

gasnetworks.ie

A background image showing a white truck parked in a field under a sunset sky. The scene is partially obscured by a semi-transparent teal rectangle.

Sustainability in Action 2020

Part of **ervia** group

Table of contents

Managing Director's introduction	02
Who we are	04
Our history	08
Governance structure	10
Strategic framework	12
Factors influencing value creation	15
Business model	16
Stakeholder engagement	18
2020 business highlights	20
Operating performance	22
Risk management	24
2021 business priorities	28
Our sustainability strategy	30
Sustainability Steering Committee	32
Our sustainability highlights	34
Our sustainability priorities	35
Vision 2050	36
Materiality assessment	38
Environment	41
Introduction	42
Climate Action	43
Enhancing Biodiversity	46
Water	49
Waste	50
Energy Management	51
GHG Emissions Management	55
Social	65
Introduction	66
Community	67
Accessibility	69
Education	71
Employability	74
Workplace	75
Marketplace	88
Economic	101
Introduction	102
Investing in our future	103
Our financial performance	104
Innovation	105
Our taxation policies	106
Financial review	108
Economic Impact	109
Global Reporting Initiative (GRI) content list	110

Managing Director's introduction

Welcome to Gas Networks Ireland's 2020 sustainability report, 'Sustainability in Action'. This is our third sustainability report, aligned to the Global Reporting Initiative (GRI) standard. Our sustainability strategy has three pillars, Environment, Social and Economic, and is aligned with the United Nations' Sustainable Development Goals. This report outlines our progress in implementing the principles of sustainable development across all aspects of our operations.

Gas Networks Ireland operates Ireland's €2.7bn, 14,617km national gas network, which is considered one of the safest and most modern gas networks in the world. More than 706,000 Irish homes and businesses trust Ireland's gas network to provide affordable and reliable energy to meet their heating and cooking needs.

A vital national asset, the gas network is the cornerstone of Ireland's energy system, securely supplying more than 31% of Ireland's total energy, including 40% of all heating and 52% of the country's electricity generation. By replacing natural gas with renewable gases and complementing intermittent renewable electricity, Gas Networks Ireland is supporting Ireland's journey to a cleaner energy future.

We are ever mindful of our sustainability responsibilities and aim to contribute to the protection of the environment while supporting the social and economic development of the communities in which we operate. We are proud of the fact that we are one of only 40 companies in Ireland to hold the Business Working Responsibly (BWR) mark. We are committed to ensuring that sustainability is at the forefront of everything we do and to helping Ireland to reduce its carbon emissions.

2020 presented unprecedented challenges and was dominated by the global COVID-19 pandemic. Our crisis management procedures were activated and we invoked the Retail Gas Market Incident Management Plan (RGMIM) in March 2020. We

immediately enabled large scale working from home and accelerated our strategy on employee wellbeing and engagement. Our frontline staff continued to carry out essential works, including the prioritisation of healthcare projects. We proactively engaged with gas shippers and customers and responded to multiple stakeholder requests. We facilitated an increase in emergency credit for Pay As You Go (PAYG) customers and implemented the Commission for Regulation of Utilities (CRU) supply suspension scheme.

While COVID-19 presented our business with significant challenges, our comprehensive response has ensured continuity of service throughout the year for all customers of the network, which is testament to our robust business continuity plans and the dedication and hard work of our staff and service providers.

As a leading utility company, sustainability is defined by our role in delivering an affordable and clean energy future for the people of Ireland, through the decarbonisation of our gas network and the reduction of emissions across all sectors of the Irish economy. To further our commitment to sustainability, we established a dedicated Sustainability Team to embed sustainable work practices across the business and to support the development and delivery of our sustainability strategy across our Environment, Social and Economic pillars.

In 2020, we advanced our journey to a decarbonised gas network with approval from Cork County Council

Denis O'Sullivan



for Ireland's second renewable gas injection facility in Mitchelstown. We also progressed the rollout of our Compressed Natural Gas (CNG) refueling station network with the completion of stations in Cashel, Co. Tipperary, Clonshaugh, Co. Dublin, and Ballysimon Road, Co. Limerick.

We were incredibly proud to win both the Sustainable Energy Achievement Award and the Green Large Organisation of the Year Award at the 2020 Green Awards, while also being shortlisted for the Green Business of the Year Award, recognising our sustainability focus in all aspects of running our business. This was the first time Gas Networks Ireland has won these awards, considered by many as Ireland's leading environmental event for businesses.

For the first time, we independently verified and published our carbon emissions through the Carbon Disclosure Platform (CDP), which represents the most comprehensive collection of self-reported environmental performance data globally. In addition to reporting carbon emissions, the CDP assesses the performance of each company against sustainability and climate action best practices. We were proud to achieve a B- rating for taking coordinated action on climate issues. This rating is higher than the European and global averages, and higher than the oil and gas storage and transportation sectors' average of a C.

We continued to operate, maintain and develop the gas network safely, economically and efficiently. We delivered €109 million of critical investment

infrastructure and supported the Irish economy with a dividend payment of €71 million to the Exchequer. Through our Aurora Telecom division, Ireland's leading backhaul dark fibre service provider, we completed the final section of our national ring route linking Cork, Waterford and Dublin. In addition, we completed construction of 105km of fibre in Mayo and Galway to connect to a new subsea transatlantic fibre cable.

We were proud, too, to achieve integrated recertification of five management systems to ISO standards from the National Standards Authority of Ireland (NSAI). This marked a first of its kind, not only for Gas Networks Ireland but also a first for both Ireland and the NSAI.

Socially, we supported the health and wellbeing of our employees in the workplace and positively impacted the communities in which we operate. We were delighted to win the Health and Safety Initiative of the Year award for our 'HazCon' app and exceptional commitment to all-round health and safety at the Networks Awards 2020, while also championing social inclusion initiatives in communities across Ireland.

I wish to acknowledge the ongoing hard work and dedication of the Gas Networks Ireland team in continuing to deliver on our sustainability initiatives throughout 2020. We believe that our 'Sustainability in Action' strategy will continue to improve our business in a sustainable and responsible way for the people of Ireland, particularly now as we navigate new ways of working following the COVID-19 pandemic.

Welcome to our 2020 sustainability report. I hope you enjoy learning more about how we continue to focus on operating sustainably and ensuring Ireland's vital national gas network is ready to play its role in a cleaner energy future.

Denis O'Sullivan

Managing Director, Gas Networks Ireland



Who we are

Gas Networks Ireland operates and maintains Ireland's €2.7bn, 14,617km national gas network, which is considered one of the safest and most modern gas networks in the world.

More than 706,000 homes and businesses trust Ireland's gas network to provide affordable and reliable energy to meet their heating and cooking needs. The gas network is a vital national asset and is the cornerstone of Ireland's energy system, securely supplying more than 31% of Ireland's total energy, including 40% of all heating and over 52% of the country's electricity generation.

In 2020, gas demand for electricity ranged from a low of 25% to a high of almost 90%. When the wind didn't blow and the sun didn't shine, the national gas network was there to ensure the lights stayed on and our devices were powered. At times, wind and solar generated as little as 1% of the country's electricity, meaning essential services and health facilities relied on the security of gas-generated electricity.

Emitting significantly less CO₂ than coal and oil, natural gas has played an important role in reducing Ireland's energy emissions since the 1970s, and the ever-reliable power behind Ireland's electricity generation will continue to play an integral role in the country's transition to a low carbon economy.

Gas is particularly important for many Irish industries, as it delivers the high intensity heat that many processes require. Businesses know they can depend on the gas network's reliability and flexibility.

As an energy source, natural gas is of strategic importance to Ireland, facilitating job creation and economic growth. However, while natural gas is the cleanest conventional fuel, Ireland must transition to more sustainable alternatives to meet its climate action targets.

Our ambition is for a net-zero carbon gas network by 2050 and to support emissions reductions across every sector of the Irish economy, in the lowest-cost, least disruptive, most safest and most secure manner.

New technologies such as compressed natural gas and renewable gases, including biomethane and hydrogen, can all play a part in helping decarbonise Ireland's economy, and we are working to make this possible. By replacing natural gas with renewable gases and complementing intermittent renewable electricity, we are supporting Ireland's journey to a cleaner energy future.

Transitioning to a clean energy economy by 2050 requires a balance between sustainability, security and affordability. Leveraging existing energy assets and capabilities will enable Ireland to reach its targets effectively. The national gas network is ready to play its role in delivering a cleaner energy future. Ireland to reach its targets effectively. The national gas network is ready to play its role in delivering a cleaner energy future.

Ireland's national gas network

- Existing pipelines
- Pipelines owned by others
- Interconnection points
- Entry point
- Renewable gas entry point

Corrib Gas Field

Scotland

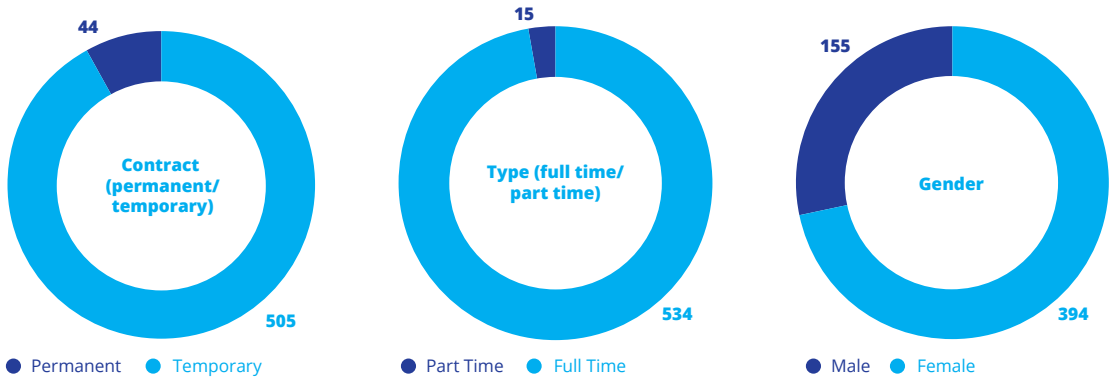


Kinsale Head Gas Field — The Kinsale gas fields and the associated Inch Entry Point
 Seven Heads Gas Field — are currently undergoing a decommissioning process.

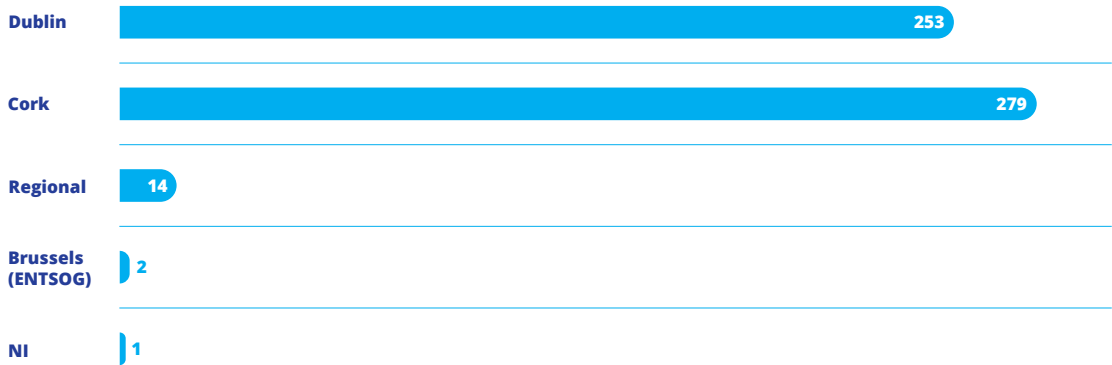
Who we are

GRI
102-8

Total number of employees



Region



We worked closely with our subcontractors Balfour Beatty CLG (BBCLG) who throughout 2020 provided response, maintenance and constructions services. BBCLG’s 330 employees work to the highest standards of quality and safety. The Networks Services Works Contract (NSWC) covers the following activities for the whole of Ireland:

- Distribution construction
- Distribution and telecom maintenance
- Site works

- Steel skid services
- Meter reading
- Network maintenance
- Transmission construction
- Reinstatement.

There are no significant variations in the above disclosures and all data was compiled using internal data management systems.

Supply chain

The three pillars of our supply chain objectives



The key elements of our supply chain process

Procurement Strategy Setting	Sourcing and category management	Supplier management	Requisition to pay
<ul style="list-style-type: none"> • Vision Mission Core Values • Operating Model • Category Strategic Planning • Performance Management 	<ul style="list-style-type: none"> • Strategic sourcing • Category policy setting • Category management framework • Compliance monitoring 	<ul style="list-style-type: none"> • Supplier performance management • Contract management • Supplier integration • Supplier development • Supplier relationship management 	<ul style="list-style-type: none"> • Transaction processing • Assisted buying • Master data management • Fulfilment

Our supply chain in numbers

2020	Category Suppliers	Capital Suppliers	Transaction Services Suppliers	Unique Suppliers total
Republic of Ireland	124	6	18	146
United Kingdom	18	1	2	21
Northern Ireland	9	1	1	10

GRI
102 - 10

No significant changes have were to our organisation or supply chain in 2020.

GRI
102 - 11

We manage, monitor and report on principal risks and uncertainties that could impact our ability to deliver our strategic ambitions. The system of risk management and policy is well established and is consistently operated across the organisation. Our priority is to understand the risk environment, identify the specific risks and assess the potential exposure.

For more information, please see our risk management section.

Our history

The story of natural gas in Ireland

Prior to the discovery of natural gas off the coast of Cork in the 1970s and the subsequent development of Ireland's national supply and transmission system, gas was produced from coal at local gasworks sites.

This 'town gas' was used primarily for streetlamps. After World War II, technological advancements allowed for the construction of reliable pipelines.

In the late 1960s, exploration ships were searching for oil off the south coast of Ireland, and in 1971, one of the ships, the Glomar North Sea, found gas instead of oil - discovering Ireland's first indigenous reserve of natural gas. An exploration rig was installed and it took two years to establish that the find was commercially viable.

1970s

The Gas Act (1976) established Bord Gáis Éireann as the State Gas Development Agency. The new semi-state replaced a series of private sector small town-based gas companies:

- Cork Gas Company
- Alliance & Dublin Consumers Gas Company
- Limerick Gas Company
- Kilkenny Gas Company
- Clonmel Gas Company

Natural gas was first brought ashore to Ireland in 1978 through a sub-sea pipeline at Inch in Co. Cork. By the end of 1978, Bord Gáis Éireann had 32 staff members.

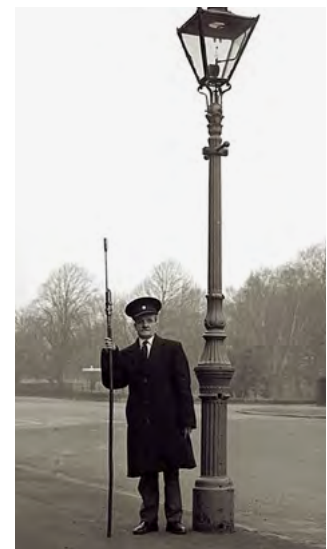
1980s

By the early 1980s, Bord Gáis Éireann had 99 staff members. In 1983, a gas pipeline from Cork to Dublin was completed. Onshore construction work continued to serve customers in Cork City. The Dublin Gas Company received its first natural gas supplies and began converting 120,000 customers to natural gas from town gas.

Customers in Limerick, Clonmel and Kilkenny were converted from town gas to natural gas and the Cork and Dublin Gas Companies were fully acquired by Bord Gáis Éireann.



First Dublin Gas Transport Fleet - 1930s



First gas street lamp

1990s

In 1990, Bord Gáis Éireann grew to 905 staff members. The sale of natural gas appliances increased by 50% in 1990 and gas sales to the industrial/commercial sector increased by 15%. In 1992, work commenced on the first sub-sea interconnector and a major compressor station was under construction in south-west Scotland to increase the supply of gas to Ireland by 50%. By the end of the 90s, natural gas was within reach of 550,000 homes in Ireland.

2000s

Aurora Telecom entered the dark fibre market in 2000. The following year, a second interconnector pipeline was approved by the Government. The Commission for Energy Regulation was established in 2002 and significant transmission network extension projects were undertaken to bring gas to the west of Ireland for the first time.

2010s

In 2012, the Government announced that an independent utility would be established as a subsidiary of Bord Gáis Éireann to operate a new water utility, Irish Water. In 2014, following the sale of Bord Gáis Energy, Bord Gáis Éireann was rebranded to Ervia – Ireland's first multi-utility company. Bord Gáis Networks was rebranded to Gas Networks Ireland. In 2010, Bord Gáis Éireann had almost 1,000 employees; today, Ervia has more than 1,600 employees.

In 2019, Ireland began its journey to a net-zero carbon gas network, with the introduction of domestically produced renewable gas in the form of biomethane onto the national network. Biomethane is made from farm and food waste through a process known as anaerobic digestion. It is largely identical to natural gas, meaning that it can seamlessly replace gas in appliances, heating systems, transport and power generation.



2019 also saw the launch of Ireland's first publicly accessible, fast-fill compressed natural gas (CNG) station at Circle K's Dublin Port premises. CNG is natural gas which has been compressed to fit into a Natural Gas Vehicle's (NGV) tank and is particularly suitable for use in commercial vehicles. Studies show that switching from diesel to CNG can already reduce well-to-well carbon dioxide (CO₂) emissions by up to 23% compared to diesel (CENEX, 2019) and nitrous oxide (NOx) by up to 50% (UK Department of Transport, 2018).

Today

Ireland's €2.7bn, 14,617km national gas network is considered one of the most modern and safe in the world. Over 706,000 Irish homes and businesses trust Ireland's gas network to provide affordable and reliable energy to meet their heating and cooking needs.



The Clayton Gas Holder, c1980s



Dublin Gas Construction 1990

Governance structure

Established under the Gas Act 1976 (amended), Ervia is a holding company with two principal operating subsidiaries, both of which are supported by central support services.

ervia



Established under the Gas Regulation Act 2013, Gas Networks Ireland is responsible for operating and maintaining Ireland's national gas network, including both the transmission and distribution systems. Through our Aurora Telecom division, a carrier and enterprise service provider, we are also responsible for operating and maintaining a modern, carrier grade, backhaul dark fibre network.

Strategic objectives






-  Business delivery
-  Customer
-  Growth
-  Sustainability
-  People and culture

Information relating to Gas Networks Ireland's performance in 2020 can be found in our Annual Report and Financial Statements available at www.gasnetworks.ie.



Established under the Water Services Act 2013, Irish Water is the national water services authority responsible for the provision of collection systems and treatment of wastewater and the provision of water supplies, including water treatment facilities.

Strategic objectives

-  Water
-  Wastewater
-  Customer
-  Sustainability
-  People and culture

Information relating to Irish Water's performance in 2020 can be found in their Annual Report and Financial Statements available at www.water.ie.



Strategic framework

Purpose

To enhance the health and quality of life of the people of Ireland, protect our environment and enable economic development by delivering high quality infrastructure and services safely and efficiently.

Values

Our five shared values define the character of our organisation. They guide our actions and decisions, and provide a framework for how we communicate with each other, our customers and our stakeholders.



Performance

We strive to be a high performing multi-utility, continuously delivering quality services and infrastructure.



Integrity

We are open and honest in everything we do. We treat each other, our customers, our assets and the natural resources we rely on with respect.



Safety

We put safety at the heart of everything we do.



Collaboration

We work together to get results, sharing and learning from each other.



Customer service

We provide quality services for our customers. We listen to their needs and strive to exceed their expectations.

Strategic objectives



1. Organisation

Develop an organisational model appropriately structured and governed for the range and nature of businesses managed.



2. Climate action in energy sector

Advocate and demonstrate how the gas network can play a central role in decarbonising Ireland's economy and support national infrastructure to deliver a fully decarbonised network by 2050.



3. Financial strength

Sustain a strong financial position and leverage this to access secure competitive funding to meet business needs and maximise shareholder value.



4. Sustainability

Be a leading green and sustainable Irish business by 2025.



