	-	(341.9)
	-	(802.6)	-	(802.6)
Net (liability) / asset	-	(318.1)	28.8	(289.3)

1 Contracts that link the forward electricity price more closely with forward fuel prices are presented net in forward fuel at 31 December.

There have been no transfers between fair value levels during the year ended 31 December 2024 and 31 December 2023.

30. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (continued)

Parent

	Level 1	Level 2	Level 3	Total
31 December 2024	€m	€m	€m	€m
Assets				
Derivative financial instruments				
▪ Interest rate swaps	-	77.2	-	77.2
▪ Foreign exchange contracts	-	22.5	-	22.5
▪ Forward fuel price contracts	-	127.4	-	127.4
	-	227.1	-	227.1
Liabilities				
Derivative financial instruments				
▪ Interest rate swaps	-	(8.0)	-	(8.0)
▪ Currency swaps	-	(14.8)	-	(14.8)
▪ Foreign exchange contracts	-	(7.8)	-	(7.8)
▪ Forward fuel price contracts	-	(105.2)	-	(105.2)
	-	(135.8)	-	(135.8)
Net assets	-	91.3	-	91.3

	Level 1	Level 2	Level 3	Total
31 December 2023	€m	€m	€m	€m
Assets				
Derivative financial instruments				
▪ Interest rate swaps	-	76.8	-	76.8
▪ Foreign exchange contracts	-	22.2	-	22.2
▪ Forward fuel price contracts	-	389.0	-	389.0
	-	488.0	-	488.0
Liabilities				
Derivative financial instruments				
▪ Interest rate swaps	-	(13.5)	-	(13.5)
▪ Currency swaps	-	(9.2)	-	(9.2)
▪ Foreign exchange contracts	-	(8.3)	-	(8.3)
▪ Forward fuel price contracts	-	(402.0)	-	(402.0)
	-	(433.0)	-	(433.0)
Net assets	-	55.0	-	55.0

There have been no transfers between fair value levels during the year ended 31 December 2024 and 31 December 2023.

Notes to the Financial Statements (continued)

30. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (continued)

Measurement of fair values - valuation techniques and significant unobservable inputs

The following table shows the valuation technique used in measuring level 2 and level 3 fair values, as well as the significant unobservable inputs used.

Type	Valuation techniques	Significant unobservable inputs	Inter relationship between significant unobservable inputs and fair value measurement
Currency swaps, foreign exchange contracts and interest rate swaps	Level 2 - Present valuation of future cashflows are estimated based on forward FX and interest rates (from observable yield curves at the end of the reporting year) and contract rates, discounted at a rate that reflects own or counterparty credit risk.		
Forward fuel and electricity price contracts	Level 2 - The fair value of forward fuel contracts is determined by reference to gas, coal and carbon prices with the resulting value discounted to present values. Level 3 - The fair value of some specific forward fuel and electricity contracts are determined by reference to forward electricity prices which are unobservable.	Forward electricity prices	The estimated fair value would increase / (decrease) if Wholesale Electricity Price was higher / (lower). Generally a change in gas prices is accompanied by a directionally similar change in Wholesale Electricity Price.
Inflation-linked interest rate swaps	Level 2 - Independent valuations are used and validated using the present valuation of expected cash flows using the interest rate yield curve of the relevant currency. The zero-coupon curve is based on using the interest rate yield curve of the relevant currency.		
Financial assets at fair value through profit or loss	Level 3 - Where applicable, unquoted investments are valued by deriving an enterprise value using one of the following methodologies: - the price of a recent investment; - revenue multiple	Forecast annual revenue growth rate; Forecast gross margin	The value of investments are assessed based on expectations of the proceeds which could be realised in a disposal. See note 7 and 16. This value will usually be driven by a number of inputs including the ability of the investee to grow its revenue and associated margins leading to higher EBITDA thus higher values.

30. FINANCIAL RISK MANAGEMENT AND FAIR VALUE (continued)

The following table shows a reconciliation from opening balances at 1 January 2023 to the year ended 31 December 2024 for fair value measurements in Level 3 of the fair value hierarchy:

Group	Financial assets at fair value through profit or loss €m	Forward fuel price contracts €m	Total €m
Balance at 1 January 2023	5.0	(21.9)	(16.9)
Additions	-	13.9	13.9
Total gains / (losses):			
▪ in the OCI	-	26.1	26.1
Settlements	-	5.7	5.7
Balance at 31 December 2023 - net	5.0	23.8	28.8
Balance at 1 January 2024	5.0	23.8	28.8
Disposals	(4.2)	-	(4.2)
Total gains / (losses):			
▪ in the OCI	-	114.1	114.1
Balance at 31 December 2024 - net	0.8	137.9	138.7

Financial assets at fair value through profit or loss are carried at fair value.

Where applicable, unquoted investments are valued by deriving an enterprise value using one of the following methodologies:

- the price of a recent investment;
- revenue multiple;
- cost, less any required provision.

Forward fuel price contracts and forward electricity price contracts included at Level 3 in the fair value hierarchy relate to long-term contracts whose valuations are based on a number of forward price assumptions, with some unobservable inputs, including assumed forward electricity, carbon and gas inputs for longer term periods.

Sensitivity analysis - Level 3 fair values

For the fair values of forward fuel and electricity price contracts reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects:

Group	31 December 2024		31 December 2023	
	Other comprehensive income gain / (loss)	Profit before taxation gain / (loss)	Other comprehensive income gain / (loss)	Profit before taxation gain / (loss)
	€m	€m	€m	€m
Gain due to 10% increase in gas prices	47.3	-	44.5	-
Loss due to 10% increase in Wholesale Electricity Prices	(63.1)	-	(74.5)	-

Notes to the Financial Statements (continued)

31. COMMITMENTS AND CONTINGENCIES

(a) Capital commitments

	2024 €m	2023 €m
Tangible assets contracted for	1,128.0	730.0
Intangible assets contracted for	10.8	13.5
Total contracted for	1,138.8	743.5

	2024 €m	2023 €m
Share of equity accounted investees commitments		
NNG Windfarm Holdings Limited	331.3	286.3
Inch Cape Offshore Holdings Limited	96.4	34.5
SIRO Limited	15.5	28.1
FuturEnergy Ireland Development Holdings DAC	23.5	-
Sundew Solar DAC	5.0	22.6
Kestrel DAC	1.5	-
Total contracted for	473.2	371.5

(b) Fuel contract commitments

There are a number of long-term gas supply arrangements in place for different periods up to 2028. These arrangements provide for pricing changes in line with changes in inbuilt energy market indicators. Where appropriate, embedded derivatives included in these arrangements have been separated and valued in accordance with IFRS 9.

(c) Other disclosures

In 2022, following the imposition of EU sanctions, ESB terminated a number of contracts with a supplier. The supplier has subsequently written to ESB challenging ESB's termination of the contracts in question and has initiated a claim seeking damages for wrongful termination of those contracts. The claim is proceeding to arbitration, expected to be heard in 2025. On the basis of the legal advice received, no provision has been made in respect of this matter in the financial statements on the basis that ESB believes that the claim can be successfully defended.

