



Energy for  
generations

# ESB Group Policy on Environment and Sustainability

|                            |   |
|----------------------------|---|
| <b>Approved by:</b>        | Safety, Sustainability and Culture Committee                |
| <b>Policy Owner:</b>       | Sinead Kilkelly, Executive Director People & Sustainability |
| <b>Content Owner:</b>      | Sharon McManus, Group Sustainability                        |
| <b>Document Ref:</b>       | GP-ES-01  |
| <b>Version No.:</b>        | 5.0   |
| <b>Review Cycle:</b>       | Annual  |
| <b>Next Review Date:</b>   | First Quarter Each Year                                     |
| <b>Legal Oversight:</b>    | Louise Cushen   |
| <b>Communication Plan:</b> | No  |
| <b>Issue Date:</b>         | November 2024   |

## Document Control, Review and Approval

| <b>Ver.</b> | <b>Date</b> | <b>Document Developer</b>  | <b>Description of Version / Change / Review</b>                                 | <b>Approved by</b>                      | <b>Issue date</b> |
|-------------|-------------|--|---|---|-------------------|
| 1.0         | 1993        | Manager Group HSE  | Initial Policy  | ED Group People and Sustainability.     | 1993              |
| 2.0         | 2005        | Manager Group HSE  | Revised Policy  | ED Group People and Sustainability.     | 2005              |
| 3.0         | 2014        | Manager Safety and Sustainability  | Revised to include for Sustainability.  | ED Group People and Sustainability.     | March 2014        |
| 4.0         | 2019        | Environment and Sustainability Manager.  | Updated for the Brighter Future strategy and Safety Health Environment Strategy | ED People and Organisation Development. | March 2020        |
| 5.0         | 2024        | Group Safety, Health & Environment Manager<br><br>Group Head of Sustainability | Updated for the Net Zero Strategy, Environmental Standards                      | ED People & Sustainability              | Oct 2024          |

# Content

|     |  |   |
|-----|--|---|
| 1.  | Policy Details .....   | 4 |
| 1.1 | Summary of Policy .....  | 4 |
| 1.2 | Requirement for Policy .....   | 4 |
| 1.3 | Scope .....  | 4 |
| 1.4 | Policy Principles.....   | 5 |
| 1.5 | Environment and Sustainability Policy Statement and STEP Programme outline ..... | 5 |
| 2.  | Supporting Procedures .....  | 7 |
| 3.  | Derogation .....   | 7 |
| 4.  | Responsibilities.....  | 7 |
| 4.1 | ESB Responsibilities .....   | 7 |
| 4.2 | Employee Responsibilities .....  | 7 |
| 5.  | Compliance.....  | 8 |
| 5.1 | Monitoring .....   | 8 |
| 5.2 | Reporting .....  | 8 |
| 5.3 | Non-compliance and Sanctions.....  | 8 |
| 6.  | Contributors .....   | 8 |

# **1. Policy Details**

## **1.1 Summary of Policy**

ESB's 'Driven to Make a Difference: Net Zero by 2040' strategy sets out a clear roadmap for ESB to achieve net zero emissions in a way that supports our customers and ensures ESB's continued growth and ability to invest. Our strategy is informed by developments in the external environment and driven by our enduring commitment to deliver a brighter future for all and commits to leadership in the transition to low carbon energy and to sustainability. Sustainability in its fullest sense includes carrying out business operations responsibly and with care for the impact on the environment.

This ESB Group Environment and Sustainability Policy sets out the high-level principles to guide our progress to this leadership position, including compliance with all relevant laws and the achievement of ESB's low carbon targets in our generation, networks, buildings, and transport.

## **1.2 Requirement for Policy**

Excellence in environmental stewardship and sustainability are central to ESB's purpose and are important considerations for our stakeholders. This policy aims to state an overall commitment, a coherent policy direction and a set of common principles for all parts of ESB Group for environment and sustainability. This facilitates communication with all employees and publication to help inform ESB's stakeholders.

## **1.3 Scope**

This policy sets out the high-level principles and policy requirements that form the basis of sustainability and environmental management in ESB. In this policy, environmental management means all the activities and technologies necessary to manage ESB's environmental performance and to ensure compliance with all applicable laws.

The Policy applies to ESB Board members, ESB employees and to other non-employee personnel including contractors, casual workers and agency workers.

For application of ESB policies to non-wholly owned subsidiaries, please refer to the Group Guidelines for Governance of Non-Wholly Owned Entities. These guidelines require non-wholly owned subsidiaries to adopt policies and/or otherwise conduct their affairs in a manner consistent with the spirit of this Policy. For regulatory reasons, NIE Networks maintains its own company policies aligned, as far as practical, to ESB Group policies.

This Policy applies to all operational sites owned, leased, or managed by ESB Group.

## 1.4 Policy Principles

ESB recognizes that our activities comprising of electricity generation, transmission, distribution, and supply have environmental impacts and that it is our responsibility to manage these impacts in a manner that provides a high level of protection for our natural environment and contributes to the reduction of greenhouse gas emissions, while supporting sustainable economic development. We use externally certified management systems throughout our company to strive for excellence in all our endeavours and to comply with all applicable laws and regulatory requirements. We are committed to playing our part as a responsible business by achieving an appropriately high standard of environmental management and by embedding sustainability in all our activities.