5. Innovation

Investigate the potential of new infrastructure related business opportunities which address our shareholders' priority agenda items, with a focus on energy decarbonisation, and produce a commercial return.



6. People and culture

Support a culture that engages, excites and empowers our people and business partners through a collaborative team environment that we are proud of and that delivers our products and services safely to the citizens of Ireland.



Factors influencing value creation

	The challenge is to	This means we must	And we will create value by
 Security of supply	maintain economic competitiveness.	ensure a secure and reliable supply of gas.	co-operating with stakeholders to prepare for contingencies on the network.
 Climate Action	reduce carbon emissions in Ireland by 51% by 2030.	decarbonise the gas network.	continuing to deliver and support the Government's decarbonisation ambitions.
 Customer	deliver a customer experience that meets their needs.	continue to capture the voice of the customer and stakeholders to ensure value add service.	driving continuous improvement to reduce effort across the customer journey. We are committed to delivering cost-efficient customer operations.
 Economic Growth	support the development of Ireland's National Economic Plan with a focus on efforts to address climate change.	provide affordable and clean energy.	investing in infrastructure in support of national economic growth, developing a sustainable business model, and promoting innovation.
 Sustainability	protect the environment, respect resources and value employees.	become a leading green and sustainable business by 2025.	operating a sustainable business, minimising our emissions and waste, enhancing biodiversity and supporting our people and communities.

Business model

Inputs

Business activities



Financial

We earn a return on a mix of regulated and unregulated assets.

Total assets

Gas Networks Ireland	€2.7bn
Aurora Telecom	€30m



Networks

Our gas and telecoms networks cover the length and breadth of the country.

Km of networks

Gas Networks Ireland	14,617 km
Aurora Telecom	1,200 km



People and partners

Working together and using our combined expertise allows us to sustain and grow our business.

Number of employees

Gas Networks Ireland	549
Ervia Business Services	608*

*Also support Irish Water



Stakeholders

We consult with and actively seek the opinion of all our key stakeholders including:

- customers
- regulators
- government
- investors



Natural resources

We work to protect our environment in the transition to a low carbon energy system.

Natural gas transported annually	76.3 TWh
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Operate the systems

- Continuous quality supply
- Safety
- Grid control
- Respond to reports of gas leaks

Continuously improve our offering

- Compressed natural gas
- Biomethane
- Hydrogen
- Improve efficiency

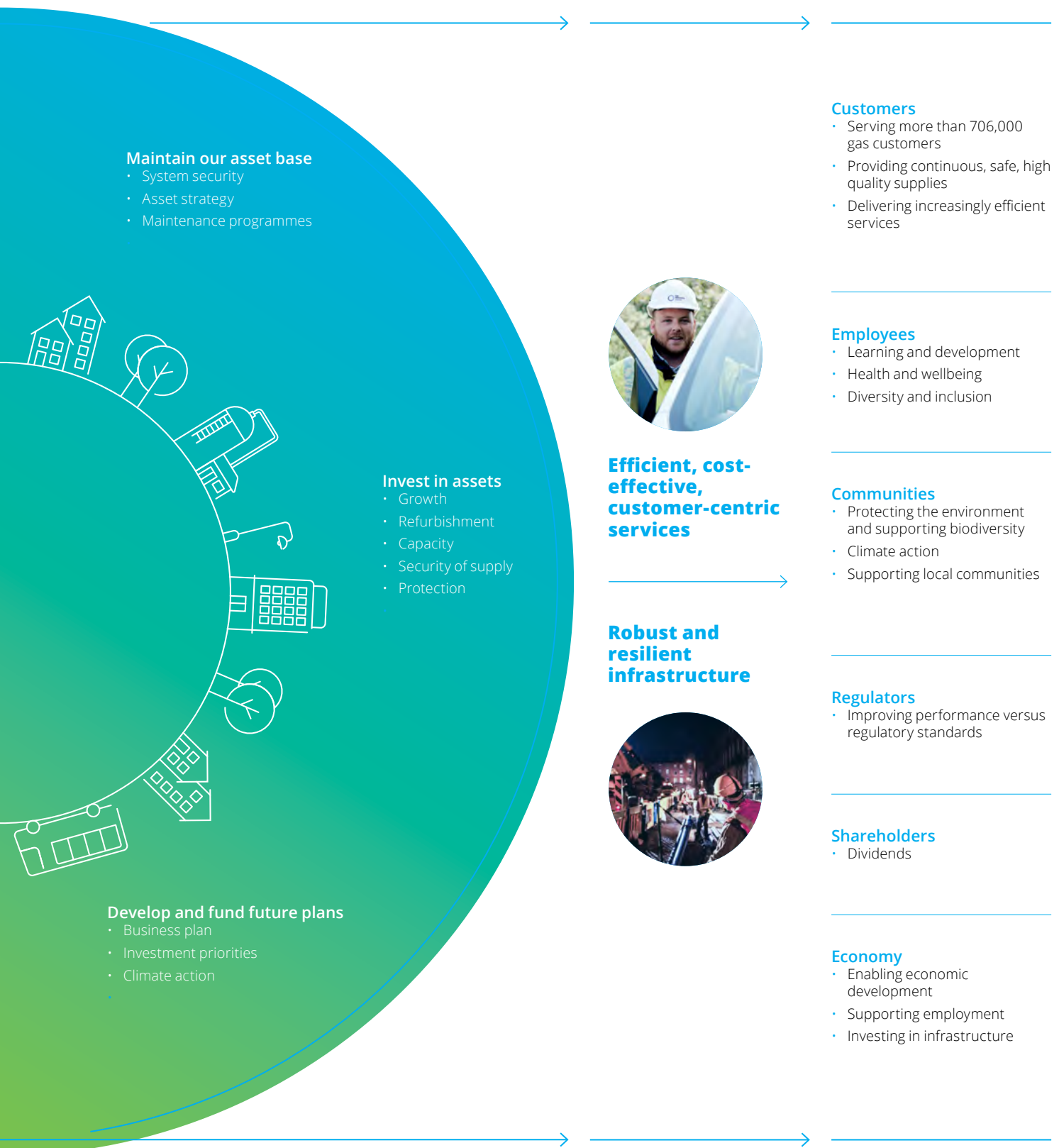


Serve our customers well

- Easy to work with
- New connections

How we create value

Working together, our people and partners build, maintain and operate our gas and fibre networks to provide essential services to our customers, communities and the economy.



Maintain our asset base

- System security
- Asset strategy
- Maintenance programmes

Invest in assets

- Growth
- Refurbishment
- Capacity
- Security of supply
- Protection

Develop and fund future plans

- Business plan
- Investment priorities
- Climate action

Outputs

Benefits

Customers

- Serving more than 706,000 gas customers
- Providing continuous, safe, high quality supplies
- Delivering increasingly efficient services



Employees

- Learning and development
- Health and wellbeing
- Diversity and inclusion

Efficient, cost-effective, customer-centric services

Communities

- Protecting the environment and supporting biodiversity
- Climate action
- Supporting local communities

Robust and resilient infrastructure



Regulators

- Improving performance versus regulatory standards

Shareholders

- Dividends

Economy

- Enabling economic development
- Supporting employment
- Investing in infrastructure

Stakeholder engagement

At Gas Networks Ireland we take the nature and quality of our relationships with all our stakeholders very seriously. We work closely to understand their views and interests, to deliver our projects in partnership, and respond to their interests as we progress our plans.

	Relevant groups include	Priorities
 General public and communities	Individuals, communities, environmental groups, consumer groups, business interest groups, farming bodies and industry bodies.	<ul style="list-style-type: none"> • Ensure safe, secure and reliable gas supply. • Maintain competitiveness. • Support social and economic growth.
 Partners	Partners, third-party service providers and suppliers.	<ul style="list-style-type: none"> • Work effectively together to deliver quality services.
 Regulators	Commission for Regulation of Utilities, Utility Regulator (Northern Ireland), Office of Gas and Electricity Markets (Great Britain).	<ul style="list-style-type: none"> • Deliver initiatives to implement energy and climate policies. • Continue to roll out the Gas Networks Ireland Business Plan including the delivery of the Capital Investment Plan. • Operate efficiently and reduce costs.
 Shareholders	Department of Housing, Planning and Local Government, Department of Communications, Climate Action and Environment, Department of Public Expenditure and Reform.	<ul style="list-style-type: none"> • Implement Government policy. • Communicate accurately and transparently and demonstrate progress against plans.

Response	Surveys	Face to Face	Roundtables	Information events	Working groups	Website	Social media	Multi-stakeholder meetings
<ul style="list-style-type: none"> Focus on engagement at local and community level. Maintain excellent performance in responding promptly to reports of gas escapes. Continue to operate efficiently. Provide infrastructure to facilitate economic growth. 	●	●	●	●	●	●	●	●
<ul style="list-style-type: none"> Hold frequent performance reviews and forward planning discussions with our service partners. 	●	●	●	●	●	●	●	●
<ul style="list-style-type: none"> Continue to roll out the Gas Networks Ireland Business Plan, including the delivery of actions attributed under the Climate Action Plan 2019. Invest in compressed natural gas (CNG) projects. 		●			●			
<ul style="list-style-type: none"> Develop and deliver business plans that are aligned with Government policies. Issue regular performance reports and update to monitoring and oversight bodies. Prepare for Ervia separation during 2023. 	●	●	●	●	●	●	●	●

2020 business highlights

Gas generated more electricity than any other energy source

The national gas network is the cornerstone of Ireland's energy system, powering 31% of Ireland's primary energy needs, 40% of the country's heating, and 52% of its electricity generation. On days of low wind, gas contributes almost 90% of the generation fuel mix.

New connections

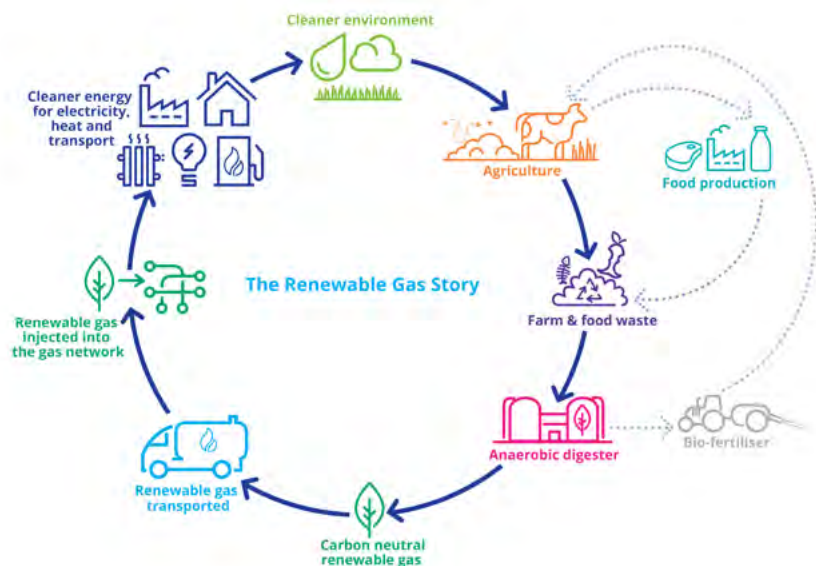
An additional 519 small to medium businesses, 40 large industrial customers, 12 apartment blocks and more than 4,000 homes connected to the gas network in 2020.

All work was carried out in accordance with the Government's public health guidelines.



Facilitating circular economies

With commercial volumes of renewable gas introduced into Ireland's gas network at the country's first purpose-built gas injection facility in Cush Co. Kildare, we are helping organisations to deliver truly sustainable circular economies, by powering their businesses with renewable gas made from their own food and agricultural waste. A second renewable gas injection point near Mitchelstown in Co. Cork, has also received planning permission from Cork County Council.





Ireland's road to net-zero commercial transport

We added Circle K Cashel to the expanding network of publicly accessible compressed natural gas (CNG) refuelling stations and have another 11 in development with two expected to open in 2021.



Responding within the hour, every hour

In 2020 we responded to 14,928 suspected gas escapes, carbon monoxide issues and other incidents within an average of 29 minutes.



Response to the COVID-19 pandemic

Our robust and tested procedures ensured that Ireland's essential national gas network continued to operate safely and without interruption throughout the pandemic.

We prioritised essential connections for HSE facilities, made donations to support the purchase of PPE equipment and expedited connections for care workers' emergency accommodation. We worked with the CRU and energy suppliers to support the increased emergency credit and supply suspension schemes for customers.



Award-winning Dial Before You Dig service used over 15,000 times

Dial Before You Dig, the vital service we provide to builders, engineers and anyone looking to excavate land safely, won the 2020 ESRI Ireland Sharing & Collaboration Customer Success Award and was also a finalist in the 2020 Networks Awards "Game changer" category.

Over 15,000 maps have been generated by more than 2,100 registered users since the service went live in October 2019.



Preparing to transport hydrogen on the network

To ensure that hydrogen can be safely stored and transported on Ireland's national gas network, we commenced construction of a Hydrogen Innovation Centre in Dublin to test how best to introduce hydrogen safely for use in Irish homes and businesses.



Awarded for sustainability efforts

Our efforts to embed sustainability in all aspects of our business were recognised when we won both the Sustainable Energy Achievement Award and the Green Large Organisation of the Year Award at the Green Awards 2020. We also achieved the best maiden score of any Irish energy company in the globally recognised Carbon Disclosure Project rankings.



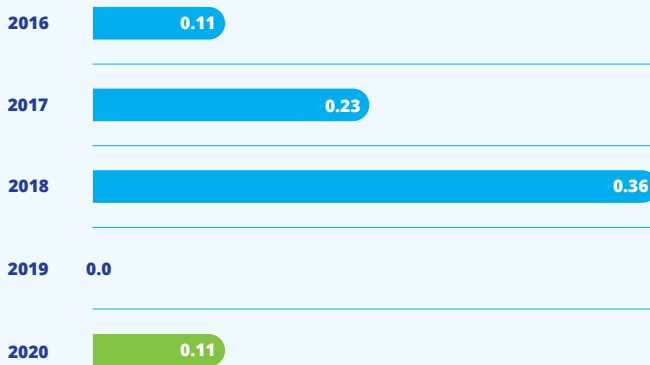
Aurora's regional fibre expansion

Aurora Telecom commissioned the concluding 300km segment of its national high fibre network from Cork to Dublin via Waterford and Carlow, bringing its footprint to over 1,200km. We also completed an additional 100km connection, paving the way for a vital transatlantic submarine cable system to land in Co. Mayo, which provides a dedicated connection to the United States of America.

Operating performance

Safety

Total Lost Time Incident Frequency Rate (LTIFR) – Employees (>1 day)/100k hours



- We use the Lost Time Incident Frequency Rate (LTIFR) to track the number of employee accidents per 100,000 hours worked that result in a staff member needing to take more than one day off work.
- Safety is one of our core values and is at the heart of everything we do. Our 'Work Safe Home Safe' employee safety programme has been in place since 2015 and we continue to work to improve our safety performance.

Safety

Average number of minutes it takes to respond to public reports of gas escapes.



- We measure how quickly we respond, on average, to reports of gas escapes as reported by the public. Our agreed metric with the CRU is to respond to 97% of reported escapes within the hour. In 2020, we achieved a 99.9% compliance rate.
- This is a core safety metric. Maintaining these high-performance standards consistently over time shows how important this is to us.

Customer service

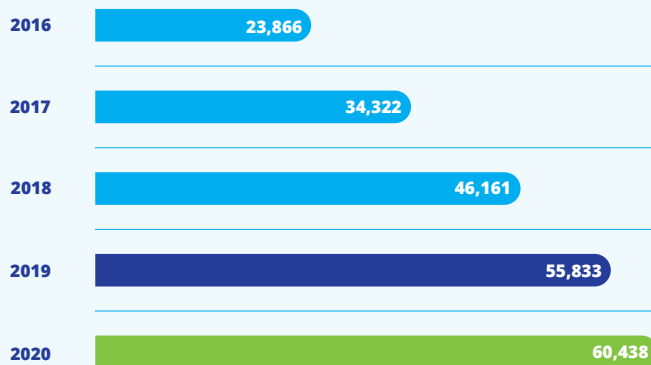
First contact resolution



- We review a sample of our customer contacts each month across a range of different call types. A selection of calls are surveyed independently to validate the scores.
- This measure tells us how often we are able to resolve a customer's request on that first contact, without the need to get further information, escalate to the back office, create a complaint or follow up.

Growth

New connections cumulative 2016–2020



- We measure the increase in network utilisation as a result of new connections.
- While we continue to see growth in new connections, the volume is primarily driven by industrial customers and businesses.

Capital expenditure

Capital expenditure (Capex - €m)



- We include infrastructure spend on plant, property, equipment and intangible assets.
- Delivering capital programmes is central to our ability to develop and maintain our networks.

Cumulative operating efficiencies

Operating expense (Opex) efficiencies (€m)



- We drive efficiencies in how we deliver our services on an ongoing basis.
- We hit our target of delivering efficiencies of €21.5m in the period 2016-2020.

Risk management

Proactive risk management is fundamental to our ability to meet both our short and long-term strategic objectives. We manage, monitor and report on the principal risks and uncertainties that could impact our ability to deliver our strategic ambitions. Our system of risk management and policy is well established and is consistently operated across the organisation. Our priority is to understand the risk environment, identify the specific risks and assess the potential exposure.

From a risk perspective, 2020 has been a challenging year for most businesses, Gas Networks Ireland included. However, we have met this challenge head on, activating our Business Continuity and Crisis Management plans in March. The COVID-19 pandemic has significantly influenced our risk profile and has been a key consideration for managing the risks outlined below. In addition, we have effectively planned for risks associated with other external factors/drivers such as Brexit.

Risk management framework

Our Board has overall responsibility for risk management and the systems of internal control. A proactive risk management culture supports the overall organisational culture, values and expected behaviours for the organisation and a clear programme of work to reinforce and enhance this continues. Appropriate governance structures have been further enhanced and integrated to ensure that there is clarity of ownership and responsibility for risk management.

The risk appetite is set annually by the Board by determining the nature and extent of the risks we are willing to accept. Authority is delegated to the Audit and Risk Committee to support the Board with these obligations. They are supported in maintaining an effective risk management environment by functional and executive governance fora. We are continuously enhancing risk governance by integrating and automating our activities across our systems of risk management, internal control and internal audit.

Clarity of reporting on the risk profile and ensuring greater integration with both organisational objective reporting and operational, financial and performance reporting has been a priority for the Risk Management teams during 2020. As part of Ervia's Risk Strategy, this and other risk culture and continuous improvement initiatives, including taking learnings from risk management during the ongoing COVID-19 pandemic, remains a focus in 2021.

The nature of our business operations is long-term, resulting in many of our risks being enduring in nature. These risks can develop and evolve over time, as their potential impact or likelihood changes in response to internal and external events. At the same time, new risks are constantly emerging and the risk strategy and framework is continuously evolving. Therefore, an effective and integrated risk management framework and strong risk culture are essential to support the delivery of our strategic and operational objectives. Proactive risk management allows us to create added value for our shareholders, customers and the wider community.

Our risk management activities



Risk	Context	Mitigation
Health, safety and environment		
1 A major health and safety or environmental incident resulting in significant impact and harm to an employee, contractor or the general public.	All health, safety and environmental legislation and arrangements must be adhered to in order to protect staff, contractors, and the public from injury or fatality and avoid potential prosecutions, financial loss and reputational damage.	<ul style="list-style-type: none"> • The Central Safety Committee (which is an Executive Committee) oversees Health & Safety performance. • Certified to ISO45001 Safety Management Systems and the ISO14001 Environmental Management System. • Internal and external assurance activity, audits, emergency exercises and reviews.
2 Significant employee health risk or business disruption due to the impact of COVID-19.	Large scale employee illness due to an epidemic or pandemic (e.g. COVID-19) that affects Ireland's population, potentially impacting employee health and wellbeing, operations, service delivery and supply chain.	<ul style="list-style-type: none"> • Revised pandemic plan preparedness in place since 2018. • Crisis management team operating for the duration of the crisis. • Ervia and Gas Networks Ireland COVID-19 response plan in place. • Business continuity contingency arrangements activated. • Engagement with key stakeholders (HSE, HSA, CRU, Government Departments etc.) and peer utility benchmarking. • Clear communications plan including co-ordinated employee messaging. • Working arrangements in place - majority of employees working from home with essential workers identified for office/field/site work with supporting COVID-19 controls in place as per response plans. • Additional health and wellbeing supports in place.