Other than as disclosed above, a number of other lawsuits, claims and disputes with third parties have arisen in the normal course of business. While any litigation or dispute has an element of uncertainty, the Board members believe that there were no contingent liabilities which would have a materially adverse effect on the Group's financial position.

32. RELATED PARTY TRANSACTIONS

Ultimate controlling party

The Group is a state-owned company.86.9% of the issued share capital is held by the Minister for Public Expenditure, Infrastructure, Public Service Reform and Digitalisation, a further 10.2% of the issued share capital is held by the Minister for Environment, Climate, Environment and Energy and the ESOP retaining 2.9% of the stock (see note 21 for further details).

Related Party Disclosures

In accordance with Paragraph 25 of IAS 24, ESB Group is exempt from disclosing related party transactions with another entity that is a related party solely because the Irish Government has control, joint control or significant influence over both the Group and that entity.

Semi-State bodies

In the ordinary course of business, the Group purchased/sold goods and services from entities controlled by the Irish Government such as Ervia, Bord na Móna, EirGrid and Coillte Teoranta.

An infrastructure agreement is in place between the Group and EirGrid (PLC) under the auspices of the Commission for Regulation of Utilities (CRU), in relation to the role of owner of the transmission system.

ESB has entered into temporary emergency generation agreements with EirGrid to facilitate the security of supply to the grid. This includes two sites located at Northwall and Shannonbridge, see note 2 (x) for more detail.

The Group has entered into a number of joint venture arrangements with Bord na Móna and Coillte Teoranta to develop and operate wind farms. See note 16 for further details.

32. RELATED PARTY TRANSACTIONS (continued)

Banks owned by the Irish State

In the normal course of business ESB transacts with certain Irish banks which have become wholly or partially controlled by the Irish Government. All of ESB's transactions with such banks are on normal commercial terms. ESB had no material concentration of borrowings with any such banks during the period or at 31 December 2024. A portion of the cash and cash equivalents as disclosed in note 20 was on deposit with such banks.

Board members' interests

Other than agreed allocations under ESOP, Board members had no beneficial interest in ESB or its subsidiaries at any time during the year. Other than dividends arising as a result of those allocations, there were no other transactions related to those interests.

ESOP

During the year ended 31 December 2024, ESB paid fees of €0.1 million (2023: €0.1 million) on behalf of ESOP. Please refer to note 33 for details of ESB's acquisition of ESOP capital stock.

Pensions

The Group operates a number of pension schemes for staff in the Republic of Ireland, Northern Ireland and Great Britain. See note 10 and note 25 for further details.

Subsidiary undertakings

Sales to and purchases from subsidiaries are conducted in the ordinary course of business.

During the year ended 31 December 2024, ESB Parent purchased gas, engineering, consulting and other services, including rental services of €741.1 million (2023: €1,088.2 million) from its subsidiaries.

During the year, ESB Parent had sales of €1,222.0 million (2023: €1,095.0 million) to subsidiaries. These sales mainly relate to management services and electricity charges including Use of System Charges and sales of electricity and gas.

During the year, ESB Parent earned interest of €137.5 million (2023: €103.0 million) from subsidiaries and incurred interest of €147.9 million (2023: €123.7 million) on inter-company loans.

At 31 December 2024, ESB Parent had gross amounts payable of €8,743.4 million (2023: €8,736.0 million) to its subsidiaries. These payables mainly relate to amounts held on deposit for subsidiaries and other amounts due to subsidiaries, borrowings raised by ESB Finance DAC and loaned to ESB Parent and amounts due in respect of engineering and consulting services.

At 31 December 2024, ESB Parent had balances receivable of €5,006.1 million (2023: €4,274.5 million) from its subsidiaries (net of allowances). These receivables mainly relate to management services and loans to subsidiaries as well as electricity charges including Use of System Charges. The total impairment allowance in respect of amounts owed by subsidiary undertakings at 31 December 2024 was €166.3 million (2023: €143.1 million).

Equity accounted investees

Group	2024 €m	2023 €m
Sale of goods / services ¹	33.4	33.5
Purchase of goods / services ²	83.2	53.5
Amounts owed from as at 31 December ³	1,012.8	722.9
Equity advanced during the year	16.5	35.3

1 ESB provided electricity sales, management and other professional services during the year to equity accounted investees as set out in the above table.
2 ESB purchases power from certain equity accounted investees under Power Purchase Agreements.
3 Amounts owed from equity accounted investees include shareholders loans (shown net of any impairments), interest on these loans and trade receivable balances. Included in the expected credit loss provision is €134.6 million (2023: €nil) in respect of NNG (see note 6).

Terms and conditions

Sales to and purchases from equity accounted investees and associates are conducted in the ordinary course of business. The outstanding balances included in receivables and payables as at the balance sheet date in respect of transactions with equity accounted investees and associates are unsecured and settlement arises in cash. No guarantees have been either requested or provided in relation to amounts due to or from related parties.

Notes to the Financial Statements (continued)

32. RELATED PARTY TRANSACTIONS (continued)

Key management compensation

	2024	2023
	€m	€m
Salaries and other short-term employee benefits	3.6	3.8
Post-employment benefits	0.4	0.4
	4.0	4.2

The key management compensation amounts disclosed above represent compensation to those people having the authority and responsibility for planning, directing and controlling the activities of the Group. These include the remuneration of senior executives and board members.

33. ESB ESOP TRUSTEE LIMITED

ESB ESOP Trustee Limited was incorporated by ESB during 2001, with a €1 investment, as Trustee to the ESB Employee Ownership Trust (ESOT) and the ESB Approved Profit Sharing Scheme (APSS). Under the terms of the creation of ESB ESOP Trustee Limited, ESB has no ability or rights to exert control over the assets or management of the company. The Trustee Company is chaired by an independent professional Trustee with four directors representing ESB employees and two directors representing ESB. As such, severe restrictions which substantially hinder the exercise of the rights of ESB over the assets and management of the company exist. In accordance with IFRS 10 Consolidated Financial Statements, the financial statements for ESB ESOP Trustee Limited are not consolidated with the results of the ESB Group.

During the year ended 31 December 2015, ESB entered into an agreement to support the acquisition of capital stock in future ESOP internal markets. As part of the agreement ESB committed to match the acquisitions made by the ESOP Trustees up to a value of €25.0 million. During the year ended 31 December 2021, ESB entered into a further agreement to support the acquisition of capital stock in future ESOP internal markets. As part of the agreement, ESB committed up to €35.0 million in addition to the funds remaining from on the 2015 agreement, to purchase shares in future ESOP internal markets from 2021 (inclusive) onwards. An ESOP provision of €36.5 million was recognised during the year ended 31 December 2021 in other reserves in respect of this agreement and the remaining balance of the 2015 agreement.

During 2024, ESB continued the repurchase of the ESOP capital stock and consequently a capital redemption reserve movement of €3.0 million (2023: €2.3 million) arose from the purchase and cancellation of the 3.0 million ESOP share capital (2023: 2.3 million) for a consideration of €8.1 million (2023: €4.5 million) and represents the nominal amount of the share capital cancelled. The repurchase reduced the ESOP repurchase provision by €8.1 million and at 31 December 2024, the ESOP repurchase provision (note 29) recognised in other provisions amounts to €2.0 million (2023: €10.1 million). The remaining balance of the provision will be discharged in future years as capital stock is repurchased.

