

# OFFERING CIRCULAR SUPPLEMENT DATED 22 SEPTEMBER 2023



## **ELECTRICITY SUPPLY BOARD**

*(a body corporate established in Ireland under the ESB Acts 1927 to 2014 of Ireland)*

## **ESB FINANCE DAC**

*(a private company incorporated with limited liability in Ireland with registration number 480184)*

**EUR8,000,000,000**

**Euro Medium Term Note Programme  
unconditionally and irrevocably guaranteed by**

## **ELECTRICITY SUPPLY BOARD**

*(a body corporate established in Ireland under the ESB Acts 1927 to 2014 of Ireland)*

This Offering Circular Supplement (this **Supplement**) is supplemental to and must be read in conjunction with the Offering Circular dated 6 July 2023 (the **Offering Circular**) prepared by the Electricity Supply Board (**ESB**) and ESB Finance DAC (**ESB Finance**) (together, the **Issuers** and each of them, an **Issuer**). The Offering Circular together with this Supplement comprises a base prospectus for the purposes of Article 8 of Regulation (EU) 2017/1129, as amended (the **Prospectus Regulation**) in connection with the Issuers' EUR8,000,000,000 Euro Medium Term Note Programme (the **Programme**). Terms defined in the Offering Circular have the same meaning when used in this Supplement.

This Supplement has been approved as a supplementary prospectus by the Central Bank of Ireland as competent authority under the Prospectus Regulation. The Central Bank of Ireland only approves this Supplement as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuers or the Guarantor or of the quality of the Notes that are the subject of the Offering Circular. Investors should make their own assessment as to the suitability of investing in the Notes. Such approval relates only to Notes which are to be admitted to trading on the regulated market of the Irish Stock Exchange plc trading as Euronext Dublin (**Euronext Dublin**) or on another regulated market for the purposes of Directive 2014/65/EU (as amended, **MiFID II**) and/or which are to be offered to the public in any member state of the European Economic Area (**EEA**) in circumstances that require the publication of a prospectus.

This Supplement has been prepared for the purposes of (1) incorporating by reference into the Offering Circular the interim financial statements including the auditors' review report thereon and notes thereto and alternative performance measures of ESB for the six month period ended 30 June 2023, (2) updating a weblink in the section of the Offering Circular entitled "*Documents Incorporated by Reference*", (3) updating certain information contained in the section of the Offering Circular entitled "*Use of Proceeds*", (4) updating certain information contained in the section of the Offering Circular entitled "*Description of ESB*" and (5) updating certain information contained in the section of the Offering Circular entitled "*General Information*".

Each of ESB and ESB Finance accepts responsibility for the information contained in this Supplement. To the best of the knowledge of ESB and ESB Finance the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

Save as disclosed in this Supplement, no significant new factor, material mistake or material inaccuracy relating to information included in the Offering Circular has arisen or been noted, as the case may be, since the publication of the Offering Circular nor has there been any significant change in the financial position or financial performance of the Group since 30 June 2023 (being the date to which the most recent financial information was prepared).

To the extent that there is any inconsistency between (i) any statement in this Supplement, including any statement incorporated by reference into the Offering Circular by this Supplement, and (ii) any other statement in or incorporated by reference into the Offering Circular, the statements in this Supplement will prevail.

## 1. Incorporation of Interim Financial Statements

The following document has been filed with Euronext Dublin and the Central Bank of Ireland and is hereby incorporated by reference into, and shall form part of, the Offering Circular:

- the auditors' review report, interim consolidated financial statements and alternative performance measures for the six month period ended 30 June 2023 of ESB (the **Interim Financial Statements**), set out at pages 7 to 39 (inclusive) of the 'Interim Financial Report for the period to 30 June 2023' which is available on the website of ESB at:

[https://cdn.esb.ie/media/docs/default-source/investor-relations-documents/esb-interim-financial-report-2023.pdf?sfvrsn=22078014\\_0](https://cdn.esb.ie/media/docs/default-source/investor-relations-documents/esb-interim-financial-report-2023.pdf?sfvrsn=22078014_0)

The Interim Financial Statements shall be available for inspection (by physical and electronic means) from the registered office of ESB on the same terms as those documents set out under the heading "*Documents Available*" of the section of the Offering Circular entitled "*General Information*" on page 118 of the Offering Circular.