Risk management

Risk	Context	Mitigation
Network security of supply		
3	An event resulting in Gas Networks Ireland not being able to maintain sufficient gas supply to meet existing and future demand could result in reputational and financial damage.	Gas Networks Ireland is responsible for operating the natural gas pipeline network to ensure gas supply to the Republic of Ireland.
		<ul style="list-style-type: none"> • Compliance with (EU) 2017/1938 (gas Security of Supply) Regulation and key stakeholder engagement as part of the Energy Security of Supply review at Government level. • Twinning of the onshore gas pipeline in Scotland reinforces security of supply for Ireland and the UK which was completed in 2018. • The Corrib gas field provides an indigenous supply of gas and enhances security of supply for Ireland for the next number of years. • Comprehensive asset inspection and maintenance programmes. • Network Development Plan published annually. • Network Capacity Management Plan. • Capital investment plan and projects.
Securing the future - decarbonisation and climate change		
4	Failure to successfully implement and deliver Gas Networks Ireland's long-term growth strategy, a loss of competitiveness, the potential negative impact of legislation, an inability to meet the required decarbonisation obligations or a failure for Gas Networks Ireland to become a leading sustainable Irish business.	Decarbonisation of energy remains one of the biggest challenges facing the world. EU and Irish energy and climate action policies are targeting the long term elimination of fossil fuels, including natural gas (which is the cleanest fossil fuel). Inability to decarbonise the gas network will result in a risk of continued energy emissions and under-utilisation of the gas network. This could lead to tariff increases and potentially stranded assets.
		<ul style="list-style-type: none"> • Ensure that the role a decarbonised gas network can play (in partnership with renewable electricity) in Ireland's future energy system is recognised, understood and appreciated by key stakeholders. • Invest in sustainability initiatives and long-term strategies including Compressed Natural Gas, renewable gas and ensure the network is ready to transport and store hydrogen. • Sustainability performance and strategy with clear governance and monitoring.
Infrastructure and service delivery		
5	An inability to fully deliver current or future Capital Investment Plans due to limited supply chain capacity within the construction industry or a failure of a key supplier which could result in a failure to meet network capacity or sustain asset health through planned maintenance activities.	Large capital programme agreed with the Commission for Regulation of Utilities (2017-2022). Similar programme being planned for period (2022-2027). Gas Networks Ireland's strategy to decarbonise the network requires significant investment.
		<ul style="list-style-type: none"> • Engagement with Commission for Regulation of Utilities on future spend and targets. • Relationship management model in place. • Corporate plans in place with gas demand planning and business planning. • Internal supply chain expertise and proactive supply chain interactions. • New construction and engineering contracts in procurement will ensure partners are right-sized for Gas Networks Ireland's workload. • Broad recognition across Government, regulators and energy industry that the growth of renewables is complemented and supported by natural gas today and renewable gas in the future.

Risk	Context	Mitigation
6 A cyber-attack causing serious loss of service, data leakage or restriction to information and/or operational technology would impact service delivery and infrastructure.	An incident could result in potential business delivery disruption, safety issues, reputational damage or potential regulatory fines - likelihood potentially increased in current remote working environment (due to COVID-19).	<ul style="list-style-type: none"> • Ongoing investment in prevention and pro-active controls across all critical systems, • Contingency plans developed and Ervia-wide data and cyber security awareness training. • Security Operations Centre (24*7 monitoring) being established. • Ongoing risk assessment, IT expertise procured and external independent assurances reviews.
7 Potential for significant business disruption as a result of negative impacts arising from UK's exit from the European Union.	Potentially impacted areas are supply chain, procurement, regulation, finance, data protection, European Affairs and EU funding, all of which could result in a potential risk to operational delivery.	<ul style="list-style-type: none"> • Brexit Steering and Working Group in place. • Proactive engagement with key stakeholders including Government Departments, suppliers, partner utilities, regulators, shippers, Irish Revenue and HMRC. • Key exposures identified and contingencies put in place where required e.g. supply chain, procurement, tax, custom returns, data protection and regulation. • Proactive engagement at EU level to build new alliances and highlight Brexit impact on Ireland. • Ongoing facilitation of dialogue between Revenue and gas shippers (who use the network) in relation to meeting customs obligations. • Tax and customs arrangements in place including a customs agent.

Our people

8 Significant organisational transformation increases the risk of organisational stress.	Significant organisational transformation must be managed appropriately to reduce the risk of organisational instability.	<ul style="list-style-type: none"> • Organisation Design Steering Group and work force planning process are in place to plan, manage and support any organisational transformations. • Engagement and culture approaches including regular surveys alongside ongoing continuous improvement processes in place. • Significant health and wellbeing programme in place to support staff. • HR strategy is being implemented which includes initiatives such as an ibelong diversity and inclusion programmes, agile working and employee development programmes.
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Financial and economic

9 Our activities expose us to a number of global macroeconomic and financial risks - credit risk, funding and operational allowance model risk, liquidity risk, currency risk and interest rate risk.	Business Plans set out the funding and allowance requirements for the business.	<ul style="list-style-type: none"> • Defined risk limits, delegations of authority and exposure monitoring in place. • Ongoing engagement and relationships with Government, institutional and potential investors. • Close monitoring and impact assessment for any macro-economic events e.g. Brexit, COVID-19.
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2021 business priorities



Mobilise a new Network Services Contract.



Commence extensive engagement with the regulators on respective price controls (the existing price controls will expire in September 2022).



Focus on continued engagement with all stakeholders, including Department of the Environment, Climate and Communications, on the development of energy policy.



Manage and address any implications arising from Brexit.



Continue to roll-out a national network of compressed natural gas (CNG) stations.



Design and prepare for construction of the Mitchelstown Central Grid Injection (CGI) facility.



Develop a hydrogen technical strategy.



Recertification of Business Working Responsibly Mark.



Invest in the ongoing development of our staff with a number of development programmes delivered.



Aurora Telecoms to commission two telecoms network extensions which will further enhance our regional reach.



Progress a number of capital works including: Ballough Bypass project and Beattock Compressor Station.



All 1800 Gas Networks Ireland phone numbers will be replaced by 1800 or 0818 phone numbers in line with ComReg requirements.

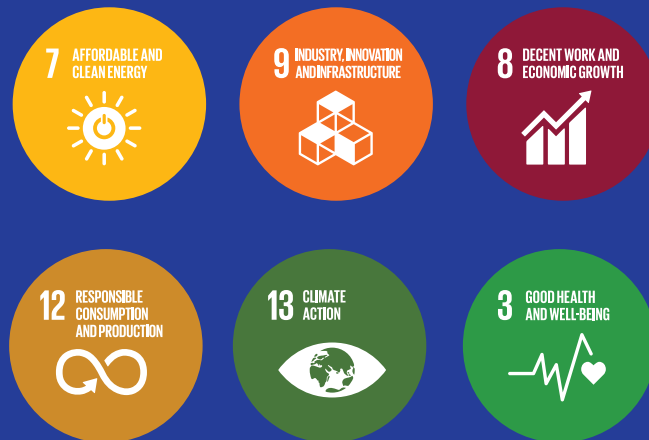


Our sustainability strategy

As one of Ireland's leading utilities, our sustainability strategy is underpinned by our role in delivering a safe, affordable and clean energy future for Ireland through the decarbonisation of our network and the reduction of emissions across all sectors of Irish society.

As guardians of Ireland's vital €2.7bn, 14,617km national gas network, owned by the people of Ireland, we aim to deliver our services in a sustainable manner and ensure we contribute to the protection of the environment while supporting the social and economic development of the communities in which we operate as well as the wider economy.

The six United Nations' Sustainable Development Goals at the core of our Sustainability Strategy



In 2019, we developed our Sustainability Strategy with our Vision 2050, 2030 Business Strategy and six SDGs at its core. Working with our key stakeholders, we identified our sustainability priorities through a materiality assessment process.

Sustainability at Gas Networks Ireland includes supporting the health and wellbeing of our employees in the workplace and at home, and positively impacting the communities in which we operate. Our approach to sustainability is underpinned by our three economic, social and environmental pillars and six aforementioned SDGs.

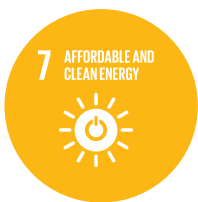
Sustainability is a key element of our business strategy and we continue to embed sustainability into our strategy and purpose. We work closely with our stakeholders and are committed to being transparent about our sustainability performance.

Strategy framework



Sustainability

Economic



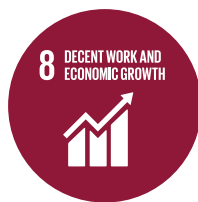
**Primary
UNSDG**

Ensure access to affordable, reliable, sustainable and modern energy for all.



**Primary
UNSDG**

Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.



**Primary
UNSDG**

Promote sustained, inclusive and sustainable economic growth, full and productive employment, and decent work for all

Social



**Supporting
UNSDG**

Ensure healthy lives and promote wellbeing for all at all ages.



**Supporting
UNSDG**

Take urgent action to combat climate change and its impacts.



**Supporting
UNSDG**

Ensure sustainable consumption and production patterns.

Environment

Sustainability steering committee

GRI
102-18

Sustainability Governance and Sustainability Resources

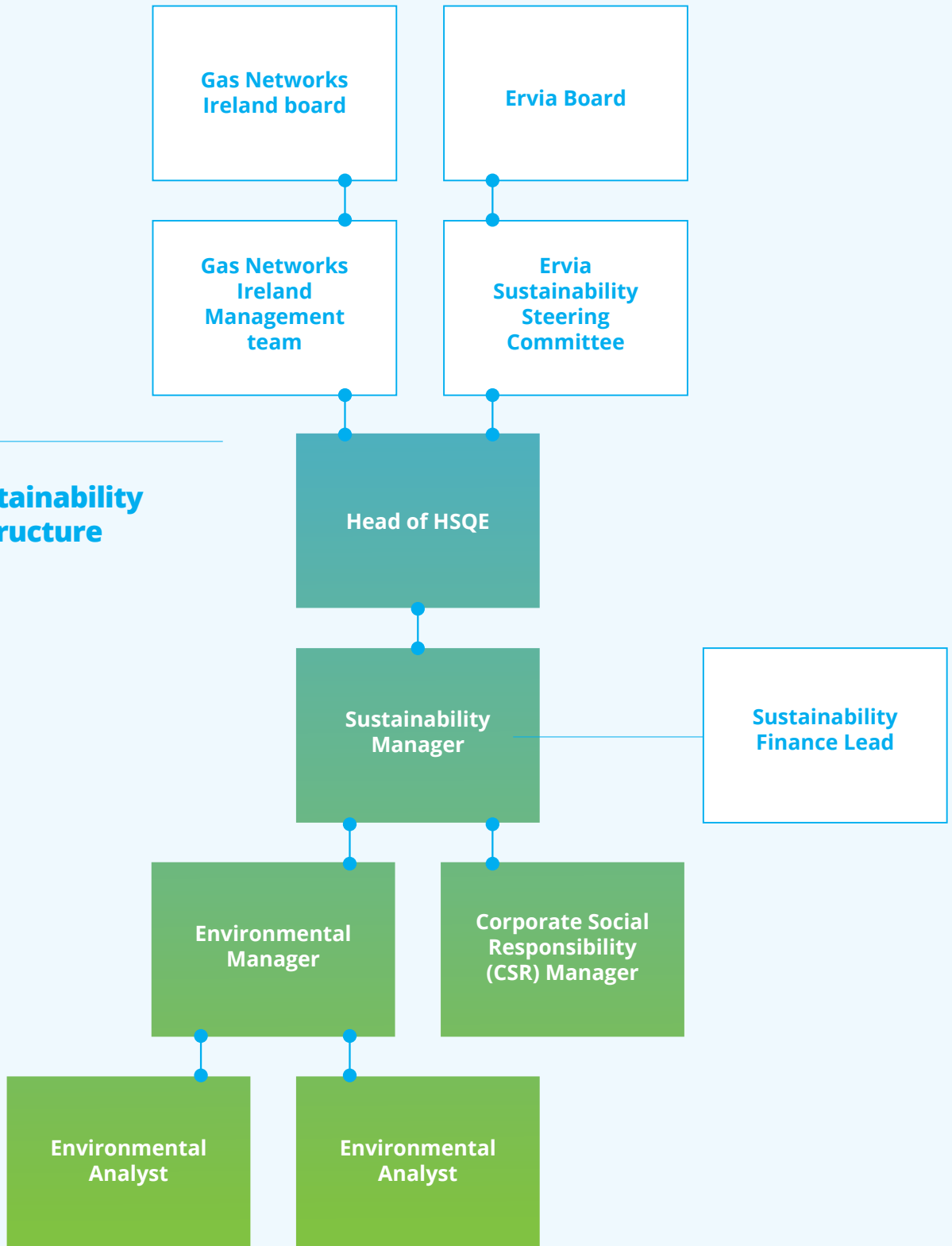
In 2020, we established a dedicated Sustainability team within the Health, Safety, Quality and Environment (HSQE) department. The role of the Sustainability team is to drive sustainability initiatives across the business and report on our sustainability performance.

The team reports to an overall Sustainability Steering Committee which consists of members from the Executive Management Team, including our Head of HSQE, Head of Human Resources, Head of Commercial, Head of Asset Management and Head of Finance. The Sustainability team also reports to the Gas Networks Ireland Management Team and Board, and Ervia Sustainability Steering Committee and Board.

We have robust management systems in place which are audited annually by the National Standards Authority of Ireland (NSAI) and by our internal auditing teams. We are certified to five ISO management systems: ISO14001 Environmental Management, ISO50001 Energy Management, ISO45001 Occupational Health and Safety, ISO9001 Quality Management and ISO55001 Asset Management.

We also hold the Business Working Responsibly Mark which is aligned to the Social Responsibility Standard ISO26000.

Our Sustainability team structure



Our sustainability highlights



Participated in the Carbon Disclosure Platform (CDP) for the first time. We received a B- CDP rating which is a significant achievement for a first-time participant.



Exceeded the public sector energy efficiency target of 33% by 2020, achieving a 47% improvement.



Re-certified our five ISO management systems: ISO14001 Environmental Management, ISO50001 Energy Management, ISO45001 Occupational Health and Safety, ISO9001 Quality Management System and ISO55001 Asset Management.



Won the Health and Safety Initiative of the Year award for our 'HazCon' app at the 2020 Networks Awards.



Won both the Sustainable Energy Achievement award and the Green Large Organisation of the Year award at the 2020 Green Awards. Selected by the judges to be one of six organisations shortlisted for the Green Business of the Year award.



Published our second sustainability report, Sustainability in Action, highlighting our progress in implementing the principles of the United Nations Sustainable Development Goals.



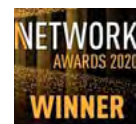
Increased stakeholder initiatives by 51%.



Donated €250,000 to 33 charities.



Launched our new Female Talent Development Programme.



Our sustainability priorities

2020

- Developed a sustainability strategy and established a sustainability team.
- Took part in the Carbon Disclosure Platform for the first time with a B- rating.
- Won the Sustainable Energy Achievement Award and the Green Large Organisation Award at the Green Awards.
- Re-certified all five ISO Management Systems.
- Sustainability featured as key part of our new main contractor contract.

2021

- Sustainability report to align with Global Reporting Initiative standard.
- Improve our Carbon Disclosure Platform rating.
- Re-certify to the Business Working Responsibly Mark standard.
- Generate a methane emissions reduction plan.
- Conduct a staff culture survey on sustainability.

2025

- Be recognised as a leader in sustainability.
- Achieve an A rating in the Carbon Disclosure Platform.
- Achieve 2025 science-based targets.
- Achieve 2025 "Seeds for Nature" Biodiversity Commitments.
- Send zero waste to landfill.
- Deliver compressed natural gas (CNG) refuelling station targets.

2030

- 50% reduction in greenhouse gas emissions intensity.
- Achieve 2030 science-based targets.
- Deliver renewable gas targets on the network.

2050

Net-zero national gas network realised for Ireland

Vision 2050

Vision 2050: The importance of a net-zero carbon gas network in Ireland's cleaner energy future



Climate change is one of the greatest and most urgent global challenges and the national gas network is ready to play its role in helping Ireland achieve a cleaner energy future.

Emitting significantly less carbon than coal and oil, natural gas has played an important role in reducing Ireland's energy emissions since the 1970. Today, the national gas network is the corner stone of Ireland's energy system, powering 31% of Ireland's primary energy needs, including 40% of the country's heating and 52% of its electricity generation.

Considered one of the safest and most modern networks in the world, more than 706,000 Irish homes and businesses trust the national gas network to provide cleaner, affordable and reliable energy to meet their heating, cooking and transport needs.

The trusted power behind Ireland's electricity, the national gas network will continue to play an integral role in the country's transition to a sustainable and secure low carbon economy.

In 2020, gas demand for electricity generation ranged between 25% and almost 90%. When the wind didn't blow and the sun didn't shine, Ireland relied on the national gas network to ensure that the lights stayed on, our devices were powered and our essential services were able to operate.

The responsiveness and reliability of Ireland's gas network make it the ideal partner for intermittent renewable electricity sources. The more Ireland electrifies, the more critical reliable gas-powered electricity becomes to Ireland's energy security.

Gas is also particularly important for many Irish industries. Businesses know they can depend on the gas network to deliver the versatile, high intensity heat their processes require.

However, while natural gas is the cleanest conventional fuel, Ireland must transition to more sustainable alternatives to meet its climate action targets. Transitioning to a clean energy economy by 2050 requires a balance between sustainability, security and affordability.

Gas Networks Ireland's ambition is for a net-zero carbon gas network by 2050 and to support emissions reductions across every sector of the Irish economy, in the lowest cost, least disruptive, safest and most secure manner. Leveraging existing energy assets and capabilities will enable Ireland to reach its targets effectively.

Proven and growing global technologies, such as compressed natural gas (CNG), and renewable gases, including biomethane and hydrogen, can all play a part in helping decarbonise Ireland's energy system. The national gas network is critical to delivering a cleaner energy future and Gas Networks Ireland is working to make this possible.



Biomethane

In 2019, Ireland began its journey to a net-zero carbon gas network, with the introduction of domestically produced biomethane into the national gas network. Biomethane is largely identical to natural gas, meaning that it can seamlessly replace gas in appliances, heating systems, transport and power generation.

Biomethane, is made from farm and food waste through a process known as anaerobic digestion, which the EU Green Deal has identified as a key tool in decarbonising European agriculture. Leading companies in Ireland are now creating sustainable circular economies by purchasing renewable gas made from their own waste to power their operations.

A biomethane industry in Ireland would support the decarbonisation of the agricultural sector and provide significant opportunities to rural communities



Hydrogen

Hydrogen is a carbon free gas that can be produced from renewable electricity and stored indefinitely, making it an attractive option to decarbonise energy systems and a strong example of how greater integration between our gas and electricity systems can drive a cleaner energy future for Ireland.

Ireland's gas network is considered one of the safest and most modern gas networks in the world. Blends of up to 20% hydrogen could be transported on the existing gas network and used in existing appliances, technology and vehicles, with minimal disruption and upfront cost to customers. Pure 100% hydrogen can be transported with some modifications to the network.

To ensure that hydrogen can be transported safely to homes and businesses around the country, we recently opened a Hydrogen Innovation Centre in Dublin and are testing how best to safely transport hydrogen for use in Irish homes and businesses.