34. POST BALANCE SHEET EVENTS

Details of the dividend declared since the year end are set out in note 21.

Acquisition of Lettermuckoo Windfarm Holdings Limited

On 7 February 2025, ESB acquired 100% of the share capital of Lettermuckoo Windfarm Holdings Limited and its wholly owned subsidiary undertakings (the "Lettermuckoo Group"). The Lettermuckoo Group owns and operates an onshore wind farm in County Galway, Ireland and the acquisition adds 101 MWs of operational generation capacity to ESB's renewable portfolio as well as 13.5 MWs of generation capacity under development. Following the acquisition, ESB controls 100% of the voting rights and operations of Lettermuckoo Windfarm Holdings Limited.

Due to the timing, the final fair value of consideration and initial accounting for the acquisition is not fully finalised and related disclosures for the business combination are not provided at the time these financial statements have been authorised for issue.

34. POST BALANCE SHEET EVENTS (continued)

Storm Éowyn

On 24 January 2025 Storm Éowyn brought unprecedented, widespread and extensive damage to electricity infrastructure across the island of Ireland, resulting in over 1 million customers losing supply. Storm Éowyn has been assessed as by far the worst storm experienced in ESB's history, both in terms of customers losing supply, and the scale of damage across the network. By 11 February 2025, ESB Networks had restored power to all homes, farms, schools, and businesses impacted by Storm Éowyn. The prolonged disruption to electricity supply in many cases caused significant hardship and distress to ESB customers. While it is too early to quantify the costs of repairing the damage caused by Storm Éowyn, or to address how those costs will be met, significant unplanned operating and payroll costs were, and will be, incurred by ESB Networks in reconnecting customers and repairing damage to network infrastructure. A comprehensive review of storm response procedures and any investment requirements to ensure a safe, secure, reliable, economical and efficient electricity network, will be carried out by ESB, in conjunction with other stakeholders, in the coming months.

There are no other post balance sheet events that the Board members believe require adjustment to or disclosure in the financial statements.

35. APPROVAL OF FINANCIAL STATEMENTS

The Board approved the financial statements on 26th February 2025.

36. SUBSIDIARY, EQUITY ACCOUNTED INVESTEEES AND ASSOCIATE UNDERTAKINGS

Company name	Registered office	Group share %	Nature of business
Subsidiary undertakings			
Direct subsidiary			
ESB Energy International Ltd.	2	100	Holding company
ESB Finance DAC.	2	100	Finance
ESB Financial Enterprises Ltd.	2	100	Holding company
ESB International Investments Ltd.	2	100	Holding company
ESB International Ltd.	2	100	Holding company
ESB Networks DAC.	27	100	Power distribution
ESBNI Ltd.	5	100	Holding company
Indirect subsidiary			
Airstream Wind Energy Ltd.	2	100	Development and construction of a wind farm
Airvolution Energy Ltd. (UK) (In Liquidation)	28	100	Power generation
Allt An Tuir Renewable Energy Park Ltd. ¹	30	10	Power generation
Blarghour Wind Farm Ltd. ¹	7	23.31	Power generation
Bullstown Solar Ltd.	2	100	Business development
Cambrian Renewable Energy Ltd.	4	100	Power generation
Capital Pensions Management Ltd.	6	100	Pension scheme administration
Cappawhite Wind Ltd.	2	100	Power generation
Carrington Power Ltd.	38	100	Power generation
Castlepook Power DAC.	2	100	Power generation
Celtic 2 OSW Power Holdings DAC.	2	100	Holding company
Celtic OSW Power Holdings DAC.	2	100	Holding company
Chirmorie Wind Farm Ltd. ¹	7	29.5	Power generation
Coolkeeragh ESB Ltd.	5	100	Power generation
Corby Power Ltd.	3	100	Power generation
Corvoderry Wind Farm Ltd.	2	100	Wind farm development
Crockagarran Windfarm Ltd.	5	100	Power generation
Crockahenny Wind Farm DAC.	2	75	Power generation
Curryfree Wind Farm Ltd.	5	100	Power generation
Darlees Wind Farm Ltd. ¹	7	8.2	Power generation
Dell Wind Farm Ltd. ¹	7	18.7	Power generation
Devon Wind Power Ltd.	4	100	Power generation

Notes to the Financial Statements (continued)

36. SUBSIDIARY, EQUITY ACCOUNTED INVESTEEES AND ASSOCIATE UNDERTAKINGS (continued)

Company name	Registered office	Group share %	Nature of business
Durris Wind Farm Ltd. ¹	7	8.2	Power generation
ESB Asset Development (UK) Ltd.	16	100	Business development
ESB Commercial Properties Ltd.	2	100	Property management and development
ESB Energy Ltd.	4	90	Supply company
ESB Group (UK) Ltd.	4	100	Engineering and consultancy
ESB Independent Energy (NI) Ltd.	2	100	Electricity and gas sales
ESB Independent Energy Ltd.	2	100	Electricity and gas sales
ESB Independent Generation Trading Ltd.	2	100	Electricity and gas trading
ESB Innovation ROI Ltd.	2	100	Provision of energy and electromobility services
ESB Innovation UK Ltd.	4	100	Provision of energy and electromobility services
ESB Novusmodus GP Ltd.	2	100	Clean technology investment
ESB Power Generation Holding Company Ltd.	2	100	Holding company
ESB Retail GB Ltd.	24	90	Holding company
ESB Solar (Ireland) Ltd.	2	100	Business and management consultancy activities
ESB Solar (NI) Ltd.	5	100	Business and management consultancy activities
ESB Telecoms Ltd.	2	100	Telecommunications
ESB Trading Ltd.	2	100	Management and operation services
ESB Wind Development Ltd.	2	100	Business development
ESBI Carbon Solutions Ltd.	2	100	Dormant
ESBI Contracting Ltd.	2	100	Dormant
ESBI Engineering and Facility Management Ltd.	1	100	Engineering
ESBI Luxembourg S.A.	17	100	Electricity generating assets investment
ESBII UK Ltd.	4	100	Holding company
Facility Management UK Ltd.	4	100	Facility management
Fitzwilliam Street Lower Management CLG.	2	50	Property Management
Foel Fach Wind Farm Ltd. ¹	7	8.2	Power generation
Garravagh Solar Farm Ltd.	2	100	Business development
Garvagh Glebe Power Ltd.	2	100	Power generation
Garvary Wind Farm Ltd. ¹	7	21.59	Wind farm development
Glasa Wind Farm Ltd. ¹	7	8.2	Power generation
Glendye Wind Farm Ltd. ¹	7	21.1	Power generation
Gort Windfarms Ltd.	2	100	Power generation
Greystone Knowe Wind Farm Ltd. ¹	7	13.9	Power generation
Gwynt Glas (ESB) Holding Company Ltd.	4	100	Holding company
Gwynt Glas Offshore Wind Farm Ltd. ¹	40	33.3	Wind farm development
Harmony Solar Clare Ltd. ¹	22	60	Business development
Harmony Solar Cork Ltd. ¹	22	60	Business development
Harmony Solar Dennistown Ltd.	2	100	Business development
Harmony Solar Galway Ltd. ¹	22	30	Business development
Harmony Solar Kerry Ltd. ¹	22	60	Business development
Harmony Solar Kildallan Ltd. ¹	22	30	Business development
Harmony Solar Kildare Ltd.	22	70	Business development
Harmony Solar Kilkeny Ltd.	2	100	Business development
Harmony Solar Kilmorna Ltd. ¹	22	30	Business development
Harmony Solar Knockanoura Ltd.	22	60	Business development
Harmony Solar Limerick Ltd.	22	100	Business development
Harmony Solar Longford Ltd.	2	100	Business development
Harmony Solar Louth Ltd.	2	100	Business development
Harmony Solar Mayglass Ltd.	2	100	Business development
Harmony Solar Meath Ltd.	2	100	Business development
Harmony Solar Mullingar Ltd.	22	60	Business development