## 1.5 Environment and Sustainability Policy Statement and STEP Programme outline

At ESB we are committed to the highest levels of environmental management and sustainability in all aspects of our operations. This policy is an interim policy, and it will be updated in 2025 with the outcome of the STEP Programme. In the interim this policy ESB commits to:

- Conducting our activities and those of subsidiary companies in an environmentally responsible manner to protect the environment and prevent pollution including complying with all regulatory, planning, environmental and sustainability legislation pertaining to our business activities.
- Adopting appropriate organisational structures and operating environmental and energy management systems certified to the requirements of ISO14001 and ISO50001 to manage continual improvement in environmental and sustainability performance and reduce energy use throughout ESB Group.
- Demonstrating leadership and commitment to the Government Climate Action Plan and progressively reducing our carbon emissions and continuing to assess and implement innovative technologies to support the wider transition to low carbon energy.
- Regularly reviewing and managing the environmental aspects, including biodiversity, associated with our ongoing activities.
- Evaluating potential aspects of our new development projects by fully applying the statutory consenting procedures and by discharging the resulting planning conditions.
- Identifying and managing significant environmental and climate risks and having emergency procedures in place.
- Liaising with all interested parties to promote good environmental and sustainable business practices and environmental and sustainable policy development at National and EU level in alignment with our strategy.
- Reducing the internal carbon footprint of our operations by:
  - Improving the energy efficiency of our buildings and ensuring all new buildings

have zero local emissions.

- Reducing fuel used in our vehicle fleet through safe/eco driving practices and introducing electric vehicles.
- Promoting and supporting sustainable travel for employees, including the use of electric vehicles and hybrids.
- Applying the waste hierarchy to prevent, reduce, reuse, recycle, recover and, as a last resort, dispose waste appropriately to landfill.
- Reporting on our environmental and sustainability performance to environmental regulatory authorities, as required by law.
- Publishing our environmental and sustainability performance in our annual sustainability report, with our progress against targets.
- Working with employees and suppliers to embed sustainability and human rights considerations into our procurement activities as well as in our investment and expenditure decisions.
- Regularly auditing our operations to ensure compliance with relevant legislation.
- Engaging with our employees to promote environmental awareness and sustainability in the workplace, at home and in the community.
- Communicating this policy to our employees, suppliers, contractors, partners, and customers, and working with them to increase awareness and to encourage more environmentally sustainable behaviour.

## **2. Supporting Procedures**

A suite of ESB Group environmental standards is set out under this policy. These articulate the specific requirements for compliance with this policy in relation to key risks and other aspects of management.

Environmental management systems and procedures are in place in individual business units to support compliance with the group policy and group standards. A Group-wide Energy Management System with a policy statement derived from the principles in this policy has been developed to support energy and carbon reduction and is certified to ISO 50001.

The following environmental standards are in place:

- Water
- Waste
- Air
- Biodiversity
- Planning

## **3. Derogation**

Derogations from this Environment and Sustainability Policy and standards shall not be allowed.

## **4. Responsibilities**

### **4.1 ESB Responsibilities**

Management shall:

- put in place systems, standards, and procedures to ensure compliance with the policy principles outlined in section 1.5;
- ensure this policy and the associated environmental standards and local procedures are communicated to relevant employees and others and implemented in full; and
- adopt good environmental and sustainability practices within their business area.

### **4.2 Employee Responsibilities**

Employees shall:

- comply with the policy principles outlined in section 1.5 and the requirements of the standards and local procedures derived therefrom; and
- adopt good environmental and sustainability practices within their business area.

## 5. Compliance

### 5.1 Monitoring

A standard for Safety, Health and Environment Governance shall be put in place outlining how compliance with this policy and the standards derived therefrom shall be monitored.

### 5.2 Reporting

Key Performance Indicators shall be devised and put in place to measure the effectiveness of the management of Environment and Sustainability across the Group. These shall be reported on at the various levels of management and to the Board.

### 5.3 Non-compliance and Sanctions

Managers and / or employees who fail to comply with this policy shall be subject to disciplinary procedures in line with ESB HR policies and procedures.

## 6. Contributors

| Name  | Role   |
|---|--|
| Group Safety, Health & Environment Manager          | Provides leadership and engages across ESB Group to achieve strong SHE performance.  |
| Group Head of Sustainability                        | Leads, coordinates and reports on Group Sustainability performance and improvement programmes.   |
| Business Unit Safety, Health & Environment Managers | Leads and manages the business unit environment and sustainability teams and engages the business unit to improve SHE performance.                                     |
| BU Environmental Managers                           | Manages the business unit environment and sustainability teams to support the business unit in integrating and improving environmental and sustainability performance. |
| Centre of Sustainability (CoS) Team                 | Sets the overall direction for Sustainability in ESB Group and provide assurance to the EDT and Board on ESB's performance.  |
| Step Programme (Part of CoS)                        | Setting out the programme of work to enable ESB to comply with for The EU Corporate Sustainability Reporting Directive (CSRD).   |