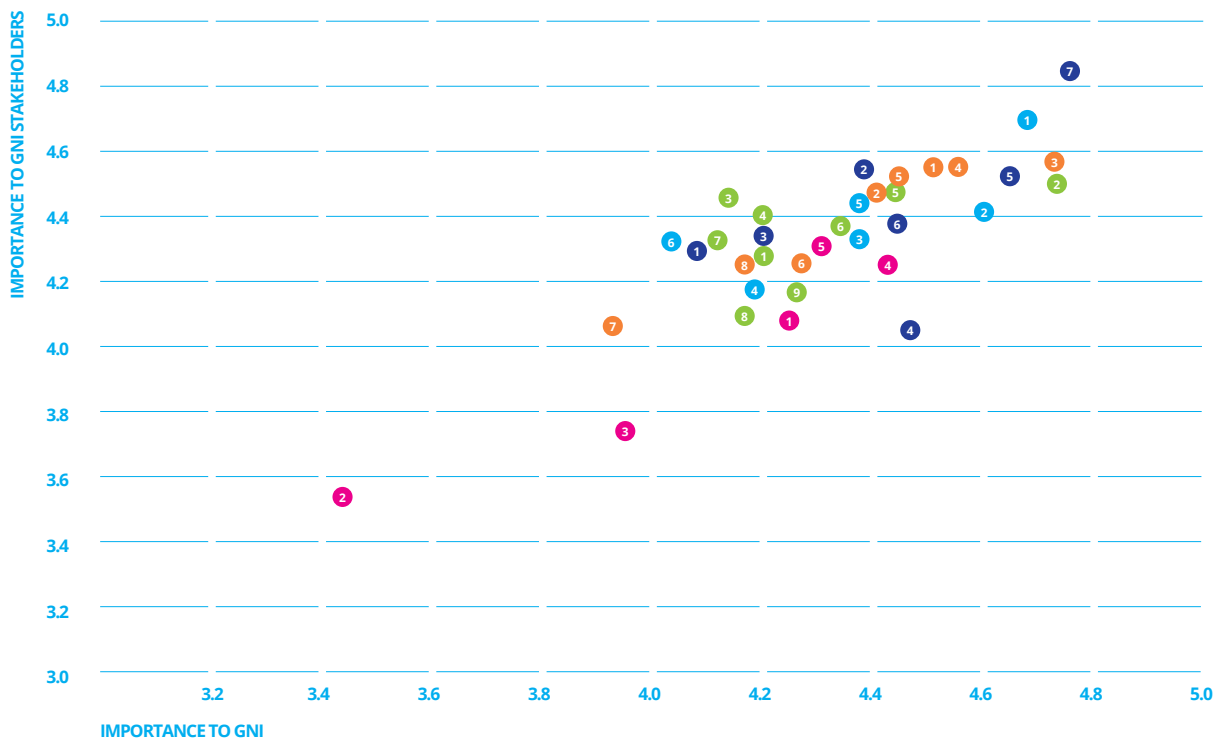
Compressed natural gas in transport

Heavy goods vehicles and buses account for a disproportionate amount of Ireland's transport emissions. Emitting significantly less carbon dioxide than diesel and petrol, compressed natural gas (CNG) is a cleaner and affordable alternative fuel that is helping to decarbonise the Irish transport sector. Furthermore, CNG vehicles are entirely compatible with biomethane, meaning that as Ireland gradually increases the volume of biomethane on the national network, vehicles refuelling from the gas network will further reduce their carbon footprint without changing a thing.

A proven and reliable transport fuel, Ireland's CNG vehicle numbers grew more than 50% in 2020 as the number worldwide surpassed 28 million. We are developing a network of CNG refuelling stations across Ireland in partnership with Ireland's forecourt operators and hauliers, and helping to make the transition to gas-powered vehicles more affordable for fleet operators through our CNG Vehicle Grant Scheme, which provides grants of up to €5,000 per vehicle.

Materiality Assessment

We have conducted a Materiality Assessment to assist in the development of our Sustainability Strategy. Materiality helps identify and prioritise the sustainability issues that matter most to our business and stakeholders.



Community

- 1. Community Engagement
- 2. Corporate Giving
- 3. Employee Volunteering
- 4. Promoting STEM
- 5. Environment in Community

Workplace

- 1. Employee Safety
- 2. Employee Health and Wellbeing
- 3. Training and Development
- 4. Employee Recognition
- 5. Employee Comms
- 6. Flexible Working

Marketplace

- 1. Sustainable Procurement
- 2. Human Rights
- 3. Data Protection
- 4. Product/Service Promotion
- 5. Responsible Prod/Service
- 6. Customer Relationships
- 7. Network Safety

Environment

- 1. Pollution Prevention
- 2. Waste
- 3. Carbon Emissions
- 4. Climate Change Adaptation
- 5. Energy
- 6. Transport
- 7. Water
- 8. Biodiversity

Environment/Economic

- 1. CR/Sustainability Governance
- 2. Public Policy
- 3. Regulatory Compliance
- 4. Stakeholder Engagement
- 5. Anti Bribery
- 6. Economic Sustainability
- 7. Risk Management
- 8. Diversity and Inclusion
- 9. Org Change Management

Our materiality analysis largely confirmed results from previous years, with our stakeholders rating sustainability topics such as climate change and biodiversity higher than in our previous assessment.

Sustainability context

The context in which we operate as a national semi-state utility was considered when determining the list of relevant topics. We used the ISO26000 Business Working Responsibly Mark standard as the framework for considering material areas, including topics under workplace, marketplace, governance, community and environment.

Materiality completeness

The report considers all significant impacts across our value chain and ensures that all data included incorporates our most material topics.

Stakeholder inclusiveness was ensured by considering feedback from our stakeholder engagement matrix. Over 30 external stakeholders and 230 employees responded to our materiality survey. The external stakeholder list was created in conjunction with our stakeholder manager and approved by our Sustainability Steering Committee.

GRI 102 – 48 Restatement of information.

No restatement of the 2019 report was made.

GRI 102 – 49 Changes in reporting.

There are no significant changes in the list of material topics and topic boundaries compared to previous reporting periods.

GRI 102 – 50 Reporting period.

The reporting period covered in this report is January 2020 to December 2020.

GRI 102 – 51 Date of most recent report.

Our most recent sustainability report covered the 2019 period. This report covers our 2020 performance.

GRI 102 – 52 Reporting cycle.

Our sustainability report is published annually.

GRI 102 – 53 Contact point.

Any queries related to this report can be sent to Anne Moore, Sustainability Manager, sustainability@gasnetworks.ie.

GRI 102 – 54 GRI reporting.

This report has been prepared in accordance with GRI Standards: Core option.

GRI 102 – 55 Content Index.

Please see appendix.

GRI 102 – 56 External assurance.

Our 2020 Sustainability Report has not been externally assured.

GRI 102 – 3.

Our headquarters are based in Gasworks Road, Cork, T12 RX96.

Environment

We are committed to the highest standards of environmental management and to proactively addressing the challenges of climate change.



Environment

Introduction

As custodians of Ireland's gas infrastructure, we continue to focus on protecting the environment in the communities in which we operate and we aim to deliver our services in a sustainable manner which contributes to the protection of the environment.

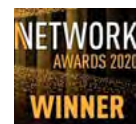
Environment is one of the core pillars of our Sustainability Strategy.

We have adopted an iterative multi-year approach to reducing the environmental impact of our business activities. Significant milestones on this journey have included the implementation of an Environmental Management System (certified to ISO14001) in 2012, achieving Energy Management System certification (ISO50001) in 2014 and being one of the first companies in Ireland to achieve the Asset Management System Standard ISO55001 in 2015. Investment in leading edge asset management systems and processes will contribute to enhanced network asset performance and energy efficiency.

In 2020 we were successfully recertified to ISO14001 and ISO50001 along with ISO systems ISO45001, ISO55001 and ISO9001. This was the first time that any company in Ireland recertified all five ISO systems together with the National Standards Authority of Ireland.

We won both the Sustainable Energy Achievement Award and the Green Large Organisation of the Year Award at the 2020 Green Awards. Additionally, we were selected by the judges to be one of six organisations shortlisted for the green business of the year award. This was the first time we have ever won these awards, at what is seen by many as Ireland's leading environmental event for businesses. The Green Large Organisation of the Year Award goes to the large business who can demonstrate a bottom up, best environmental practice in all aspects of running a large business. Judges examined all aspects of the business including waste management, biodiversity, use of 'green suppliers or materials, transport, energy and water efficiencies, to staff engagement and community involvement'.

In 2020 we joined leading companies around the world to call for ambitious and collective action on supporting nature by signing up to the Business for Nature Call to Action. We have made nature a priority through our biodiversity commitments and we strive to have a net positive impact on biodiversity across our operations by 2025.



Climate action

Working collaboratively to develop a sustainable energy system that facilitates and supports Ireland's net zero target.

Our Vision 2050, launched in 2019, provides a strategy for the development of a carbon neutral gas network. It will deliver clean and flexible energy which will support emissions reductions across every sector of the Irish economy at the lowest cost possible. Renewable gas is a key pillar in our vision to fully decarbonise the gas network by 2050, along with hydrogen and carbon capture and storage. Substituting renewable gas for natural gas is seamless and it's one of the ways we can reduce Ireland's total CO₂ emissions across key sectors including electricity, industry, heat and transport. In 2020 two publicly accessible, fast fill Compressed Natural Gas (CNG) stations were constructed at Clonshaugh in Dublin and Ballysimon Road in Limerick. The country's second publicly accessible,

fast-fill CNG station, opened at Circle K's forecourt in Cashel as part of the developing national network aimed at providing clean fuel to the Heavy Goods Vehicle (HGV) sector. Strategically located at Junction 8 off the M8 (Dublin – Cork) motorway, the state-of-the-art station has the capacity to fill 50 HGVs a day, with each fill taking no more than five minutes. This new station allows hauliers and fleet operators in the region to begin the journey to carbon neutral transport by switching their fuel from diesel to CNG today and ultimately transitioning to networked renewable gas in the future.

In May 2020, Ireland's only purpose-built injection facility in Cush, Co. Kildare was declared an entry point and joined Corrib as one of the two indigenous gas sources on Ireland's gas network (following the closure of the Kinsale gas field in July 2020). Locally produced renewable gas entered the gas network with leading businesses purchasing renewable gas made from their own food and drink waste to power their operations. Cush alone has the capacity to supply renewable gas to 11,000 homes.



Environment

We have been granted permission by Cork County Council for the proposed development of a renewable gas injection facility near Mitchelstown. The Mitchelstown facility is part of the GRAZE Gas project, short-listed for funding by the Department of Environment, Climate and Communications under the Climate Action Fund. We have established a scheme for the issuance of electronic certificates to track Renewable Gas delivered to the Irish gas system. A draft Statutory Instrument was submitted to the Department of Climate, Communications and Environment in early May. If implemented it would appoint Gas Networks Ireland as the Issuing Body for Guarantees of Origin for renewable gas in Ireland in accordance with Article 19 of the Renewable Energy Directive II.

We continue to participate in several Irish and European gas research initiatives, which are assessing how hydrogen could be transported using existing gas networks. In 2020 we built an independent distribution network in our facility in Brownsbarn to allow us to test how blends of natural gas and hydrogen perform in the network and with downstream appliances.

Environmental Management Systems

We recognise that our activities have the potential to cause environmental impacts and that it is our responsibility to manage our activities 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. Due to the nature of our activities we are subject to rigorous standards of environmental legislation and regulation through environmental licences and permits issued by relevant regulatory authorities.

For example, our compressor stations in Scotland are licenced by the Scottish Environmental Protection Agency and we comply with all aspects of our licences. Non licenced activities are subject to assessment during planning processes and we have developed tools to help our designers and planners carry out such assessments. Our bespoke Envirokit and EnviroPlan environmental planning and design toolkits assist our designers and planners in applying a standardised approach to Environmental Management. EnviroOps, our in-house environmental guidance document was developed

to assist our operations personnel in applying best practice while working for the organisation.

To reduce our impact on the environment we have developed objectives in several areas including air/ carbon emissions, biodiversity, energy use, waste generation and efficient use of resources all of which are verifiable within our certified Environmental Management System ISO14001 and Energy Management System ISO50001. Our Green House Gas inventory was independently verified according to ISO14064-3:2019 specifications with guidance for the Validation and Verification of Greenhouse Gas Statements.

Our environmental energy working group promotes an integrated and strategic approach to environmental and energy management across the business and our asset base. Our bespoke in-house design toolkits and environmental guidance assist our designers, planners and operations personnel to apply a standardised approach to environmental management.

We also have a dedicated Environmental Team who sit within the Sustainability Team and are responsible for driving environmental performance across the business.

GRI
307-1 (A)

Environmental Performance

Significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations in terms of;

	2020
(i) Total monetary value of significant fines	0
(ii) Total number of non-monetary sanctions	0
(iii) Cases brought through dispute resolution mechanisms	0

Note:

Gas Networks Ireland were named on the EPA's list of National Priority Sites for Enforcement on 16 July 2020 due to odour and fugitive emissions from the Limerick Remediation Project Site.



Environment

Access to Information on the Environment

The Access to Information on the Environment (AIE) Directive was transposed into Irish law by the European Communities (Access to Information on the Environment) Regulations 2007 to 2014 (the "AIE Regulations"). Under the AIE Regulations, members of the public can request access to environmental information from public authorities.

How to request environmental information

Requests for environmental information should be made through the Freedom of Information Unit by email to foi@gasnetwork.ie or via post at: Colvill House, 24-26 Talbot Street, Dublin 1. Those submitting requests do not need to specify the reason for your request, but all requests should:

- Be made in writing or electronic form.
- State that the request is made under the AIE Regulations.
- State full name, address and any other relevant contact details.
- State, in terms that are as specific as possible, the environmental information required.
- If access to the environmental information in a particular form or manner is required, specify the form or manner of access desired.
- If possible include a contact telephone number (to allow for clarification of requests if necessary).

	2020
Access to Information on the Environment requests made to Gas Networks Ireland	3



Enhancing biodiversity

We have embraced our important role in promoting biodiversity awareness, not only amongst our colleagues but also in the communities where we work.

Biodiversity in Ireland ranges from the small insects that improve our soils and pollinate our crops, to larger animals and plants that control our pests and provide carbon sinks and flood protection. All provide essential ecosystem services and are under threat from the influence of human beings.

With a significant national underground infrastructure network, plus over 200 above ground installations (AGIs) and office locations, we recognise our role and responsibility to respond and act to protect and restore Ireland's biodiversity.

Our 'Seeds for Nature' Charter, launched in 2019, includes a number of important commitments; a pledge to manage all of our infrastructure, asset base and office locations (on the island of Ireland and in Scotland) to support, scale up and fast-track the implementation of the National Biodiversity Action Plan.

Biodiversity is a key part of our Sustainability Strategy and in 2020 we developed a biodiversity plan to help deliver on our existing commitments, including actions we need to take to achieve our goals:

- Continue to develop and embed biodiversity measures into our business.
- Continue to engage our colleagues and work with the local community on biodiversity initiatives.
- Ensure that our contractors deliver on our biodiversity commitments.
- Develop biodiversity measurement tools and key performance indicators.
- Strive to have a net positive impact on biodiversity in all our operations and infrastructure projects.



We continue to be a key business supporter of the All-Ireland Pollinator Plan the plan has five key objectives:

- Making Ireland pollinator friendly.
- Raising awareness of pollinators and how to protect them.
- Managed pollinators – supporting beekeepers and growers.
- Expanding on knowledge of pollinators and pollination services.
- Collecting evidence to track change and measure success.

We own and manage two beehives at one of our gas stations in Cork and we are now seasonal producers of honey.

In 2020 we continued to promote a range of biodiversity enhancement measures at several of our sites including Marino Point AGI in Cork, where our redundant assets were decommissioned and removed from the site. Bug hotels, bird boxes, a swallow barn and hedgehog houses were installed and sections of suitable ground were readied for wildflower planting in Spring 2021. Reduced grass cutting and pesticide use, biodiversity awareness signage and planting of native wildflowers were also implemented at many other sites.

In 2020 we signed up to the Business for Nature Call to Action, a global coalition of businesses committed to reversing nature loss through action and advocacy. We are also now working with Technical University Dublin (TUD) on a collaborative sustainability charter. Separately we are assisting Dublin City Council (DCC) with a green roof research project.

Also in 2020 we continued our anchor sponsorship of the *Irish Examiner* biodiversity month special in May by promoting a “Gardening for Biodiversity” booklet by Juanita Browne of the All-Ireland Pollinator Plan. The booklet was produced by Laois County Council with the assistance of Local Authority Heritage Officers across Ireland, with support from the National Parks and Wildlife Service and the Heritage Council.

We were delighted to be recognized for our commitment to biodiversity with our enhancement programme being shortlisted in the ‘Excellence in Environment’ category at Chambers Ireland Sustainable Business Impact Awards.

In 2021 we will further develop our Biodiversity Action Plan with specific goals and measurements to be achieved by the organisation, incorporating guidance for changing the way we design, build and operate our sites and assets including environmental criteria for assessing work by our contractors and increasing the delivery of biodiversity enhancements at our sites. We have identified several pilot sites to help us benchmark and develop our biodiversity action plan further in 2021.



Brownsbarn AGI

Environment

Managing for biodiversity

Managing work that has the potential to impact on biodiversity is a key aspect of our approach to environmental management. Our construction and operations activities are screened at the early planning stage to determine whether a Natural Impact and /or Environmental Impact Assessment are required. Biodiversity impacts are considered where existing assets or new assets are planned within proximity to special areas of conservation and designated sites, as set out by national, regional or EU legislation.

We have a duty to protect habitats and species, not just those in designated areas, but in the course of our day to day operations, we have a robust management process to enforce this as part of our Environmental Management System.

Our bespoke Envirokit and EnviroPlan environmental planning and design toolkits assist our designers and planners in applying a standardised approach to Environmental Management including Biodiversity Management. EnviroOps, our in-house environmental guidance document was developed to assist our operations personnel in applying best practice while working for the organisation.

Our distribution and transmission network consists of over 14,617km of pipeline, and is linked to the UK and European gas markets through two interconnector pipelines with Scotland. Our network is mapped via a geographic information system (GIS), which is a framework for gathering, managing, and analysing data. This data includes environmental data including special areas of conservation. Our designers and planners use GIS to assist in carrying our environmental assessments.

GRI
304-4

Developments and activities are designed and planned to avoid impacting on biodiversity. Where there is a potential of significant impacts on biodiversity, measures are undertaken to avoid and reduce impacts to a minimum. Where an IUCN red list species or species of national conservation concern is identified as being potentially impacted by a project at assessment stage, we carry out several assessments including: ecological impact assessment, environmental impact assessment or appropriate assessment under the Habitats Directive.

Number of Above Ground Installations	Number of offices
200 approximately	5 in ROI



Number of Compressor Stations	Km of pipeline
2 in Scotland and 1 in ROI	14,172



GRI
304-3

We have not impacted habitats such that restoration activities were necessary. In certain operations, for example on construction sites, rehabilitation plans exist as part of our environmental management programme.

Water reduction and management

While water use is not a material issue for us as we are not a significant user of water, we do monitor and track usage. We have substantially reduced our water usage since 2013, as a result of improved performance, upgrading of offices and importing less gas from the UK due to the increase in gas supplied from Corrib. This has resulted in less usage of our UK turbine fleet and less water being consumed.