36. SUBSIDIARY, EQUITY ACCOUNTED INVESTEEES AND ASSOCIATE UNDERTAKINGS (continued)

Company name	Registered office	Group share %	Nature of business
Harmony Solar Milltown Ltd.	22	60	Business development
Harmony Solar Offaly Ltd.	22	60	Business development
Harmony Solar Ralphtown Ltd.	2	100	Business development
Harmony Solar Rathkeale Ltd. ¹	22	30	Business development
Harmony Solar Smithstown Ltd.	22	60	Business development
Helvick Head Offshore Wind Holdings DAC.	2	100	Holding company
Hibernian Wind Power Ltd.	2	100	Power generation
Hunter's Hill Wind Farm Ltd.	5	100	Power generation
Inveroykel Wind Farm Ltd. ¹	7	8.2	Power generation
Kerry Wind Power Ltd.	2	100	Power generation
Kintyre Renewable Energy Park Ltd. ¹	30	10	Power generation
Kirkan Wind Farm Ltd. ¹	7	16.44	Power generation
Knottingley Power Ltd.	4	100	Dormant
Loch Garman Offshore Wind Holdings DAC.	2	100	Holding company
Malin Sea Wind Ltd.	4	100	Dormant
Merrion Park Owners Management Company CLG.	2	52	Property Management
Moneypoint Offshore Wind Holdings DAC.	2	100	Holding company
Moneypoint 2 Offshore Wind Holdings DAC.	2	100	Holding company
Mount Eagle WindFarm Ltd.	2	100	Power generation
Mountainlodge Power DAC.	2	85.9	Power generation
NIE Finance PLC.	6	100	Finance
NIE Ltd.	6	100	Dormant
NIE Networks Services Ltd.	6	100	Non-trading
Northern Ireland Electricity Ltd.	6	100	Dormant
Northern Ireland Electricity Networks Ltd.	6	100	Power transmission and distribution
Orliven Ltd.	2	100	Power generation
Pallas Windfarm Ltd.	2	100	Power generation
Pallas Energy Supply Ltd.	2	100	Power generation
Planet 9 Energy Ltd.	4	100	Trade of electricity
Pollie Hill Wind Farm Ltd. ¹	7	8.2	Power generation
REG Greenburn Ltd. ¹	29	10	Power generation
REG Knockodhar Ltd. ¹	30	10	Power generation
Seastacks Offshore Wind Holdings DAC.	2	100	Holding company
Shanoagh PV Ltd.	22	60	Business development
Shantallow Solar Farm Ltd.	2	100	Business development
Shetland Offshore Wind Ltd.	4	100	Dormant
Sillahertane Energy Project Two Ltd.	2	100	Dormant
So Energy Ltd.	24	90	Supply company
So Energy Trading Ltd.	24	90	Supply company
Synergen Power Ltd.	9	100	Power generation
Tullamore Solar Farm Ltd.	2	100	Business development
Tullynahaw Power Ltd.	2	100	Power generation
Vale of Leven Windfarm Ltd. ¹	7	8	Power generation
Waterfern Ltd.	2	100	Power generation
West Durham Wind Farm Ltd.	4	100	Power generation
Woodhouse WindFarm Ltd.	2	100	Power generation
Y Bryn Wind Farm Ltd. ¹	7	13.86	Power generation

Notes to the Financial Statements (continued)

36. SUBSIDIARY, EQUITY ACCOUNTED INVESTEEES AND ASSOCIATE UNDERTAKINGS (continued)

Company name	Registered office	Group share %	Nature of business
Equity accounted investees			
Aldeburgh Offshore Wind Holdings Ltd.	18	50	Holding company
Aldeburgh Offshore Wind Investments Ltd.	18	50	Holding company
Ballinagree Wind DAC.	26	50	Power generation
Cahermurphy Renewables DAC.	26	27.5	Power generation
Celtic 1 OSW Power DAC.	2	50	Wind farm development
Celtic 2 OSW Power DAC.	2	50	Wind farm development
Clogherhead Offshore Wind DAC.	2	75	Wind farm development
Clogherhead Offshore Wind Holdings DAC.	2	75	Holding Company
Cummeennabuddoge Wind DAC.	26	50	Power generation
Emerald Bridge Fibres DAC.	2	50	Telecommunications
Five Estuaries Offshore Wind Farm Ltd.	19	20.83	Wind farm development
FuturEnergy Knockshanvo DAC.	26	50	Wind farm development
FuturEnergy Ballyhoura DAC.	26	50	Wind farm development
FuturEnergy Ballynahone DAC.	26	50	Wind farm development
FuturEnergy Barracree DAC.	26	50	Wind farm development
FuturEnergy Carrownagowan DAC.	26	50	Wind farm development
FuturEnergy Clonbullogue DAC.	26	50	Wind farm development
FuturEnergy Corbally DAC.	26	50	Wind farm development
FuturEnergy Corravaddy DAC.	26	50	Wind farm development
FuturEnergy Croagh DAC.	26	50	Wind farm development
FuturEnergy Croaghaun DAC.	26	50	Wind farm development
FuturEnergy Crowagh DAC.	26	50	Wind farm development
FuturEnergy Cullenagh DAC.	26	50	Wind farm development
FuturEnergy Glenard DAC.	26	50	Wind farm development
FuturEnergy Gortnahurra DAC.	26	50	Wind farm development
FuturEnergy Ireland Development DAC.	26	50	Wind farm development
FuturEnergy Ireland Development Holdings DAC.	26	50	Holding company
FuturEnergy Kealafreaghane DAC.	26	50	Wind farm development
FuturEnergy Lissinagroagh DAC.	26	50	Wind farm development
FuturEnergy Mongorrry DAC.	26	50	Wind farm development
FuturEnergy North Mayo DAC.	26	50	Wind farm development
FuturEnergy Scart Mountain DAC.	26	50	Wind farm development
FuturEnergy Slieve Rusheen DAC.	26	50	Wind farm development
FuturEnergy Slieveragh DAC.	26	50	Wind farm development
FuturEnergy Tullintowell DAC.	26	50	Wind farm development
Galloper Wind Farm Holding Company Ltd.	19	12.5	Holding company
Galloper Wind Farm Ltd.	19	12.5	Power generation
Gortyrhillly Wind DAC.	26	50	Power generation
Havbredey Ltd.	34	24.5	Wind farm development
Helvick Head Offshore Wind DAC.	2	50	Wind farm development
Highland Wind Farm Ltd.	37	50	Power generation
Inch Cape Offshore Holdings Ltd.	23	50	Holding company
Inch Cape Offshore Holdings 2 Ltd.	38	50	Holding company
Inch Cape Offshore Ltd.	23	50	Business Development
Inchamore Wind DAC.	26	50	Power generation
Kestrel Energy Storage DAC.	12	33.3	Trade of gas through mains
Lenalea Wind Farm DAC.	39	25	Power generation
Lewis Wind Power Holdings Ltd.	36	50	Holding company
Loch Garman Offshore Wind DAC.	2	50	Wind farm development