## 2. Update to Documents Incorporated by Reference

Sub-paragraph (a) on page 26 of the Offering Circular shall be deemed deleted and replaced with the following:

- a) the auditors' report and audited consolidated annual financial statements for the financial year ended 31 December 2022 of ESB, at pages 163 to 284 (inclusive) of the 'ESB Annual Report and Financial Statements 2022' which is available on the website of ESB at [https://cdn.esb.ie/media/docs/default-source/investor-relations-documents/esb-2022-annual-report-and-financial-statements.pdf?sfvrsn=fffa1a32\\_0](https://cdn.esb.ie/media/docs/default-source/investor-relations-documents/esb-2022-annual-report-and-financial-statements.pdf?sfvrsn=fffa1a32_0)

## 3. Update to Use of Proceeds

The section of the Offering Circular entitled "*Use of Proceeds*" on page 80 of the Offering Circular shall be deemed deleted and replaced with the following:

### "Use of Proceeds

Subject to the remainder of this section below, the net proceeds from each issue of Notes will be applied by the relevant Issuer for its general corporate purposes, which include making a profit.

If, in respect of an issue of Notes which are derivative securities for the purposes of Annex 17 of Commission Delegated Regulation (EU) 2019/980, there is a particular identified use of proceeds, such purposes may be more particularly described under "Reasons for the offer" in the applicable Final Terms.

In respect of an issue of Notes which are designated in the applicable Final Terms as "Green Bonds", the relevant Issuer intends to apply an amount equal to the net proceeds of such issuance exclusively to finance or refinance, in whole or in part, Eligible Green Projects (as defined below) which meet the Eligibility Criteria (as defined below).

**Eligibility Criteria** means the eligibility criteria applicable to Eligible Green Projects as set out in the Green Bond Framework.

**Eligible Green Projects** means eligible energy efficiency measures or other environmentally sustainable projects as described in the Green Bond Framework.

The **Green Bond Framework**, as it may be updated from time to time, can be accessed through the "Green Financing" section of ESB's website (available at <https://esb.ie/investors/green-financing> and which, for the avoidance of doubt is not incorporated into this Offering Circular).

The Green Bond Framework may be amended at any time without the consent of Noteholders and none of the Issuers, the Guarantor, the Arranger or the Dealers assumes any obligation or responsibility to release any update

or revision to the Green Bond Framework and/or information to reflect events or circumstances after the date of publication of the Green Bond Framework.

The Green Bond Framework establishes technical criteria for the Eligible Green Projects. The Green Bond Framework reflects the Green Bond Principles 2021, as published by the International Capital Market Association (the **Green Bond Principles**). The Green Bond Principles outline best practices when issuing bonds serving environmental purposes through global guidelines and recommendations that promote transparency and disclosure, thereby underpinning the integrity of the market.

ESB may update the Green Bond Framework from time to time to incorporate additional categories of Eligible Green Projects, to reflect updates to the Green Bond Principles, or to reflect the entry into force of the proposed EU Green Bond Standard, as defined in the Proposal for a Regulation of the European Parliament and of the Council on European green bonds (COM/2021/391 final).

***Summary of the Green Bond Framework***

The following summary is based on the Green Bond Framework as published by ESB and reflects the four core components of the Green Bond Principles.

*Use of Proceeds*

Subject to any additional specifications in the relevant Final Terms, it is the relevant Issuer’s intention to apply an amount equal to the net proceeds from the issuance of Notes designated as Green Bonds to finance or refinance in whole or in part Eligible Green Projects, where an Eligible Green Project is defined as a project whose spend falls within the next 24 months or has been incurred in the previous 24 months from the date of issuance of the relevant Notes, and that falls into one of the following categories according to the Green Bond Principles:

<b>Green Bond Principles: Eligible Green Project categories</b>	<b>Eligibility Criteria for Investments and Expenditures</b>
<b>Renewable Energy</b>	Offshore and onshore wind power generation projects Solar power projects
<b>Electricity Networks</b>	Grid expenditure including modernisation and upgrade to facilitate increased renewable energy capacity connection subject to the grid meeting two of the EU Taxonomy’s criteria for eligibility
	Smart meter installation (in a jurisdiction where the overall grid system is interconnected to Europe as per the EU Taxonomy)
	Connection of renewable electricity supplies to the grid (in a jurisdiction where the overall grid system is interconnected to Europe as per the EU Taxonomy)
<b>Energy efficiency</b>	Battery storage projects

Eligible Green Projects will also be assessed against the relevant technical screening criteria of the EU Taxonomy.