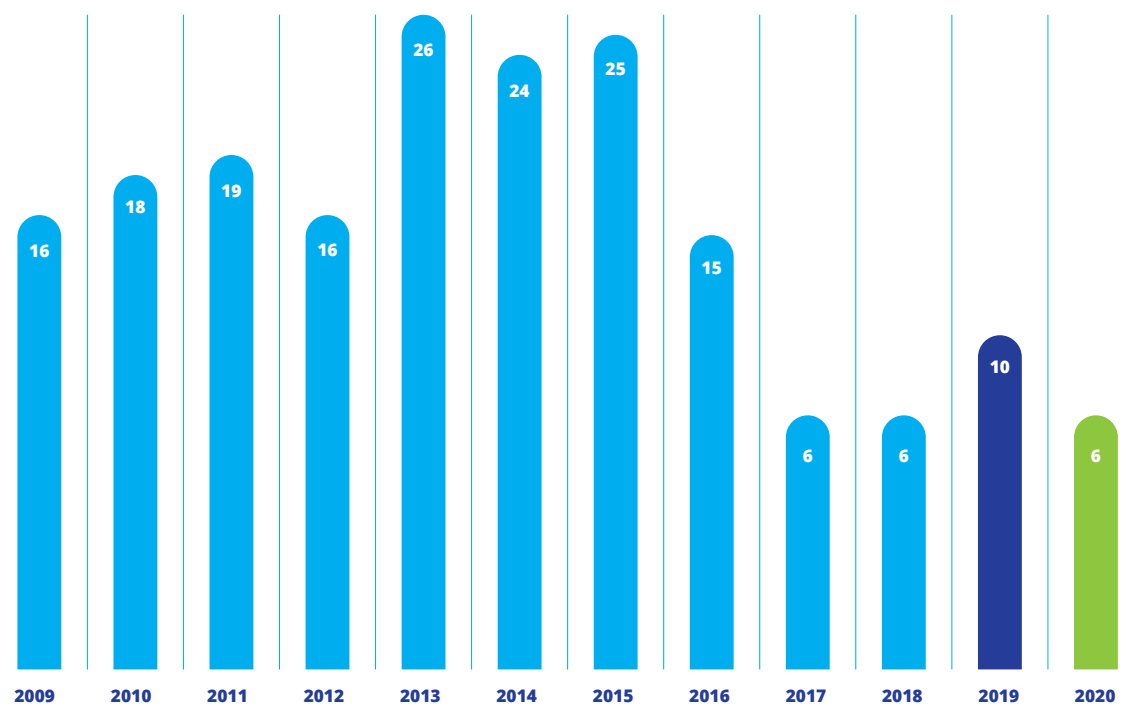
With supplies of gas from the Corrib field in decline and an increased reliance on our interconnector pipelines and compressor stations in Scotland, our water consumption increased from 2018 to 2019, a decrease was realised in 2020 due to reduced office occupancy during COVID-19.

We monitor and report water consumption based on utility meters and reconcile this, where possible, with sub metering data. We report water consumption by supply and treatment of both volume and carbon equivalent using Department of Environment, Food and Rural Affairs (DEFRA) conversion factors. From 2021 on, we will utilise internally sourced emission factors for both supply and treatment of water. We do not consume water from areas of water stress.

In 2020 we used 20,121,000 litres of water. Our water consumption fell to 6.39 TCO₂e in 2020 due to COVID-19 with most of our staff working from home.

Our annual water consumption in TCO₂e is shown below:

Annual water consumption in TCO₂e



Environment

GRI
306-2

Waste reduction and waste management

We are committed to reducing our waste to landfill and we aim to send zero waste to landfill by 2025. Monthly key performance indicators are recorded and reported - our 2020 target was to recycle 85% of all waste. In 2020 the overall recycling figure in our offices was 99%.

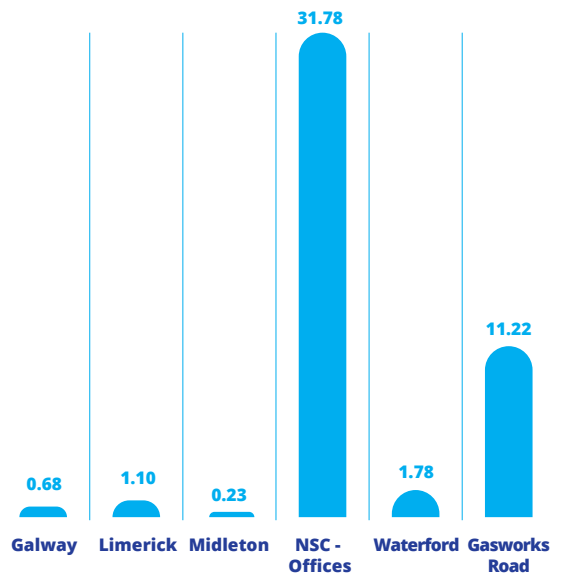
We monitor and report on waste from both our office locations and our site waste from operations which take place across the entire gas network in Ireland. We have six office locations, Headquarters in Cork, Network Services Centre in Dublin and smaller regional offices in Waterford, Limerick, Galway and Midleton.

Our main office waste includes recycled paper, mixed packaging, compost, cardboard, glass, wood, metal, waste electrical goods, printer cartridges

and plastic. We have management systems in place to dispose of hazardous and biological waste. Our waste data, including recycling rates, are calculated from waste collection documentation provided by our waste collection service provider.

Of the 46.78 tonnes of waste produced in 2020, 46.33 tonnes were recycled or recovered. Our total carbon footprint associated with waste is 1.49 TCO₂e in 2020, down 46% from 2019 and 74% from 2018.

Office waste by location 2020 (tonnes)



2020 Month	Galway tonnes	Limerick tonnes	Midleton tonnes	Dublin tonnes	Waterford tonnes	Cork tonnes	Grand total tonnes
Jan	0.04	0.02	0.03	2.16	-	4.02	6.26
Feb	0.52	0.01	-	1.34	0.06	2.40	4.33
March	-	0.01	0.01	2.76	1.19	0.73	4.70
April	-	0.01	0.06	0.08	-	0.03	0.18
May	-	0.00	-	0.46	-	0.17	0.63
June	-	0.00	-	6.41	0.28	0.38	7.07
July	-	0.01	0.06	2.75	-	0.51	3.32
Aug	0.07	0.01	-	0.58	0.08	0.11	0.85
Sep	-	0.00	0.01	1.51	-	0.08	1.60
Oct	0.05	0.00	0.01	2.75	-	1.33	4.14
Nov	-	-	0.03	2.94	0.17	0.29	3.43
Dec	-	1.02	0.02	8.04	-	1.18	10.26
Grand Total	0.68	1.10	0.23	31.78	1.78	11.22	46.78

Energy management

We are certified to the Energy Management System (EMS) ISO50001:2015.

Public Sector Monitoring and Reporting Targets (PSMR)

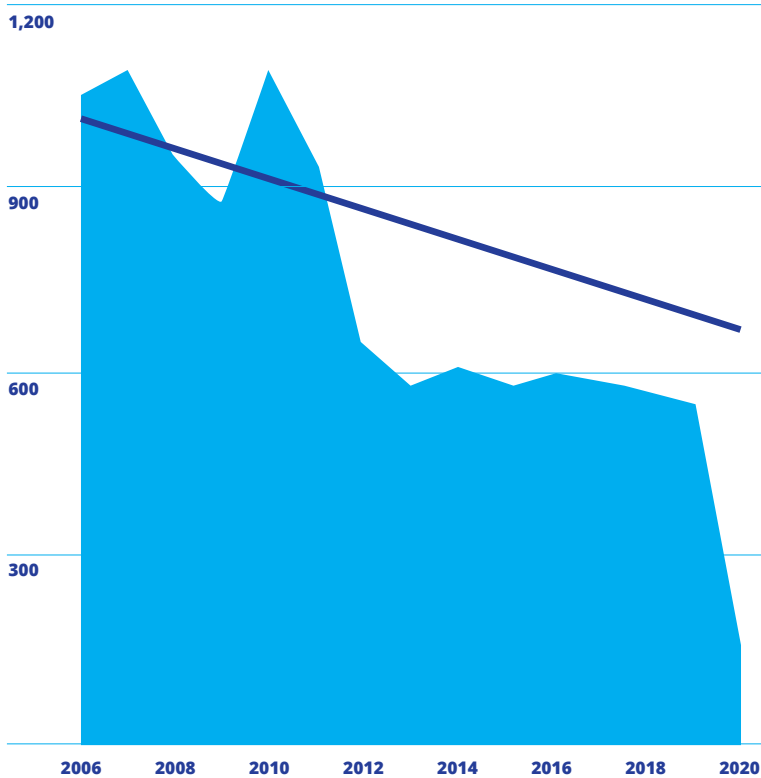
We are an active participant in the Government's Public Sector Monitoring and Reporting (PSMR) initiative. The scope of the PMSR applies to our office and fleet energy. While the PMSR aimed to achieve a 33% energy saving within the public sector by 2020, we have exceeded this ambition with 46% energy savings across our offices and fleet. Our energy savings are realised by metering and energy efficiency drives across all office locations, along with the replacement of inefficient lighting and heating solutions along with choosing greener options for our fleet.

Our fleet and office energy performance are tracked by Energy Performance Indicator's (EnPIs). These EnPIs are intensity metrics and reported to the Sustainable Energy Authority of Ireland (SEAI). Our target EnPI for 2020 was 736kWh/m², our actual 2020 EnPI was 580kWh/m². This is down from 589 kWh/m² in 2019 and 601 kWh/m² in 2018.

Year	Actual	Target
2006	1,128	1,099
2007	1,156	1,073
2008	1,012	1,047
2009	939	1,021
2010	1,146	995
2011	999	969
2012	690	943
2013	626	917
2014	646	892
2015	627	866
2016	641	840
2017	631	814
2018	601	788
2019	589	762
2020	580*	736

* the PSMR information is being updated and shall be available from Q2-Q3 as per the Public Sector Reporting

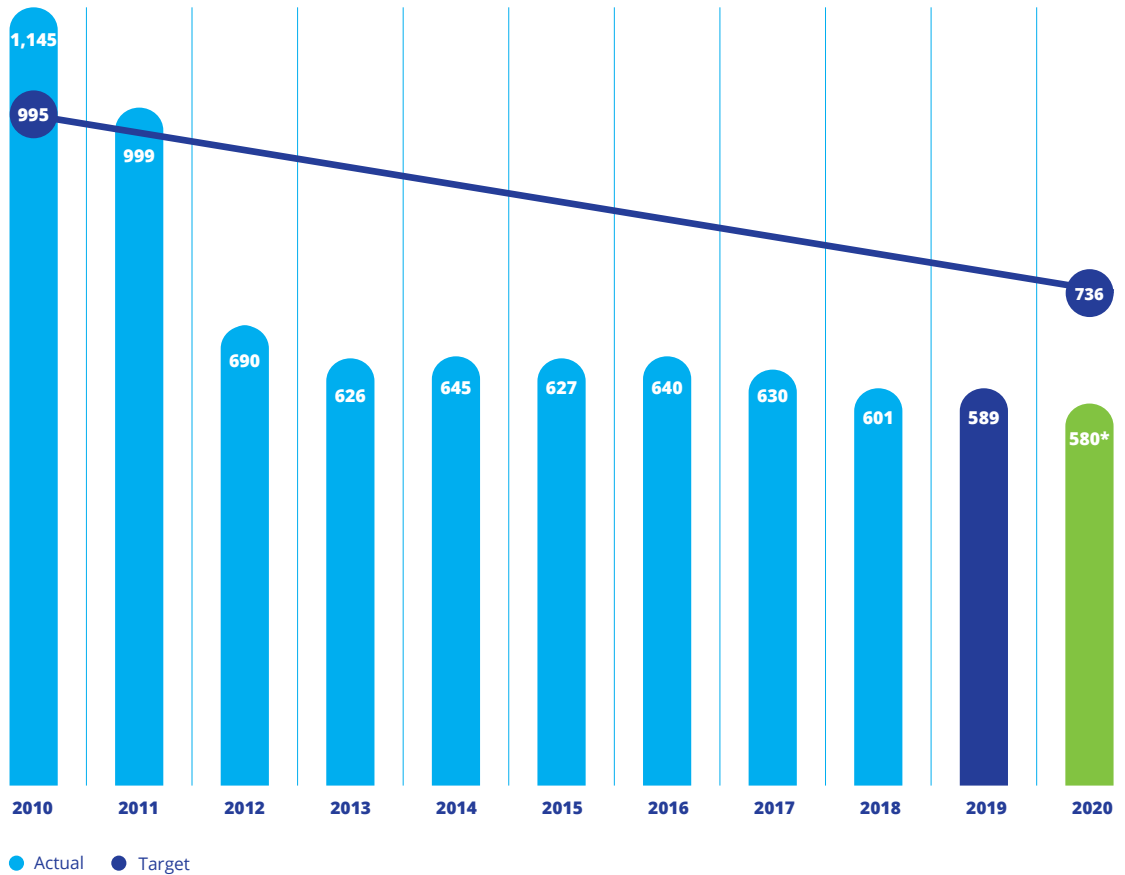
We have consistently exceeded fleet and office energy performance year on year which is highlighted in the nearby figure. Our annual saving from projects implemented and planned in 2020 was 553,442kWh.



● Actual ● Target Glidepath

Environment

Fleet and office energy performance kWh



* the PSMR information is being updated and shall be available from Q2-Q3 as per the Public Sector Reporting

Like many other businesses in 2020, our office buildings operated at reduced capacity, with limited staff onsite. Energy consumption was still required to maintain essential services and fleet usage remained stable in 2020.

We have replaced our older vehicle fleet with new, more efficient vehicles and managed this fleet more efficiently through enhanced inspection procedures and programmes to increase employee awareness of fuel consumption. We consumed over 130,000kWh of renewable fuel to feed our fleets primary energy requirement in 2020, 0.2% more than 2019.

In 2012 we completed the construction of our Network Services Centre in Finglas, Dublin. The building was the first office in Ireland to be awarded the coveted 'Excellent' rating under BREEAM assessment procedures. BREEAM is the world's leading design and assessment method for sustainable buildings. We are currently upgrading our headquarters in Cork and sustainability considerations (energy efficiency and resource management) are central to the upgraded design.

Smarter travel

We have developed a Smarter Travel Workplace Programme to promote sustainable travel among our colleagues and visitors. The programme was developed in partnership with the National Transport Authority and is managed by staff from key areas of our business including HR, Environment, Corporate Responsibility and Facilities.

A number of initiatives introduced include a car-sharing facility, the establishment of Bicycle User Groups (BUGs), Video Conferencing between offices, carrying out events promoting sustainable travel and providing free bike services to staff.

The Smarter Travel Programme promotes and supports change in travel which results in many benefits and positive impacts for our colleagues, our business and for our environment. We encourage staff to use public transport where feasible over taking their vehicle and in 2019, we introduced an “agile working” policy, encouraging staff to work from home or from one of our nationwide office locations. Due to COVID-19, most staff are now working from home and we are currently reviewing our agile policy to ensure flexible agile will continue. In 2020 we carried out a survey to determine the average commuting distance to work by employees and CO₂ savings that could potentially be made if we continued to encourage working from home post COVID-19.

For a number of years, we have successfully operated several CNG vehicles as part of our fleet. In 2019 two large CNG powered Iveco Daily vans were purchased for use in Cork and Dublin. The fleet team are also assessing the viability of purchasing a CNG Forklift for use in our stores in Cork.

In 2020, we added Circle K Cashel to the expanding network of publicly accessible CNG refuelling stations, with another 11 stations in development with two expected to open in early 2021.

Sustainable procurement

We procure significant volumes of services and materials to support the maintenance and delivery of the gas transportation network. We are committed to circular economy principles, by enhancing procurement processes we are driving better sustainability practices throughout the entire supply chain.

Use of “green” suppliers or materials

We ensure environmental and sustainability requirements are embedded in our procurement processes right through to delivery stage of the contract. For example, larger contractors are required to provide monthly reports on their performance against a range of environmental KPIs in relation to waste management, carbon management and energy use. Since 2011, our main contractor’s contracts are designed to incentivise best environmental practice throughout project delivery. Where contractors outperform KPIs, the financial terms of the contract contain provisions to allow bonus payments to be made. Similarly, KPI underperformance can result in the imposition of financial penalties.

As part of the tendering process for our new main contractor in 2020, we ensured our sustainability strategy objectives were key to the tender and contract requirements, in addition to waste, energy and carbon performance KPIs, waste reduction, biodiversity enhancement, community programmes, carbon emissions reduction targets are key requirements to our new contracts.

In 2020 our supply chain team set an objective to deliver a sustainable procurement strategy, the team developed a sustainability procurement policy which will be finalised in 2021. As part of the development of the policy, the supply chain team conducted a benchmarking exercise to compare our procedures against other best in class energy companies alongside conducting a sustainable procurement survey with our main suppliers. Our objective is to be recognised as a leader in the sustainable procurement arena.

In early 2021, our sustainability team presented our sustainability strategy to the Office of Public Procurement.



Environment

GHG emissions management

Our EMS supports us to meet energy efficiency and Green House Gas (GHG) emission reduction targets.

GHG emissions

We established our carbon footprint in 2019, aligned with global best practice. We selected 2010 as our baseline carbon year, a time before Corrib gas field commenced supplies of natural gas to Ireland. We utilised verified emission equivalency conversion factors from SEAI where possible, DEFRA and empirical data from staff activities such as commuting. We then had our carbon footprint independently verified to ISO 14064-3:2019.

Low carbon pledge

We are committed to embedding sustainability and decarbonisation principles into the core of our business decisions and strategy.

In 2018 we signed up to the Low Carbon Pledge, a Business in the Community Ireland (BITCI) initiative for Irish businesses to invest time and resources into creating a more sustainable operation, by being more energy efficient and reducing carbon usage.

To help ensure consistency and comparability of efforts across various companies the internationally recognised Greenhouse Gas Protocol Corporate Standard is used as the underlying framework for the Low Carbon Pledge. Signatory companies commit to the following:

- Record all Scope 1 and Scope 2 Carbon Emissions.
- Reduce the amount of Scope 1 and Scope 2 Carbon Emissions Intensity.
- Report (1) Individually through an Annual Report or Website or other publicly available equivalent source and (2) Collectively through an Annual BITCI Low Carbon Report.
- Review year-on-year Scope 1 and Scope 2 Carbon Emissions with the aim of showing continuous improvement.



While the pledge focuses on Scope 1 and Scope 2 emissions sources, we are actively focusing on emissions sources beyond this. We have implemented a travel policy aimed at reducing the carbon footprint associated with employee work-related travel, we are also working with our suppliers to implement carbon reduction initiatives.

Increasing the ambition of the Low Carbon Pledge and setting Science Based Targets

BITCI is furthering the ambition of the Low Carbon Pledge by supporting signatory companies to progress towards setting Science-Based Targets (SBT) by 2024, (i.e. what science says is necessary to limit global warming to 1.5°C).

Our Managing Director, Denis O'Sullivan, is co-chair of the low carbon working group and in 2021 committed to developing Science Based Targets.

The Science Based Targets Initiative (SBTI) are currently developing an SBT methodology for the oil and gas sector with a plan to publish the methodology in 2021.