36. SUBSIDIARY, EQUITY ACCOUNTED INVESTEEES AND ASSOCIATE UNDERTAKINGS (continued)

Company name	Registered office	Group share %	Nature of business
Moneypoint 1 Offshore Wind DAC.	2	50	Wind farm development
Moneypoint 2 Offshore Wind DAC.	2	50	Wind farm development
Neart Na Gaoithe Offshore Wind Ltd.	21	50	Wind farm development
NNG Windfarm Holdings Ltd.	21	50	Holding company
Oweninny Power 2 DAC.	2	50	Power generation
Oweninny Power 2 Holdings DAC.	2	50	Holding company
Oweninny Power DAC.	2	50	Power generation
Oweninny Power Holdings DAC.	2	50	Holding company
Raheenleagh Power DAC.	2	50	Power generation
Retrofit Superhomes Ltd.	25	50	Retrofit of homes
Saoirse Wave Energy Ltd.	35	50	Development of wave energy projects
Seastacks Offshore Wind DAC	2	50	Windfarm development
SIRO DAC.	31	50	Fibre to the building
SIRO JV Holdco Ltd.	31	50	Holding Company
Spiorad na Mara Ltd.	34	24.5	Wind farm development
Springfield Renewables Ltd.	26	32.5	Power generation
Stornoway Wind Farm Ltd.	36	50	Holding company
Sundew Solar DAC.	2	50	Solar farm development
Superhomes Ireland DAC.	25	50	Retrofit of homes
Western Isles Offshore Wind N2 Ltd.	33	24.5	Holding company
Western Isles Offshore Wind N4 Ltd.	33	24.5	Holding company
Investments			
Dublin Offshore Technology Ltd.	32	30	Engineering activites and related technical consultancy
Heliex Power Ltd.	13	0.6	Clean technology investment
Nualight Ltd. ¹	14	42.3	Clean technology investment
Oriel WindFarm Ltd.	20	5	Power generation
Pesaka Technologies. ¹	11	30	Power generation
Rousch Pakistan Power.	8	7	Power generation
VantagePoint Cleantech Partners II, L.P.	15	4.5	Clean technology investment
Kerry Airport Plc	41	< 2.0	Airport
Waterford Regional Airport Plc	42	< 3.0	Airport
Aevin Plc	43	< 3.0	Leisure facility
Other - wholly owned, non-controlled			
ESB ESOP Trustee Ltd.	10	100	Staff shareholding scheme

1 The Group has determined that entities with less than 50% Group share are subsidiaries and less than 20% Group share are equity accounted joint ventures, on the basis that the group has the ability to control or direct the relevant activities (or jointly control and jointly direct in the case of joint venture) of the entities due to specific contractual, funding and board arrangements in place with those entities. Similarly, there are entities where the group holds more than 20% where contractual arrangements mean the Group has no significant influence and accordingly these investments are not equity accounted.

Notes to the Financial Statements (continued)

36. SUBSIDIARY, EQUITY ACCOUNTED INVESTEEES AND ASSOCIATE UNDERTAKINGS (continued)

Electricity Supply Board is an Irish tax resident statutory body having its principal place of business at 27 Fitzwilliam Street Lower, Dublin 2, D02 KT92. Its subsidiaries, equity accounted investees and associated undertakings are all tax resident in the tax jurisdiction where their respective registered office is located. Below is the location of the registered offices.

Notes:

1	ESB International, One, Dublin Airport Central, Dublin Airport, Cloghran, Co. Dublin, K67 XF72, Republic of Ireland
2	27 Fitzwilliam Street Lower, Dublin 2, D02 KT92, Republic of Ireland
3	Mitchell Road, Phoenix Parkway, Corby, Northamptonshire MN17 1Q7, United Kingdom
4	Eastcastle House, 27/28 Eastcastle Street, London, England, W1W 8DH
5	2 Electra Road, Maydown, Derry, BT47 6 UL, Northern Ireland
6	120 Malone Road Belfast, BT9 5HT, Northern Ireland
7	22-24 King Street, Maidenhead, SL6IEF, United Kingdom
8	94-W, 3rd Floor, AAMIR Plaza, Jinnah Avenue, Blue Area, Islambad, Pakistan
9	ESB Dublin Bay, Pigeon House Road, Ringsend, Dublin 4, D04 Y5N2, Republic of Ireland
10	56 Mount Street Upper, Dublin 2, D02 P406, Republic of Ireland
11	Level U1, Menara Yayasan Tun Razak, 200, Jalan Bukit Bintang, 55100 Kuala Lumpur, W. P. Kuala Lumpur.
12	1 Stokes Place, St Stephen's Green, Dublin, D02 DE03
13	Kelvin Building Bramah Avenue, East Kilbride, Glasgow, G75 0RD, Scotland, United Kingdom
14	Unit 18a South Ring Business Park, Kinsale Road, Cork, T12 WEY8, Republic of Ireland
15	C/O Codan Trust Company (Cayman) Limited, Cricket Square, Hutchins Drive, P.O Box 2681, Grand Cayman, KY1-1111, Cayman Islands
16	Fora, 16-19 Eastcastle, London W1W 8DY, UK
17	28, boulevard F.W. Raiffeisen, L- 2411, Luxembourg, Grand Duchy of Luxembourg
18	C/O Alter Domus (Uk) Limited 10th Floor 30 st Mary Axe London EC3A 8BF, England
19	Windmill Hill Business Park, Whitehall Way, Swindon SN5 6PB, United Kingdom
20	302 - 303 Balheary Demesne, Balheary Road, Swords, Dublin, Co. Dublin, Republic of Ireland
21	Atria One, 144 Morrison Street, Edinburgh, Scotland, United Kingdom EH3 8EX
22	Ballyseskin House, Ballyseskin, Kilmore, Co. Wexford, Republic of Ireland
23	5th Floor, 40 Princes Street, Edinburgh, EH2 2BY, Scotland, United Kingdom
24	Studio 2 Power Road Studios, 114 Power Road, Chiswick, London, England, W4 5PY
25	Thurles Chamber Enteprise Centre, TUS Thurles Campus, Nenagh Road, Thurles, Tipperary, Republic of Ireland
26	C/O FuturEnergy Ireland, 27/28 Herbert Place, Dublin 2, Ireland
27	Three Gateway, East Wall Road, Dublin 3, D03R583, Republic of Ireland
28	C/O Interpath Limited, 10 Fleet Place, London, EC4M 7RB
29	C/O Gillespie Macandrew LLP, 5 Atholl Crescent, Edinburgh, Scotland, EH3 8EJ
30	C/O Womble Bond Dickinson (Uk) LLP, 2 Semple Street, Edinburgh, Scotland, EH3 8BL
31	The Herbert Building, The Park, Carrickmines, Co Dublin, D18 K8Y4, Republic of Ireland
32	57 Fitzwilliam Square North, Dublin 2, D02CP02, Republic of Ireland
33	21 Holborn Viaduct, London, United Kingdom, EC1A 2DY
34	77 Renfrew Street, Glasgow, United Kingdom, G2 3BZ
35	Woodbine Hill, Youghal, Co. Cork, Ireland
36	C/O Edf Renewables, Atria One, 144 Morrison Street, Edinburgh, Scotland, EH3 8EX
37	14b, Tower 42, 25 Old Broad Street, London, England, EC2N 1HN
38	132 Manchester Road, Carrington, Manchester, England, M31 4AY
39	Red Oak South, South County Business Park, Leopardstown, Dublin 18
40	Alexander House 1 Mandarin Road, Rainton Bridge Business Park, Houghton Le Spring, Sunderland, England, DH4 5RA
41	Kerry Airport, Farranfore, Co. Kerry
42	Ballycar House, Newtown, Waterford, Co. Waterford
43	The Aquadome, Tralee, Co. Kerry