*Exclusions*

The financing of any power generation project wholly or partly powered by fossil fuels or nuclear power is excluded under the Green Bond Framework.

*Process for Project Evaluation & Selection*

ESB has created a dedicated green finance committee (the **Green Finance Committee**) to ensure compliance with the Green Bond Framework and oversee the entire issuance process. The Green Finance Committee is composed of the Heads of ESB’s Treasury, Sustainability and Strategy areas as well as representatives from other business units on a case-by-case basis.

The Green Finance Committee will review proposed projects with respect to the Eligibility Criteria. The project should show a clear positive environmental impact and be aligned to ESB’s strategic intent of meeting ‘customer energy needs by bringing the best of its capabilities together to deliver innovative and value-driven solutions for a low-carbon world’. Proposed projects will be subject to ESB’s environmental risk management procedures implemented within ESB operational units. Projects will also be assessed for alignment with the relevant provisions of the EU Taxonomy, including alignment with the ‘Do No Significant Harm’ and ‘Minimum Safeguards’ components.

The Green Finance Committee will also be responsible for managing any future updates to the Green Bond Framework, including any expansion of the use of proceeds requirements. Any changes to the Green Bond Framework will be published on ESB's website.

In accordance with the evaluation and selection process set out in the Green Bond Framework, ESB will exercise best endeavours to allocate an amount equal to the Green Bond net proceeds within two years of issuance to Eligible Green Projects.

ESB will set up a register and will put internal controls in place to monitor and track the net proceeds on Eligible Green Projects. ESB will maintain a minimum level of cash or cash equivalents to the unallocated issuance proceeds of Notes designated as Green Bonds.

During the life of Notes designated as Green Bonds, if the relevant Eligible Green Projects financed or refinanced with such proceeds are sold, cease to fulfil the Eligibility Criteria, or are otherwise determined to be incompatible with the environmental objectives of the Green Bond Framework, the proceeds will be re-allocated to replacement Eligible Green Projects that comply with the Eligibility Criteria, as soon as reasonably practicable.

#### *Reporting*

ESB intends to produce an annual report on the impact and allocation of the issuance proceeds of Notes designated as Green Bonds. Such report will be produced annually until full allocation of such proceeds and thereafter if there are any material changes in this allocation and will be made available on ESB's website.

#### *Second-Party Opinion*

ESB has commissioned Sustainalytics to conduct an external review of its Green Bond Framework and issue a Second Party Opinion on the Green Bond Framework's environmental credentials and its alignment with the Green Bond Principles and the EU Taxonomy. The Second Party Opinion is available at <https://esb.ie/investors/green-financing> and, for the avoidance of doubt, is not incorporated into this Offering Circular.

#### *External Review*

An external reviewer will provide an annual compliance review, until such time as the proceeds of the issuance of Notes designated as Green Bonds have been allocated in full, confirming that an amount equal to the net proceeds of the Notes have been allocated in material compliance with the Eligibility Criteria.

### **4. Update to Description of ESB**

The paragraph under the heading "*Alternative Performance Measures*" on page 91 shall be deemed deleted and replaced with the following:

"The terms "EBITDA", "EBITDA before exceptional items", "Operating profit before exceptional items", "Capital Expenditure", "Net Debt", "Gearing Percentage", "Regulated Asset Base", "Total Assets excluding Cash" and "Liquidity" are alternative performance measures and provide a measure of the key financial performance indicators of the Group's business. These alternative performance measures are included in this Offering Circular to allow potential Noteholders to better assess the Group's performance and business."

### **5. Updates to General Information**

The paragraph under the heading "*Significant or Material Change*" on page 119 of the Offering Circular shall be deemed deleted and replaced with the following:

"There has been no significant change in the financial position or financial performance of (i) ESB since 30 June 2023 and (ii) ESB Finance since 31 December 2022. There has been no material adverse change in the prospects of ESB or ESB Finance since 31 December 2022."

The paragraph under the heading "*Post-issuance information*" on page 119 of the Offering Circular shall be deemed deleted and replaced with the following:

"The Issuers do not intend to provide any post-issuance information in relation to any issues of Notes, unless otherwise indicated in the applicable Final Terms or, in the case of Notes which are designated as Green Bonds, save as described in the section of this Offering Circular entitled "*Use of Proceeds*"."