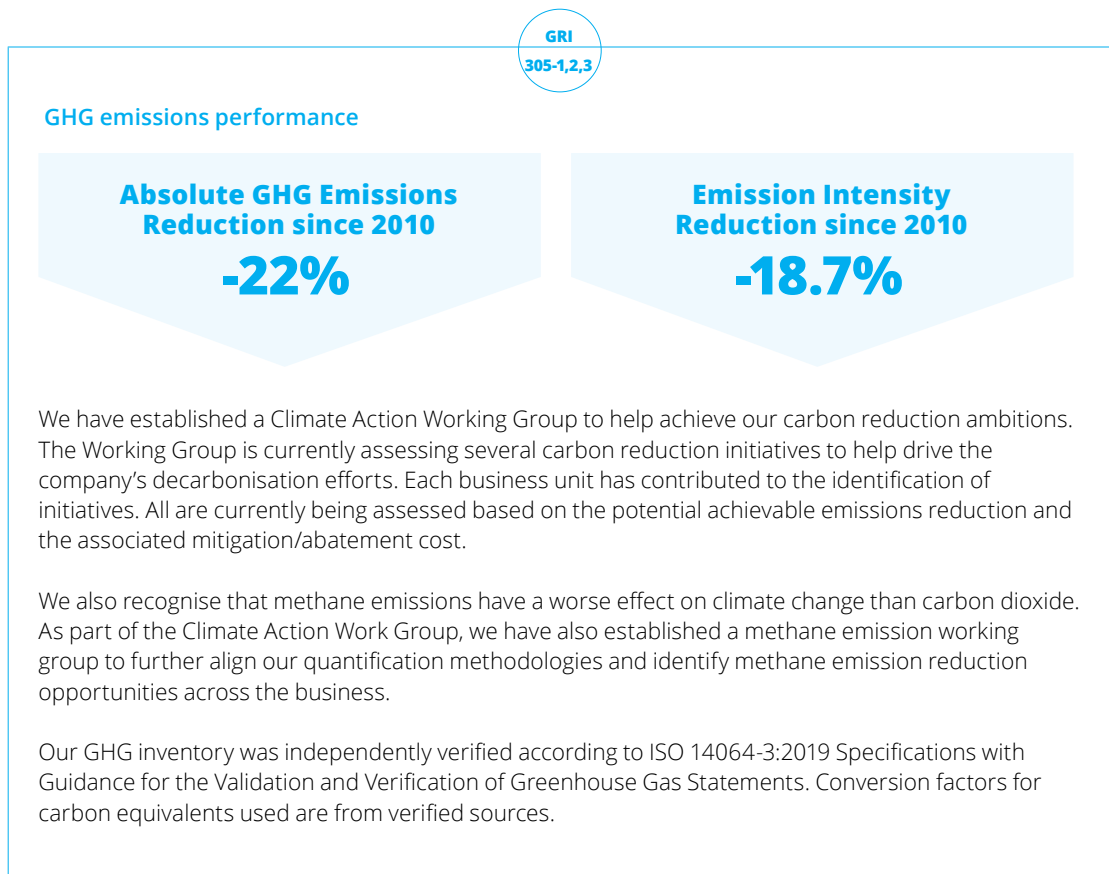
Environment

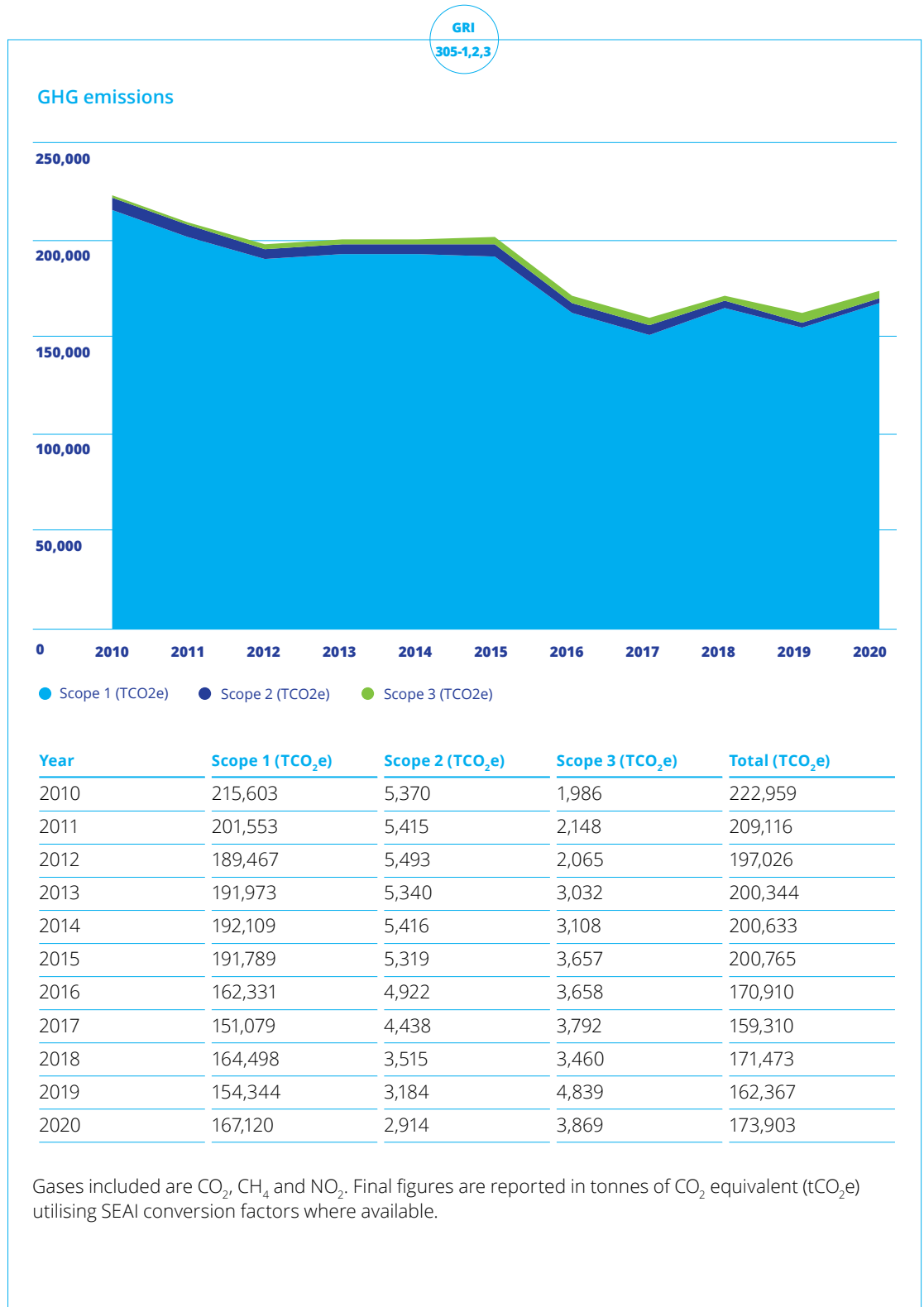
Carbon disclosure via CDP

In 2020, we disclosed our carbon emissions and equivalents through the Carbon Disclosure Platform (CDP) for the first time. The CDP is a not-for-profit charity managing a carbon disclosure platform for investors, companies, cities, states and regions to manage their environmental impacts. The CDP represents the most comprehensive collection of self-reported environmental data globally. In addition to capturing carbon emissions, CDP assesses the performance of each company against sustainability and climate action best practices.



We scored a B- rating in 2020 which is in the 'management band' meaning and we are considered to be taking coordinated action on climate issues. B- is also higher than the European and global average and the oil and gas storage and transportation sector average of a C.





Environment

The nearby figure provides greater detail on our scope three emissions and has been verified externally by an independent verifier.

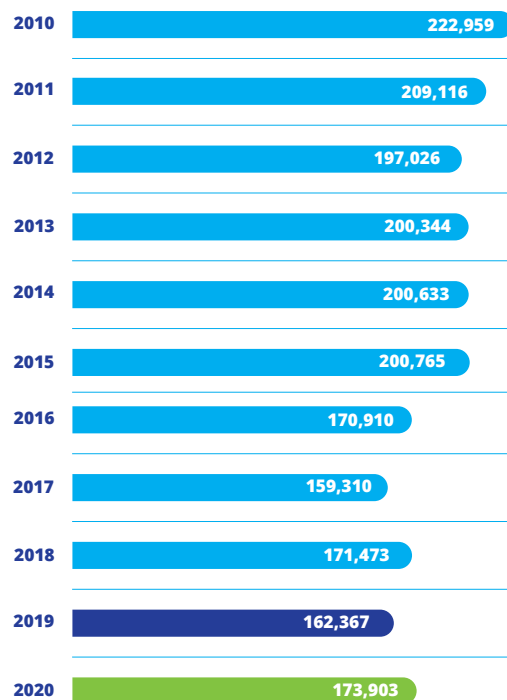
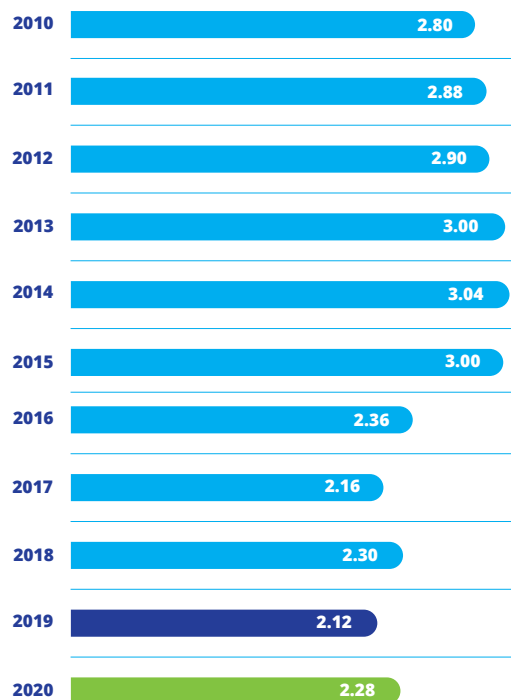
Year	Direct Emissions (Scope 1)	Indirect Emissions Location-Based (Scope 2)	Purchased Goods & Services (Scope 3)	Business Travel (Scope 3)	Upstream Transportation & Distribution (Scope 3)	Waste Generated in Operations (Scope 3)
2010	215,603	5,370	1,451	352	201	0
2011	201,553	5,415	1,562	404	201	0
2012	189,467	5,493	1,678	274	130	0
2013	191,973	5,340	2,549	377	132	2
2014	192,109	5,416	2,642	358	132	6
2015	191,789	5,319	3,200	350	132	9
2016	162,331	4,922	3,190	351	132	6
2017	151,079	4,438	3,330	336	132	9
2018	164,498	3,515	3,028	307	132	6
2019	154,344	3,184	4,411	306	132	3
2020	167,130	2,914	3,567	167	132	1

Breakdown of emission sources by activity

	Activity	Emissions Source
Scope 1	Unintentional Emissions of Natural Gas from Equipment	Leakages of natural gas from equipment/infrastructure on gas transportation network
	Metered Process Gas	Stationary combustion of natural gas to run turbine at compressor stations and to preheat gas at above ground installations prior to pressure reduction
	Compressor Vented Fuel Gas	Natural gas vented between cycles at compressor stations
	Offices - Gas	Stationary combustion of natural gas in offices for heating
	GNI fleet	Mobile combustion of petrol and diesel in our fleet
Scope 2	Offices - Electricity	Indirect emissions from purchased electricity used for offices
	Process Sites Electricity Use	Indirect emissions from purchased electricity used for above ground installations and compressor stations
Scope 3	Main Period Contractor	Indirect emissions from main contractors (contractor scope 1 & 2 emissions; gas, electricity, diesel, petrol)
	Grey Fleet	Indirect emissions from mobile combustion of private car use fuel for employee business travel
	Helicopter	Indirect emissions from mobile combustion of fuel for 3rd party helicopter used for pipeline surveillance

GRI
305-4

Our carbon intensity (TCO₂/GWh) is based on the volume of natural gas transported through the gas network annually.

GNI emissions (TCO₂e)Intensity (TCO₂e/GWh)

Most of our carbon footprint is under the financial and operational control of the business. Emissions relating to our compressor stations in Scotland are owned by the business and operated by a contracting partner, but under our financial control. The elements of our scope 1 emissions under financial control are compressor vented fuel gas a portion of metered process gas.

The location base for our scope 1 emissions is nationally in Ireland and in the South West of Scotland. We account for fugitive emissions in Scope 1, fugitive emissions are typically gas vented for safety purposes during essential maintenance, but also accounts for seepage from assets in the field.

Our scope 1 emissions have trended down from the baseline year of 2010, due to Corrib gas field becoming an indigenous supply point of natural gas. This reduced the volume of natural gas required through the compressor stations in Scotland, resulting in lower fuel gas required to compress natural gas before it reaches our pipeline in Ireland.

Environment

GRI
305-4

Biogenic carbon

We have five dedicated Compressed Natural Gas (CNG) vans in our fleet, using 45.6 MWh of gas in 2020. We purchased 46 MWh of bio-methane to offset all CNG fleets usage for the year, essentially running them on 100% renewable fuel.

Our traditional fleet is made up of both diesel and petrol vehicles. The carbon emissions for these vehicles has been included in our scope 1 emissions. The biogenic carbon* associated with fuel consumed in each fuel type is outlined below:

Fuel	Associated biogenic carbon (TCO ₂ e)
Diesel	27.973
Petrol	0.0186

*While biogenic carbon is outlined above, we have accounted for the full carbon equivalent of the consumed fuels in scope 1. Biogenic carbon is calculated using the latest DEFRA emission factors.

As production of gas at the Corrib gas field is now declining, we are increasingly reliant on our compressor stations in Scotland. These compressor stations increased our fuel gas requirements in 2020 and caused an increase in carbon emissions. As part of our sustainability working group several decarbonisation options are being appraised across our operations and will be submitted for approval to our regulator in 2021.

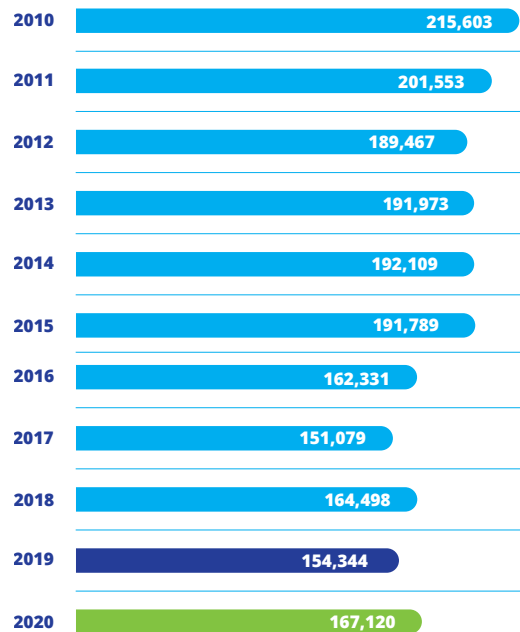
Our 2020 scope 1 emission footprint has reduced by 22% from our 2010 baseline. The location base for our scope 1 emissions is nationally in Ireland and in the South West of Scotland.

Our scope 2 emissions have seen continued and sustained reduction in carbon emissions, from our 2010 baseline we have reduced our scope 2 emissions by 45.7%. Electricity used in our pressure reduction and compressor stations and electricity used by our Gas works Road (GWR) headquarters in Cork and Network Services Centre in Dublin is also included.

Electricity purchased to facilitate the operational requirements of Scope 2 are under our financial and operational control.

The reductions in electricity use in our office buildings is partly due to the relocation of our Dublin staff to Ireland's first BREEAM rated building incorporating significant electrical upgrades, and to equipment and control capabilities in our headquarters.

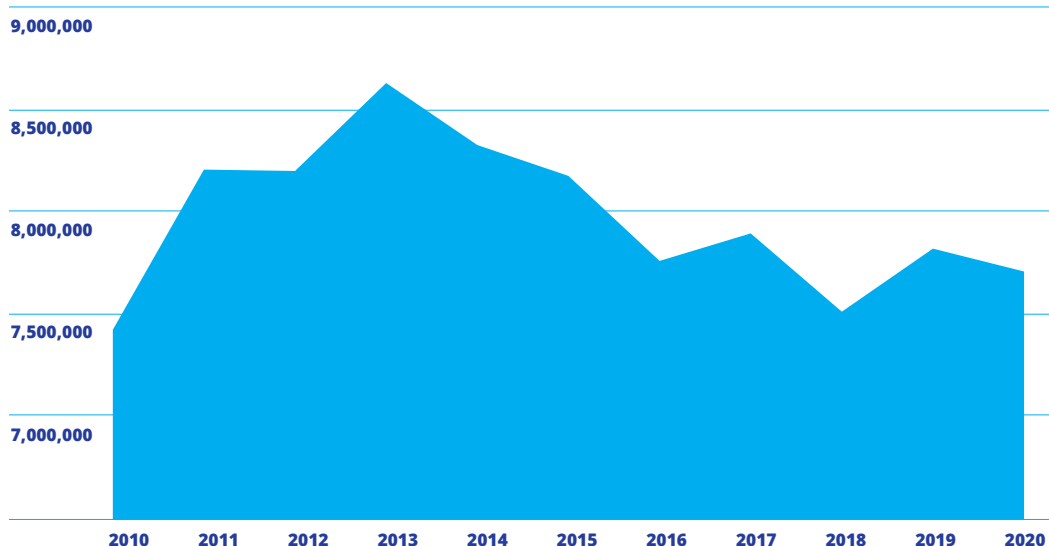
Scope 1 (TCO₂e)



As a public body, we report our energy performance under the Public Sector Monitoring and Reporting (PSMR) framework in Ireland. The scope of reporting includes the energy performance of our office and fleet energy. The PSMR target in 2020 was to improve our energy efficiency by 33% by 2020. We exceeded this ambition with 46% improvement in energy efficiency. More information is provided on our PSMR performance below.

Electricity consumption from our gas processing sites is detailed below, the remainder of our scope 2 is office electricity consumption.

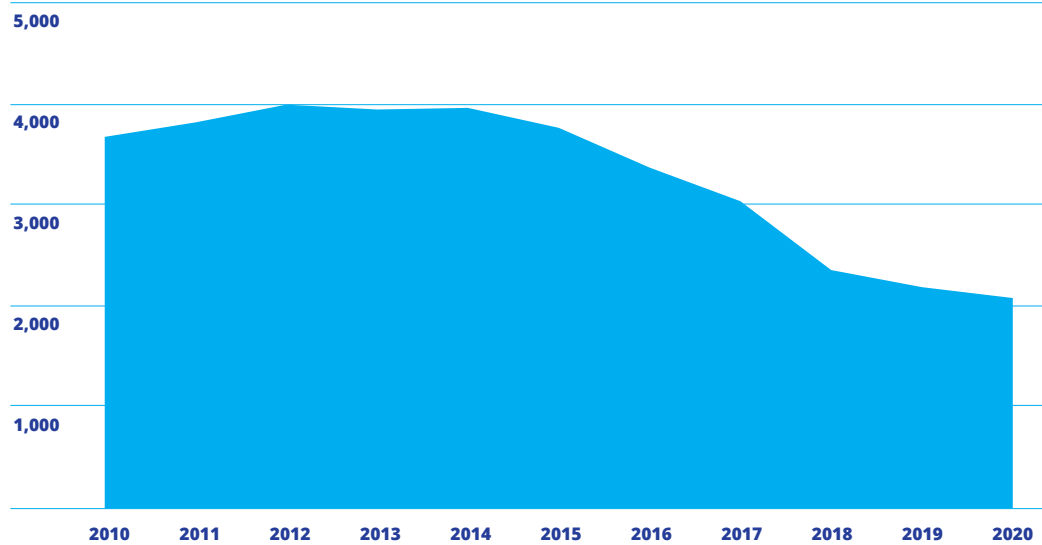
Total process site electricity consumption (kWh)



Year	AGI electricity (kWh)	Compressor Station Electricity (kWh)	Total Process Site Electricity Consumption (kWh)
2010	2,717,441	4,642,546	7,359,987
2011	3,535,390	4,664,553	8,199,943
2012	3,505,316	4,686,560	8,191,876
2013	3,997,360	4,708,567	8,705,927
2014	3,628,579	4,714,921	8,343,500
2015	3,683,480	4,479,504	8,162,984
2016	3,233,495	4,432,750	7,666,245
2017	3,535,877	4,291,118	7,826,995
2018	3,076,682	4,292,881	7,369,563
2019	3,230,516	4,507,525	7,738,041
2020	3,490,114	4,114,287	7,604,401

Environment

Total (TCO₂e)



Year	Process Sites (TCO ₂ e)	Compressor Stations (TCO ₂ e)	Total (TCO ₂ e)
2010	1,440	2,253	3,693
2011	1,728	2,109	3,837
2012	1,857	2,156	4,013
2013	1,867	2,098	3,965
2014	1,651	2,330	3,981
2015	1,712	2,070	3,783
2016	1,561	1,827	3,388
2017	1,545	1,509	3,054
2018	1,155	1,215	2,370
2019	1,048	1,152	2,200
2020	1,133	959	2,092

We use UK electricity emission factors to assess the carbon emission totals for our compressor stations in Scotland and SEAI factors for Irish based assets.