Supplementary Information

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Report of Board Members on Compliance with the Prompt Payment of Accounts Act, 1997 and European Communities (Late Payments in Commercial Transactions) Regulations, 2012 (S.I. No. 580 of 2012) as amended by European Communities (Late Payment in Commercial Transactions) (Amendment) Regulations, 2016 (S.I. No. 281 of 2016)

Introduction

Payment terms during 2024 were governed by:

- The Prompt Payment of Accounts Act, 1997
- European Communities (Late Payments in Commercial Transactions) Regulations, 2012 (S.I. No. 580 of 2012) as amended by European Communities (Late Payment in Commercial Transactions) (Amendment) Regulations, 2016 (S.I. No. 281 of 2016) to combat late payments in commercial transactions. These regulations apply to contracts for goods and services supplied to ESB
- Construction Contracts Act, 2013. This Act applies to construction contracts over €10,000

Statement of Payment Practices

ESB is committed to paying all undisputed supplier invoices within their agreed terms of payment.

Procedures and Controls in place

Appropriate internal financial controls have been implemented including clearly defined roles and responsibilities. These procedures provide assurance against material non-compliance with the legislation.

Prompt Payment Code of Conduct

In 2015, the Government launched the Prompt Payment Code of Conduct, which can be found at www.irishstatutebook.ie/eli/1997/act/31. ESB is a signatory to this Code and undertakes to pay suppliers on time; give clear guidance to suppliers on payment procedures; and encourage the adoption of the Code by suppliers within their own supply chains.

Construction Contracts Act, 2013

This Act came into effect on 25 July 2016. ESB has reviewed its responsibilities under this Act and has communicated these responsibilities to relevant staff.

Details of Late Payment Interest in respect of 2024

When ESB validates a late payment request from a supplier, it is ESB's policy to pay interest due on such late payments and €4,986 was paid in respect of late payments during the year 2024 (2023: Nil).



Terence O'Rourke
Chairman



Paddy Hayes
Chief Executive

26 February 2025

Alternative Performance Measures

The Group reports certain alternative performance measures (APMs) that are used by management and investors alongside International Financial Reporting Standards (IFRS) measures to assess the performance and financial position of the Group. The key APMs used by the Group are as follows:

	APM	Category of measure	Closest equivalent IFRS measure	Definition
(a)	Earnings before interest, tax, depreciation and amortisation (EBITDA)	Profit measure	Operating profit	Operating profit before interest, taxation, depreciation, impairments (including non-trading net impairment losses on financial assets), amortisation and revenue from supply contributions.
(a)	EBITDA before exceptional items and certain re-measurements	Profit measure	Operating profit	Operating profit before interest, taxation, depreciation, impairments (including non-trading net impairment losses on financial assets), amortisation, revenue from supply contributions and exceptional items and certain re-measurements separately disclosed in the Income Statement.
(a)	Operating profit before exceptional items and certain re-measurements	Profit measure	Operating profit	Operating profit before exceptional items and certain re-measurements separately disclosed in the Income Statement.
(b)	Net debt*	Cash and debt measure	Borrowings and other debt and lease liabilities less cash and cash equivalents and short-term deposits	Total of borrowings and other debt plus lease liabilities less cash and cash equivalents (excluding any restricted cash) and short-term deposits.
(c)	Capital expenditure	Capital expenditure measure	Capital additions to property, plant and equipment, intangible assets and equity accounted investees	Additions to property, plant and equipment, intangible assets (excluding emissions allowances) plus additions to equity accounted investees.
(d)	Return on Capital Employed (ROCE) percentage	Capital efficiency measure	N/A	Adjusted operating profit after tax divided by average capital employed.
(e)	Liquidity*	Cash and debt measure	N/A	Total of cash and cash equivalents (excluding any restricted cash), short-term deposits and amounts undrawn under available revolving credit facilities or other facilities.
(f)	Consolidated net debt percentage	Cash and debt measure	N/A	Net debt divided by the sum of net assets and gross debt.
(g)	Total assets excluding cash*	Asset base measure	Total assets less cash and cash equivalents and short-term deposits	Total of non-current assets and current assets excluding cash and cash equivalents and short-term deposits.

* Definition of the APM has been updated to include short-term deposits to allow a more accurate understanding of the Group position. Short-term deposits are cash deposits with maturities of more than 90 days but not greater than one year and are included within trade and other receivables.

Alternative Performance Measures (continued)

The measures and their purpose can be classified as follows:

Measure	Purpose
Profit measure	Allows management and readers understand underlying profitability for the year. Exceptional items and certain re-measurements are excluded in two of the three alternative profit measures as by their nature these are unusual and do not reflect underlying performance. Impairments are also excluded from the EBITDA measure as they do not necessarily reflect operating performance in the year.
Cash and debt measure	Allows management and readers to understand the indebtedness, funding and liquidity position of the Group.
Capital expenditure measure	Allows management and readers to track progress on the significant capital investment programme which is a key element of the Group's strategic ambition.
Capital efficiency measure	Allows management and readers to determine how well the Group has performed in generating profits from the capital it has employed.
Asset base measure	The asset base is a measure of the size of the Group. ESB is a large group of diverse and different businesses. The segmental analysis of the Group's asset bases allows management and readers to understand how the asset base of the Group is made up and what proportion relates to regulated network activities.