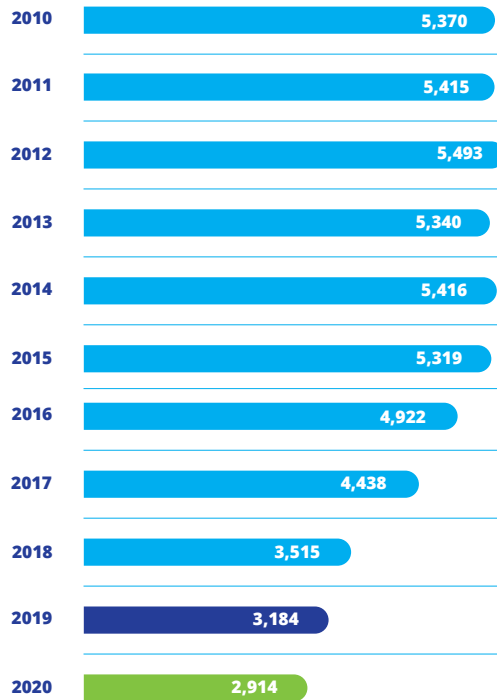
Our scope 2 emission profile can be seen in the nearby figure.

We are committed to consistently increasing the scope of our carbon emissions reporting. Our Scope 3 emissions have increased from our baseline year of 2010 due to increased scope and accuracy of GHG reporting by our main contractor. We are working to further improve supplier engagement and include Scope 3 carbon emission reduction targets in supplier contracts where possible.

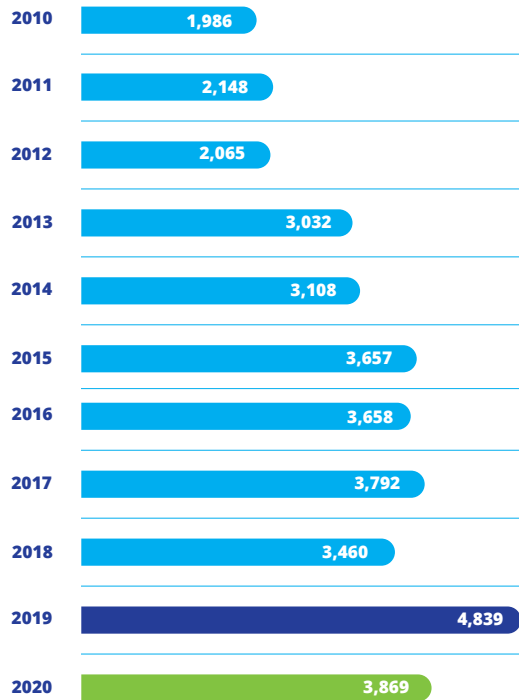
The location base for our Scope 3 emissions is nationally in Ireland due to our contractor operating in all regions of Ireland on the national gas infrastructure. Our contractor's main hub is in Dublin with satellite sites around the country. Our staff "grey fleet" also travels nationwide to provide day-to-day support for our team. We use helicopter services to perform aerial surveillance of our pipelines to help ensure that no construction work is commencing near our network.

All elements of Scope 3 are under the financial and operational control of our business.

Scope 2 (TCO₂e)



Scope 3 (TCO₂e)



Social

We focus our social sustainability activities around the communities we serve, our workplace and marketplace, and the environment we work hard to protect.

8 DECENT WORK AND ECONOMIC GROWTH



3 GOOD HEALTH AND WELL-BEING



Social



Corporate Responsibility Manager, Christina van der Kamp, receiving the Chambers Ireland, InBusiness award for our Corporate Responsibility Programme



Managing Director, Denis O'Sullivan and Business in the Community CEO Tomas Sercovich at the Business Working Responsibly Mark presentation

Introduction

In 2020, we continued to be one of only 40 companies in Ireland to hold the Business Working Responsibly Mark standard, in line with ISO26000, from Business in the Community Ireland (BITCI). The Mark is the only independently audited standard for Corporate Responsibility and Sustainability practices in Ireland. As holders of the Mark, we are a member of the BITCI Leaders Group on Sustainability, co-chair of the Low Carbon Economy Group and a member of the Social Inclusion group.

We were nominated for a number of Chambers Ireland Sustainable Business Impact Awards in 2020 including Excellence in Community, Best Charity Partnership, Excellence in Workplace and Excellence in Environment.

Community

Building strong relationships in the communities where we live and work is fundamental to carrying out our business effectively. We work with local communities to ensure that our construction projects cause minimum disruption. When supporting local projects, we work together with our partners to supervise on site until completion. We also provide a 24-Hour Gas Emergency Service attending more than 14,000 callouts a year within an hour of being reported.

GRI
413-1

Local Communities

For us, being responsible in the community means investing in people, in their needs, in their interests and in their futures.

Our involvement in the community varies from assisting charitable and voluntary groups to supporting a wide range of educational initiatives. Our core programmes focus on environmental awareness and three key areas of social inclusion; education, employability and accessibility. We also support a number of impactful initiatives across Ireland promoting Science Technology Engineering and Maths, literacy, employment and the development of life skills.

In 2020 we supported 33 community projects and provided over €250,000 of financial support to local communities.

2020 Key Performance Indicators



Social

Supporting education and social inclusion during the pandemic

When the COVID-19 pandemic began we provided much-needed assistance to vulnerable customers and communities through partnerships with DEIS (disadvantaged) schools and Age Action, Ireland's leading charity supporting older people.

- €20,000 donation to Mercy Hospital Cork.
- €20,000 food bank donation to partner schools.
- €13,000 donation to Age Action's COVID-19 response and hardship fund.
- €10,000 donation to St Vincent de Paul Christmas appeal.
- 24 employees volunteered on Age Action Getting Started Keep in Touch Tech tutoring programme.
- Ervia wide fitness fundraiser for Age Action.
- Company social fund split between four charities.
- Donated eight new laptops to local schools.



Jamie Gallagher, Corporate Affairs Manager, Gas Networks Ireland with representatives of Mercy Hospital Cork



Tony Doherty, Deputy Principal, Beneavin College with Gas Networks Ireland supported food donation



"On behalf of the school community and particularly on behalf of our Leaving Certificate students I wish to thank Gas Networks Ireland most sincerely for the generous donation of four new laptops to our school. We have grappled with the disadvantage of so many students not having sufficient technology to embrace fully the remote/online teaching and learning that has been ongoing since the school closure on March 12th."

Jim O'Sullivan, Principal, Nagle Community College



"These laptops will go into homes where there is more than one boy going to our school and so the impact will be heightened. The use of the laptops will go on and on. Thanks to Gas Networks Ireland, there are four families whose education will be transformed. Such a real and meaningful way of supporting education in your community and we thank you."

Dr Aideen Cassidy, Principal, Beneavin College

GRI
413-2**Operations with significant actual and potential negative impacts on local communities**

We are committed to responsible and sustainable business practices and are proud holders of the Business Working Responsibly Mark and five ISO certifications helping to ensure that the highest standards are maintained across all levels of our business. Based on the successful execution of all of these processes and ongoing monitoring of our community projects, we do not have operations with significant potential or actual negative impacts on local communities.

Accessibility

We are committed to supporting social inclusion, valuing all individuals and recognising their diverse contributions to communities and workplaces.

Age Action Case Study

Our partnership was shortlisted for a Chambers Ireland Sustainable Business Impact Award in 2020.

In 2020 we accelerated our partnership with Age Action by supporting their COVID-19 response and hardship fund which provided once off grants to help with unexpected expenses. Separately our colleagues volunteered to tutor older people in the use of smartphone and video calling technology, helping them to keep in touch with their families whilst cocooning.

We also continued to support Age Action's 'Care and Repair' programme which offers free DIY and household repair services to ensure that older people can remain safe, secure and independent in their own homes for as long as they want. Donations from our customer care survey process came to €15,972 in 2020 which funded the cost of the Care and Repair Service for the full year.

Since 2016 we have donated €250,000 worth of carbon monoxide alarms to Age Action's Care and Repair programme. Age Action volunteers install the alarms in the homes of vulnerable older people following full training on carbon monoxide alarm installation and safety.



Amy Higgins, Customer Team, with representative of Age Action

Social

Co-operation Ireland Youth Leadership Programme

Our partnership with Co-operation Ireland's Youth Leadership Programme was nominated for a Chambers Ireland Sustainable Business Impact Award in 2020.

We continued our support for Co-operation Ireland's Cork Youth Leadership Programme for the sixth year, with 22 young people graduating in 2020. In 2017 we furthered our relationship with Co-operation Ireland to expand the Youth Leadership Programme to Dublin, focusing on young people living in Finglas, close to our Dublin office. A total of 14 young people completed the Dublin project in 2020. The programme provides participants with the opportunity to develop their leadership skills through sport, workshops, social action projects and a residential experience with cross-border peers.

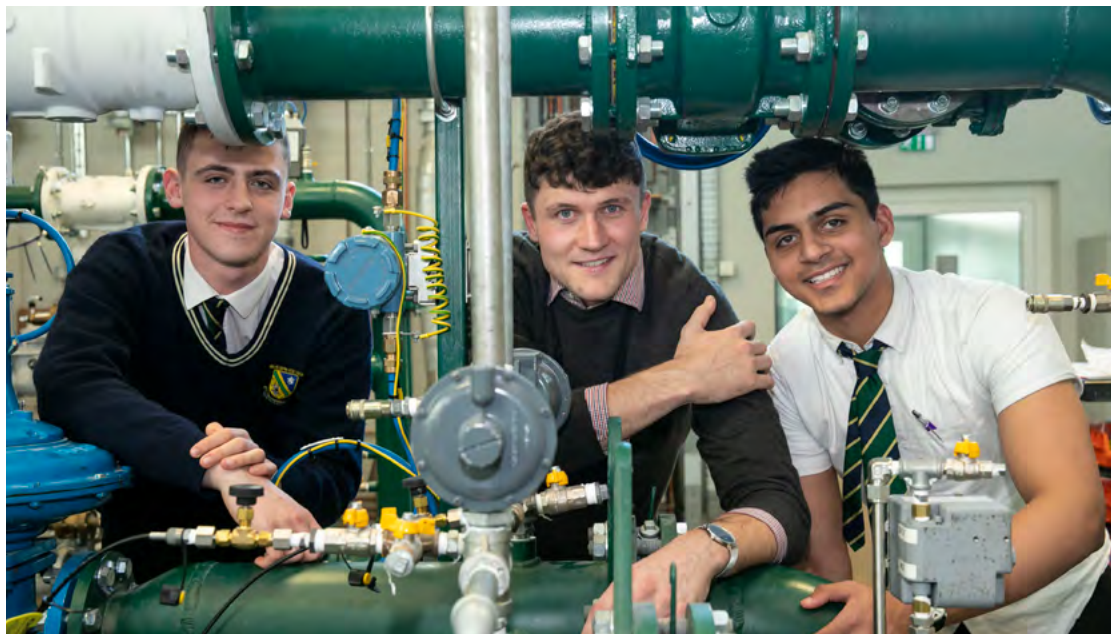
During the pandemic Co-operation Ireland continued to work with both groups of young people through a blend of one to one and on-line meetings. The Dublin group focused their action project on the need to protect young people's mental health during the COVID-19 pandemic. The Cork group undertook several sustainability related initiatives including a recycling campaign, the creation of a bug hotel and a sensory garden.



**36 young people spent
over 1,000 hours
learning
on the Youth Leadership
Programme in 2020**



Participants from the 2019/2020 Co-operation Ireland Cork Youth Leadership Project at Gas Networks Ireland's Headquarters in Cork



Adam Flanagan, Gas Networks Ireland, with participants at the Dublin launch of the Co-operation Ireland Youth Leadership Programme

Education

Energize

In 2020 we continued with our award-winning Science, Technology, Engineering and Maths (STEM) education programme Energize, delivered in partnership with Junior Achievement Ireland (JAI). Energize encourages students to investigate the world around them and explore careers in the exciting field of science. Energize is a hands-on, activity-based programme for 10-12 year-old students and is taught in the classroom by business volunteers.

Energize makes science and engineering simple, exciting and fun. Students explore key scientific concepts through a series of activities such as solving crimes using forensic science, building periscopes to understand reflective properties of light, understanding the dangers of Carbon Monoxide and exploring energy and our environment. The Energize programme has a strong focus on industry and the extensive range of careers available in the STEM sector in Ireland.

Despite the premature end of the school year due to the pandemic, 3,390 students participated either wholly or partly in the Energize programme. The programme was delivered in 112 schools by 147 volunteers from 68 different companies, with 98% of students able to identify symptoms of carbon monoxide poisoning after completing Energize. We also worked with JAI to make Energize resources available online for learning at home during the pandemic.

We were delighted to launch the Energize programme virtually towards the end of 2020 with volunteers delivering the programme via video conferencing. The virtual launch followed extensive piloting and collaboration with a number of schools.



Students from Scoil Aiséirí Chríost, Farranree, Cork with Gas Networks Ireland volunteers at the virtual launch of Energize

Energize - Summary of Results

3,390 students took part in programme

(another 1,630 students had volunteers allocated to their classes before COVID prevented their participation)

55% female students/ 45% male students

112 schools involved

147 business volunteers

(another 65 volunteers were not able to visit their class due to COVID-19)

16 Gas Networks Ireland volunteers

Students from schools in 18 different counties participated in the programme this year

Carlow, Clare, Cork, Donegal, Dublin, Galway, Kerry, Kildare, Kilkenny, Laois, Limerick, Mayo, Monaghan, Tipperary, Waterford, Westmeath, Wexford and Wicklow

68 supporting organisations

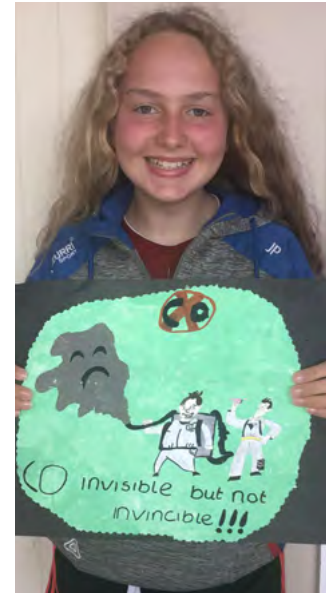


Students from Scoil Íosagáin primary school in Limerick at a special Christmas Energize session

Social

Carbon Monoxide Poster Competition

In 2020 we received 115 entries to our Carbon Monoxide poster competition, which aims to reinforce all the information students learned about Carbon Monoxide and the dangers it poses in homes. The term winners were Maya from Scoil Chaitriona Senior, Renmore, Co. Galway; Jessica from Ballyneale National School, Carrick-On-Suir, Co. Tipperary and Mia from Scoil Mhuire, Dungarvan, Co. Waterford. The successful entrants each won an iPad for their class.



"The girls enjoyed the wonderful experience of visiting Gas Networks Ireland, instead of the volunteer coming to the school, as is the norm. A bus was provided free, the staff were so professional and the coursework was very suitable. The girls really enjoyed a tour of a real workplace. This showed them that with determination, they also could work in such a lovely environment in the future. They were fed from the staff canteen which was also a very kind gesture. Every aspect of the day was extremely exciting for the class".

Teacher, Scoil Chaitriona Cailini, Dublin 5

"Children in St. Damian's thoroughly enjoyed fun, hands-on activities as part of the Junior Achievement programme. All materials were provided and Christina came well prepared with engaging lessons. The lessons are very apt and suitable for sixth class with clear links to the Irish curriculum. I would recommend these workshops to any school interested in STEM activities".

Teacher, St. Damian's National School, Dublin 12



Volunteer Caitriona Murphy from Gas Networks Ireland working with a student from Scoil Chaitriona Cailini, Dublin 5 during an Energize showcase in the NSC.

Schools Business Partnership

We are a key business supporter of Business in the Community Ireland's (BITCI) Schools' Business Partnership Programme, an educational initiative involving Government, business and education sectors in Ireland. The aim of the initiative is to improve Ireland's student retention and engagement at post primary level in targeted DEIS (Delivering Equality in Schools) schools, improve literacy and numeracy levels in primary schools and support leadership development of teachers and principals. Through this partnership we have long term links with schools close to our main office locations in Cork and Dublin.



Volunteers delivering a communications workshop to principals and staff from schools nationwide

Time to Read

We were pioneer funder and partner to BITCI, supporting the pilot and research for the Time to Read programme over a decade ago. Time to Read has since become a successful literacy support programme delivered throughout many communities in Ireland. The programme has four key objectives: to increase the enjoyment of reading, increase pupils' confidence, encourage self-discovery and improve comprehension.

In 2020 our colleagues continued to volunteer their time to provide reading support to second class pupils in Scoil Aiséirí Chríost, Cork and Mother of Divine Grace, Dublin. Through the Time to Read programme we have impacted on approximately 230 young children who each have received 16 to 20 weeks of literacy support over the past nine years in Dublin and Cork.



Students and volunteers at the launch of Time to Read in Cork



Students from Mother of Divine Grace, Finglas visiting our Dublin office

Social

Employability

Skills at Work

In 2020 we continued to support the Skills at Work programme which inspires students to value education and encourages them to stay in school. The programme was delivered in conjunction with BITCI and our partner schools - Beneavin Secondary School in Finglas, Dublin and Nagle Community College in Mahon, Cork. Skills at Work focuses on CV and interview skills, including mock interview sessions, an insight into the daily working lives of our employees and a site visit to our Dublin and Cork offices. A number of students are offered work experience with us upon successful completion of mock interviews with our employees.

Through the Skills at Work programme we have impacted directly on approximately 800 students in Mount Carmel (2006 to 2013) and Beneavin College (since December 2009) in Dublin and Nagle Community College (since 2006) in Cork.

The Grow Dome Project

In 2020 we continued our partnership with Inner City Enterprise (ICE). Employees formed a mentor panel to provide business advice to an ICE start up called the Grow Dome Project. The Grow Dome Project is an award-winning social enterprise that installs grow domes on unused land, transforming them into a community resource.