Reconciliation of Alternative Performance Measures

(a) EBITDA, EBITDA before exceptional items and certain re-measurements and Operating profit before exceptional items and certain re-measurements – December 2024

	Reference in Financial Statements	Customer Solutions €m	ESB Networks €m	Generation and Trading €m	NIE Networks €m	Other Segments €m	Total €m
Operating profit/(loss) before exceptional items and certain re-measurements	Note 3(a)(iii)	113.3	366.7	310.6	188.5	(4.1)	975.0
Exceptional items and certain re-measurements	Note 6	-	-	115.5	-	-	115.5
Operating profit/(loss)	Note 3(a)(iii)	113.3	366.7	426.1	188.5	(4.1)	1,090.5
Impairments (including non-trading net impairment losses on financial assets and impairment gains)	Note 3(a)(ii)	0.3	-	6.0	-	0.7	7.0
Depreciation and amortisation	Note 3(a)(ii)	27.2	575.5	166.6	202.4	32.9	1,004.6
Revenue from supply contributions	Note 4	-	(68.4)	-	(26.2)	-	(94.6)
EBITDA		140.8	873.8	598.7	364.7	29.5	2,007.5
Exceptional items (non-impairment) and certain re-measurements	Note 6	-	-	(115.5)	-	-	(115.5)
EBITDA before exceptional items and certain re-measurements		140.8	873.8	483.2	364.7	29.5	1,892.0

EBITDA, EBITDA before exceptional items and certain re-measurements and Operating profit before exceptional items and certain re-measurements – December 2023

	Reference in Financial Statements	Customer Solutions €m	ESB Networks €m	Generation and Trading €m	NIE Networks €m	Other Segments €m	Total €m
Operating profit/(loss) before exceptional items and certain re-measurements	Note 3(a)(iii)	(12.4)	359.0	710.0	77.8	(34.1)	1,100.3
Exceptional items and certain re-measurements	Note 6	-	-	20.5	-	-	20.5
Operating profit/(loss)	Note 3(a)(iii)	(12.4)	359.0	730.5	77.8	(34.1)	1,120.8
Impairments (including non-trading net impairment losses on financial assets and impairment gains)	Note 3(a)(ii)	-	-	5.1	-	-	5.1
Depreciation and amortisation	Note 3(a)(ii)	22.3	553.2	144.6	191.2	31.0	942.3
Revenue from supply contributions	Note 4	-	(67.8)	-	(24.2)	-	(92.0)
EBITDA		9.9	844.4	880.2	244.8	(3.1)	1,976.2
Exceptional items (non-impairment) and certain re-measurements	Note 6	-	-	(20.5)	-	-	(20.5)
EBITDA before exceptional items and certain re-measurements		9.9	844.4	859.7	244.8	(3.1)	1,955.7

(b) Net debt

	Reference in Financial Statements	December 2024 €m	December 2023 €m
Borrowings and other debt	Note 23	7,485.1	7,739.1
Lease liabilities	Note 14(a)	117.0	136.0
Gross debt		7,602.1	7,875.1
Cash and cash equivalents (excluding restricted cash)	Note 20	(858.3)	(1,428.3)
Net debt		6,743.8	6,446.8

(c) Capital expenditure

	Reference in Financial Statements	December 2024 €m	December 2023 €m
Investments in property, plant and equipment	Note 12	1,639.9	1,517.7
Investments in intangible assets (excluding emissions allowances)	Note 13	187.2	175.5
Financial assets and equity accounted investees	Note 16	16.5	35.3
Capital expenditure*		1,843.6	1,728.5

* Refer to Note 3(b) for segmental breakdown of additions to non-current assets.

Alternative Performance Measures (continued)

(d) Return on Capital Employed (ROCE) percentage

	Reference in Financial Statements	December 2024 €m	December 2023 €m
Operating profit before exceptional items and certain re-measurements	Income Statement	975.0	1,100.3
Exceptional items and certain re-measurements	Note 6	115.5	20.5
Impairments (including non-trading net impairment losses on financial assets and impairment gains)	Note 3(a)(ii)	7.0	5.1
Foreign exchange retranslation (gain)	Note 8	(27.5)	(4.2)
Share of equity accounted investees (loss)/profit	Note 16(a)	(5.3)	13.7
Profit on disposal of property, plant and equipment and intangible assets, investments and subsidiaries	Note 7	(65.0)	(9.2)
Impairment loss recognised in respect of trade receivables	Note 19	72.2	70.4
Pension costs (curtailment cost and administration expenses)	Note 25	1.8	1.7
Adjusted operating profit		1,073.7	1,198.3
Taxation	Note 22(a)	(163.2)	(133.8)
Taxation on exceptional items/adjustments*		(26.6)	(23.6)
Adjusted operating profit after tax (A)		883.9	1,040.9
Equity	Balance Sheet	5,923.2	5,300.0
Borrowings and other debt	Note 23	7,485.1	7,739.1
Lease liabilities	Note 14(a)	117.0	136.0
Net deferred tax liability	Note 22(b)	630.8	558.9
Allowance for expected credit loss in respect of trade receivables	Note 19	200.8	147.8
Current tax asset	Balance Sheet	51.6	22.0
Capital employed		14,408.5	13,903.8
Average capital employed (B)**		14,156.2	13,195.7
ROCE percentage (A/B)		6.2%	7.9%

* Using an effective tax rate of 18.7% (2023: 13.4%).
** Average capital employed of the current and preceding year.

(e) Liquidity

	Reference in Financial Statements	December 2024 €m	December 2023 €m
Cash and cash equivalents (excluding restricted cash)	Note 20	858.3	1,428.3
Undrawn revolving credit facilities and other committed facilities	Note 23(3)	1,618.0*	2,262.6
Liquidity		2,476.3	3,690.9

*Includes RCF and 2023 EIB Facility (available to draw down at 31 December 2024).

(f) Consolidated net debt percentage

	Reference in Financial Statements	December 2024 €m	December 2023 €m
Net debt	APM Rec. (b)	6,743.8	6,446.8
Net assets	Balance Sheet	5,923.2	5,300.0
Gross debt	APM Rec. (b)	7,602.1	7,875.1
Net assets and gross debt		13,525.3	13,175.1
Consolidated net debt percentage		49.9%	48.9%

(g) Total assets excluding cash

	Reference in Financial Statements	December 2024 €m	December 2023 €m
Total assets	Balance Sheet	19,253.9	19,673.1
Cash and cash equivalents	Balance Sheet	(1,064.9)	(1,977.8)
Total assets excluding cash		18,189.0	17,695.3
By Segment		€m	€m
Customer Solutions		1,019.2	1,018.2
ESB Networks		9,349.8	8,735.3
Generation and Trading		4,318.3	4,655.8
NIE Networks		3,069.6	2,755.6
Other Segments*		432.1	530.4
Total assets excluding cash		18,189.0	17,695.3

* All intersegment related amounts are eliminated upon consolidation and these eliminations are included in the Other Segments line above.

Glossary

Definitions are as applied internally by ESB and may differ from other definitions in the public domain.

1. Balancing Market/Balancing Mechanism (BM)

Allows the Transmission System Operator to balance electricity supply and demand close to real time.

2. Commission for Regulation of Utilities (CRU)

The independent regulator of water and energy in the Republic of Ireland.

3. Corporate Sustainability Reporting Directive (CSRD)

A directive of the European Union which sets out the rules concerning the social and environmental information that companies report on.

4. Contracts for Difference (CfDs)

A Contract for Difference (CfD) is a contract between two parties, a buyer and a seller, stipulating that the buyer will pay to the seller the difference between the current value of an asset and its value at contract time. If the difference is negative, the seller pays instead of the buyer.

5. DAM

The Day-Ahead Market (DAM) allows market participants to buy or sell wholesale electricity one day before the operating day. It is the largest market in I-SEM for trading power and the biggest component of the wholesale electricity price.

6. DS3

Refers to the “Delivering a Secure, Sustainable Electricity System” programme, which is designed to ensure that the power system can be securely operated with increasing amounts of variable non-synchronous renewable generation.

7. EirGrid

The electricity Transmission System Operator for Ireland.

8. Energy for Generations Fund

A corporate responsibility initiative that sees up to €1 million per year disbursed across a range of community and issues-based initiatives.

9. Environmental, Social and Governance (ESG)

Refers to the impact that a company has on its employees, customers and communities in which it operates. ESG Reporting refers to the information or data provided relating to an organisation's environmental, social and governance performance.

10. EU Taxonomy

A classification system, establishing a list of environmentally sustainable economic activities. The EU Taxonomy provides appropriate definitions for which economic activities can be considered environmentally sustainable.

11. Gender Pay Gap (GPG)

The difference in the average hourly pay of men and women across a workforce.

12. Gigawatt (GW)

The amount of power equal to one billion watts.

13. Gigawatt Hours (GWh)

The amount of energy equivalent to delivering one billion watts of power for a period of one hour.

14. Great Britain (GB)

England, Scotland and Wales.

15. Greenhouse Gas Emissions (GHG)

Any gas that has the property of absorbing infrared radiation (net heat energy) emitted from the earth's surface and reradiating it back to the earth's surface, thus contributing to the greenhouse effect.

16. Impairment

An impairment charge is determined when the carrying value (book value) of assets exceeds its recoverable amount.

17. Integrated Single Electricity Market (I-SEM)

The wholesale electricity market for Ireland and Northern Ireland designed to integrate the all-island electricity market with European electricity markets.

18. Joint Venture

A company or other entity which is controlled jointly with other parties.

19. Liquidity

Total of cash and cash equivalents (excluding any restricted cash), short-term deposits and amounts undrawn under available revolving credit facilities or other facilities.

20. Lost Time Injuries (LTIs)

A work-related injury causing an absence for one or more working days, counting from the day after the injury, before the person returns to normal or restricted work.

21. Megawatt (MW)

The amount of power equal to one million watts.

22. Megawatt Hours (MWh)

The amount of energy equivalent to delivering one million watts of power for a period of one hour.

23. Net Zero

Defined in line with the SBTi Net-Zero Standard which defines corporate net-zero as:

- Reducing scope 1, 2, and 3 emissions to zero or a residual level consistent with reaching global net-zero emissions or at a sector level in eligible 1.5°C-aligned pathways; and
- Permanently neutralising any residual emissions at the net-zero target year and any GHG emissions released into the atmosphere thereafter.

24. NIS 2 Directive

As per the NIS 2 Directive website, the NIS 2 Directive is a legislative framework designed to enhance cybersecurity across the European Union by establishing a high common level of security for network and information systems.

25. Novusmodus Fund

A venture capital fund in which seed capital is invested into emerging technologies.

26. P1 Incidents

Incidents which have a high probability of causing high consequence injuries such as fatality, amputation, loss of eye, multiple injuries, major fracture, 2nd/3rd degree burns, being unconscious (major/serious), road traffic collision reportable injuries, fatalities, and excessive material damage.

27. Price Review 5 (PR5)

Regulatory periods are of five years' duration and the Price Review 5 (PR5) covers the period 2021 to 2025 and sets out the total regulated allowed revenues over that period as determined by the CRU.

28. Price Review 6 (PR6)

Regulatory periods are of five years' duration and the Price Review 6 (PR6) covers the period 2026 to 2030 and sets out the total regulated allowed revenues over that period as determined by the CRU.

29. Regulated Asset Base (RAB)

The valuation of the transmission and distribution networks related assets for regulatory purposes which are held by ESB Networks and NIE Networks respectively. In the case of the relevant assets held by ESB Networks, the RAB value is determined in accordance with the CRU's required methodology and, in the case of the relevant assets held by NIE Networks, the RAB value is determined in accordance with the Utility Regulator's required methodology.

30. Regulatory Period 6 (RP6)

A regulatory period price control, covering the period 1 October 2017 to 31 March 2025, determined by the Utility Regulator in Northern Ireland.

31. Regulatory Period 7 (RP7)

A regulatory period price control, covering the period 1 April 2025 to 31 March 2031, determined by the Utility Regulator in Northern Ireland.

32. Safe and Sound

An ESB culture change programme that will serve to build a world-class safety culture and environment that is sustainable over time.

33. Salient Human Rights Issues

Defined in line with the UN Guiding Principles as those human rights that are at risk of the most severe negative impacts through a company's activities or business relationships.

34. Single Electricity Market (SEM)

A wholesale pool-based electricity market operating north and south of the Irish Border.

35. SIRO

A joint venture with Vodafone, enabling speeds of up to two gigabit per second (Gb/s) broadband to customers across Ireland using the existing distribution network.

36. Smart Energy Services

A complete energy management solution that brings all the skills and experience of a global energy innovator to businesses.

37. Smart Metering Programme

This programme is delivering the next generation of energy meter and replacing traditional electricity and gas meters. The smart meters will remove the need for a home visit to read the meter and therefore eliminate the need to use estimates whenever a meter cannot be read.

38. SONI (System Operator for Northern Ireland)

The electricity Transmission System Operator for Northern Ireland.

39. STEM (Science, Technology, Engineering and Mathematics)

An approach to learning and development that integrates the areas of science, technology, engineering and mathematics. STEM education supports children's capacity to understand and engage fully with the world around them.

40. Sustainable Energy Authority of Ireland (SEAI)

Ireland's national energy authority established under the Sustainable Energy Act, 2002.

41. Task Force on Climate-Related Financial Disclosures (TCFD)

An entity created by the Financial Stability Board (FSB) to develop consistent climate-related financial risk disclosures for use by companies, banks and investors in providing information to stakeholders.

42. The Way We Work at ESB

Brings together ESB's purpose, strategy and values. ESB's purpose statement tells the world why ESB exists – the reason for being, beyond profit. It's who ESB is, and it's lived through its values. Values are how ESB puts the purpose into action. It encapsulates and aligns the culture and informs behaviours.

43. United Kingdom (UK)

England, Scotland, Wales and Northern Ireland.

44. Utility Regulator (UR)

The independent non-ministerial government department set-up to ensure the effective regulation of the electricity, gas and water and sewerage industries in Northern Ireland.

45. Vertically Integrated Utility (VIU)

Refers to presence within and ownership of assets across all the elements of the electricity value chain including the generation, trading, transmission, distribution and supply of power to customers.