Students from Beneavin College with volunteers at a 'meet the professionals' workshop



Students from Nagle College visiting our headquarters in Cork

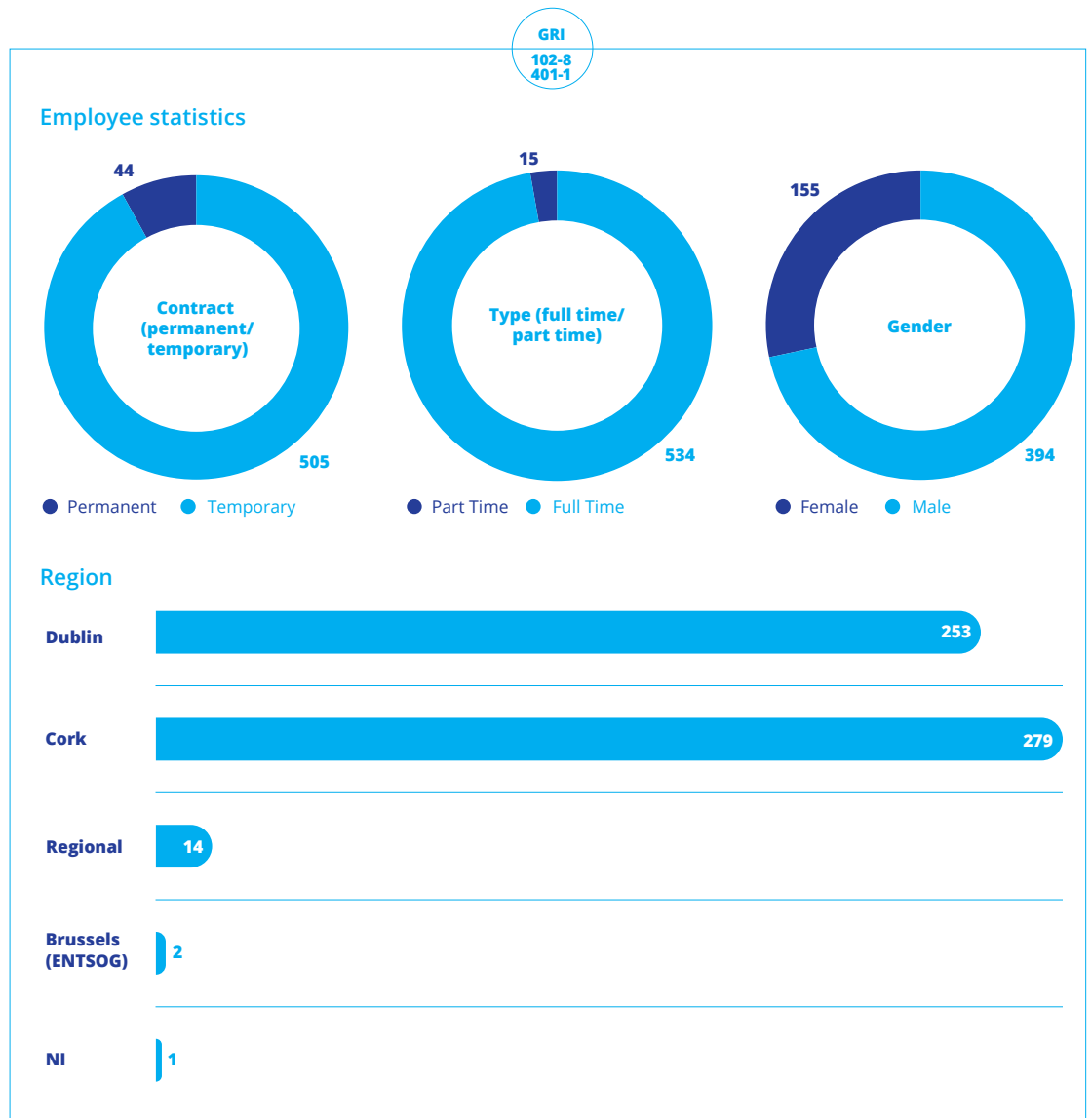


Representatives of Gas Networks Ireland at the launch of our partnership with the Grow Dome Project

Workplace

Our employees are central to the success of our business. They are the driving force, the creative intelligence and the passionate energy behind all of our achievements. Investing in the workplace allows us to attract and retain the best people.

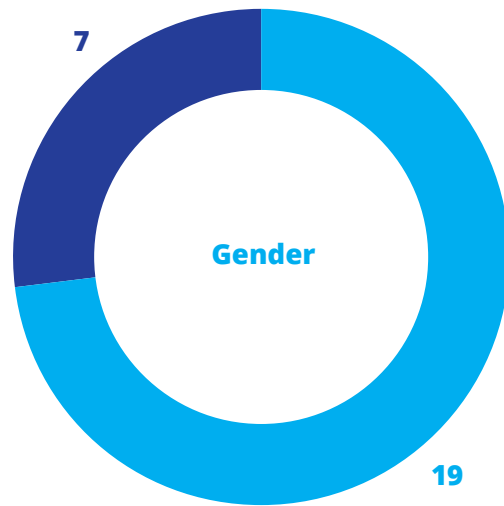
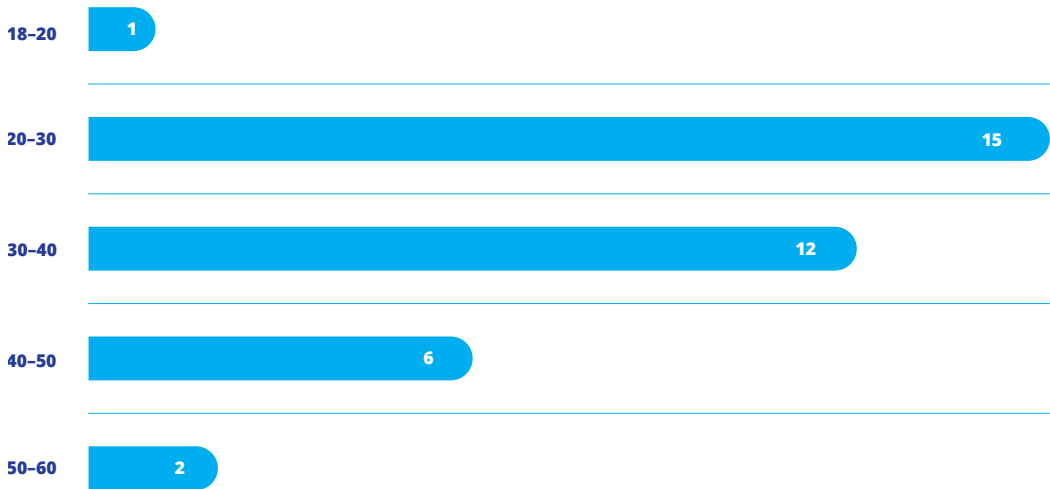
During 2020, we continued our commitment to developing the skills and competencies of staff, delivering several new training programmes, supporting our staff through COVID-19 and providing a suite of tools and resources to enable all our employees.



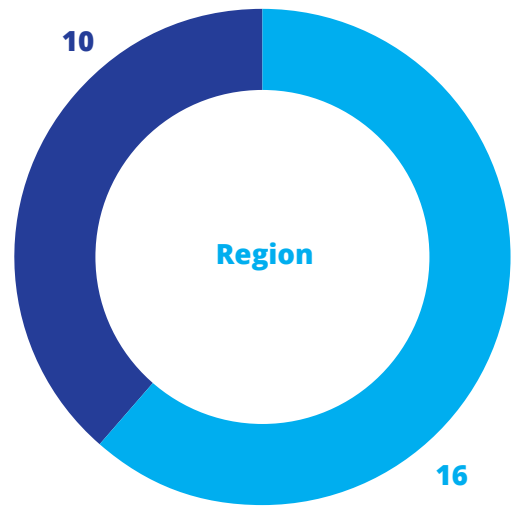
Social

a. Total number and rate of new employee hires during the reporting period, by age group, gender and region.

Age



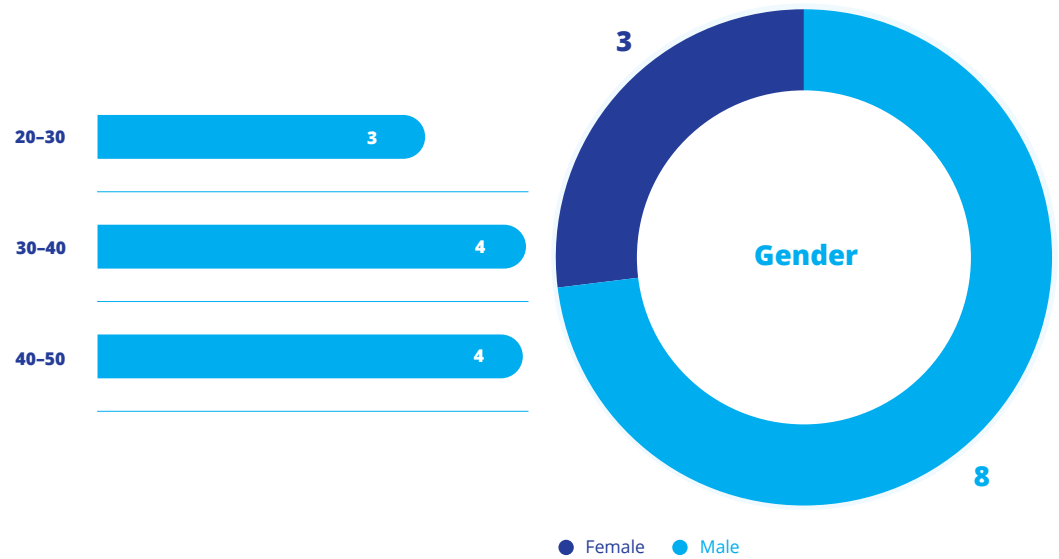
● Female ● Male



● Dublin ● Cork

b. Total number and rate of employee turnover during the reporting period, by age group and gender.

Age



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Parental Leave

b. Total number of employees that took parental leave, by gender.

Gender



GRI
402-1

Labour Management Relations

Minimum notice periods regarding operational changes

We engage with all employees and representatives when implementing significant operational change. We have long established approaches to operational change including employee consultation and notice as well as relevant representatives through our recognised Group of Unions.

Social

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404-1

Training and education

Average hours of training that employees have undertaken during the reporting period, by: gender and employee category.

Gender	Total	Person type	Total
Female	3.46	Fixed term	3.86
Male	2.22	Permanent	2.58
Average	2.60	Specific purpose	2.20
		Student/intern	0.78
		Average	2.60

GRI
404-3

Performance reviews

All of our employees participate in our annual performance management process which involves monthly performance discussions and three significant checkpoints including objective setting at the beginning of the year, a formal mid-year and end of year review. Each employee takes part in this process and managers have an objective included in their own performance reviews to ensure focus in this area.

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102-41

Collective bargaining agreements

We support the right of all employees to join a trade union, we operate under collective bargaining negotiations and agreements and work effectively with the Group of Unions.

Under GDPR, data that relates to membership of a Trade Union is classified as being a 'special category of personal data' and 'sensitive personal data', therefore the data of union members is subject to a high level of protection and we do not monitor total membership numbers.

We engage with the group of unions from the onset of any change programme and we continue to work together until the implementation of any change. We do not have set numbers of weeks' notice for business change processes but our collective agreement 'Response 2000' outlines our consultation and partnership approach. For all major change initiatives a working group with both company and trade union representatives is set up to examine the issue and develop mutually agreeable solutions.

Occupational Health and Safety

Work Safe Home Safe

Our Work Safe Home Safe programme continued to grow in scope and ambition in 2020 and proved to be a considerable workforce benefit during the COVID-19 pandemic. The programme includes a suite of initiatives across safety, health and wellbeing. Key health and wellbeing initiatives focused around Mind, Body and Life with a pivoted focus on supporting our colleagues in response to COVID-19.

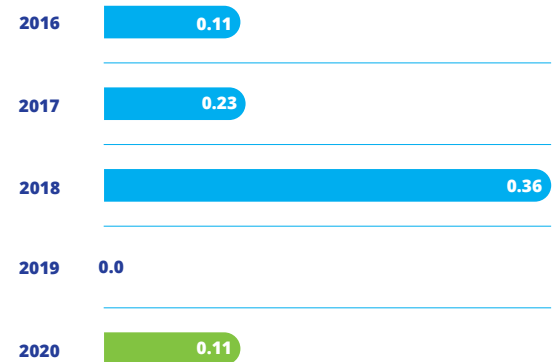
2020 initiatives:

- Health Screening (this is to continue in 2021 as we didn't get to complete due to Covid) 754 employees across Ervia had screenings completed.
- Virtual People Awards ceremony.
- Banking at work – financial wellbeing webinar.
- Steps Challenge.
- Workplace Wellbeing Day – 1st May.
- World Mental Health Day.
- Flu Vaccine Programme.
- Marie Keating Cancer webinars.
- Time for you Thursdays.
- Yoga Classes.
- Back Care Programme.
- Food Choice Ireland - Ervia partnered with Food Choice Ireland, a company founded by dieticians in University College Cork to provide regular nutritional information to employees.

We also implemented a suite of extra resources to support colleagues during COVID-19 including:

- Remote working health and wellbeing guidance.
- Manager guidance for effective teamwork, including one-to-one tips for managers.
- Email, Zoom and conference call etiquette.
- Key contact information and supports.
- New blog with parenting tips and supports.
- Work Well Podcast with Brian Crooke including topics such as mental health, parenting and remote working.

Total LTIFR – Employees (>1 day)/100k hours



We use the Lost Time Incident Frequency Rate (LTIFR) to track the number of employee accidents per 100,000 hours worked that result in a staff member needing to take >1 day off work.

Safety is a core value at Gas Networks Ireland. The Work Safe Home Safe safety culture programme has been in place since 2015 and we continue to work to improve our safety performance.

Safety Management System

We put safety at the heart of everything we do. It is our goal that our activities and assets shall not cause harm to anyone.

Our Safety Management System is certified by the National Standards Authority of Ireland (NSAI) to the ISO 45001:2018 standard for Occupational Health and Safety Management Systems. Our Safety Management system was recertified by the NSAI for another three years in 2020. The scope of the certification covers the development, design, construction, maintenance and operation of our gas transportation networks in the Republic of Ireland, Northern Ireland, Scotland and the Isle of Man and the management of leak detection for the natural gas distribution network in the Republic of Ireland.

The 2020 recertification audit also recertified our ISO 14001 Environmental Management System, ISO 9001 Quality Management System, ISO 50001 Asset Management System and ISO 55001 Energy

Social

Management Systems. This was the first time that the NSAI had recertified five management systems in one integrated audit. Most of the audit was conducted remotely due to COVID-19 restrictions.

The Safety Management System applies to all employees and all workplaces controlled by the business. Aspects of the Safety Management System also apply to service delivery partners where they are working in our workplaces or on our assets.

Additionally, we require that service delivery partners operate safety management systems that align with ours and we seek details of key service delivery partner safety management systems and safety performance as part of our procurement processes. We also undertake audits, inspections and other activities appropriate to the nature and level of risk of the goods and services during the contract.

Hazard Identification, Risk Assessment and Incident Investigation

Gas Networks Ireland has a written process for undertaking hazard identification and risk assessment processes. All our workplaces and tasks have written risk assessments completed. These are reviewed on a regular basis and when changes are made to existing sites, for example, after the completion of capital works projects. New risk assessments are completed for new tasks, locations and situations as required. An annual plan for reviewing and updating risk assessments is prepared and monitored.

In 2020, in addition to the routine review of existing risk assessments, COVID-19 risk assessments were completed for all key work tasks and office locations.

Risk assessments are completed and reviewed by competent safety professionals in conjunction with subject matter experts from the business, including, as required, operational field staff.

All personnel are encouraged to report workplace hazards (HAZCONs), i.e. abnormal or unsafe situations or behaviours that have the potential to cause harm. By identifying, correcting and reporting such instances, potential accidents are prevented. Our employees can report HAZCONs via a Sharepoint site or, since 2019, via a HAZCON app on corporate mobile phones and tablets. The

HAZCON app enables our people to report safety risks and dangers from field, site or office locations by uploading photos, as well as GPS locations, so that hazards can be addressed as soon as possible.

Examples of good HAZCONs are published on noticeboards and the individuals who reported them are given credit.

Employees reported 553 HAZCONs in 2020, this was lower than normal due to most staff working from home as a result of the COVID-19 pandemic.

In 2020, the HAZCON app won the "Health and Safety Initiative of the Year" at the Networks Awards 2020 in the UK. The "Health and Safety Initiative of the year" awards recognises exceptional commitment to all-round health and safety and is awarded to organisations that demonstrate an innovative, robust and high-quality safety management system and evidence of health and safety performance that goes beyond statutory requirements.

Key service delivery partners are required, via the terms of their contracts, to operate similar hazard reporting systems. In 2020, service delivery partners reported 2,171 hazard reports.

We have a comprehensive Accident/ Incident Manual in place which covers the arrangements for reporting and investigating accidents and incidents (unplanned events, which whilst not actually resulting in injury, had the potential to do so). The purpose of accident and incident reporting is to identify the causes so that action may be taken to prevent their recurrence.

The Accident/ Incident Manual was reviewed and updated in 2020. Findings from accidents and incidents are reviewed at the Networks Safety Management Committee – a steering committee, chaired by our Managing Director, which meets six - eight times per year to consider safety performance and improvement initiatives.

Service delivery partners undertaking field work on our assets are required to report accidents and incidents under the terms of their contracts and are also required to provide details of any investigations undertaken into these accidents/ incidents.

Worker Participation, Consultation and Communication

Employees select representative(s) to represent them on safety and health matters in consultations with the company. We encourage and facilitate the appointment of safety representatives (and if required, the election of same), appropriate to the number and geographic spread of personnel and the nature of the activities undertaken in the business.

We provide safety representatives with training, time and resources to enable them to perform their roles.

A formal Safety Committee normally meets at least once per year. Informal consultation with safety representatives takes place regularly. In 2020 the Safety Committee did not meet due to the COVID-19 health restrictions.

Instead, safety representatives (amongst others) were appointed worker representatives under the COVID-19 Work Safety Protocol. Consultation on COVID-19 working arrangements took place via a number of fora including our Employee Forum and dedicated meetings with worker representatives. Worker representatives were provided with training on their rights and roles.

In addition to safety representatives and Committees we are committed to informing, communicating with and consulting our colleagues and partners through various methods including:

- Safety presentations and briefings to staff and contractors.
- Formal and informal meetings between line managers and staff.
- Safety Leadership Conversations at buildings, sites and workplaces. In 2020, telephone and videoconferencing (e.g. Zoom calls) were also permitted as means of conducting Safety Leadership Conversations due to the public health restrictions in place. Managers and leaders undertook 650 Safety Leadership Conversations in 2020. This includes approximately 360 one-to-one home workstation assessments undertaken by line managers with their staff.
- Intranet site – The Zone.

- Other company publications e.g. Connected (quarterly magazine), Staying Connected (weekly ezine).
- Senior management round table sessions and roadshows.
- Employee involvement in risk assessments.
- Safety posters and performance information on noticeboards.
- Employee involvement in the development and review of new and revised procedures.
- Hazard and accident/ incident reporting systems.
- Employee participation in the review and selection of personal protective equipment (PPE). In 2020 we appointed a new PPE supplier – safety representatives were involved in the specification of PPE for the contract and the review/ rating of PPE samples provided by tenderers during the procurement process.
- Employee participation in working groups focussed on safety issues (e.g. safe driving).
- Development and circulation of safety bulletins and alerts by email and hardcopy, as appropriate.
- Communication of accident/ incident investigation findings.

Worker Training on Occupational Health and Safety

All personnel, regardless of their position, receive basic safety training, which includes:

- Information on health and safety legislation.
- Information on our Safety Statement/ Safety Management System and safety related roles and responsibilities.
- Information on workplace hazards and controls for site/ manual workers and office-based workers.
- Occupational health and welfare issues.
- Basic manual handling awareness/ skills.
- Basic first aid awareness.
- Basic fire safety, including the use of fire extinguishers.

Social

This mandatory training is provided and managed by our Technical Training Centre every three years. The content, effectiveness and frequency of this training are continuously reviewed. Additionally, we operate a technical competency management system whereby minimum levels of safety and technical competency are identified for safety-critical roles in the business. Workers in these roles are assessed against these competencies and any gaps are identified for closure. The process involves training, mentoring, on the job learning and formal assessment. The competency management system applies both to selected employee and service delivery partner roles.

Safety Performance

We actively monitor our safety performance, measuring a number of key safety performance indicators. Several of these form part of the overall corporate balanced score card of which safety comprises 15%. Of the 15%, lagging indicators form 6% and leading indicators form 9%.

The 2020 Safety Balanced Scorecard performance is reported below:

Level 1 Metrics	2020 Actual
Serious Injuries/Fatalities (monthly) => 3% weighting	Zero
Safety Composite 12% weighting => 3% Incident Rate	97%
=> 9% Leading	97%
Level 2 Metrics - Composite Breakdown	2020 Actual
Incident Rates	
a. Total LTIR – Employees	0.11
b. Total LTIR – Contractors	0.32
Leading KPIs	
a. Integrated HSQE Inspections	644
b. Integrated HSQE Audits	28
c. CAR Closure Rate	99%
d. HAZCONs raised by staff	553
e. Safety Conversations/Tours	650
f. HiPo – completion of HiPo investigations within 1 calendar month	100%
g. Completion of the Work Safe Home Safe programme (Continuous Improvement Initiatives)	97%

There was a single employee Lost Time Injury (LTI) in early 2020. The incident was of low severity and the individual returned to work within three days. The employee total Lost Time Injury Rate (LTIR) was 0.11 and the reportable LTIR was 0.00. In February 2021, we reached the milestone of one year without an employee LTI and in March 2021 we achieved 1M hours worked without an employee LTI. This represents excellent safety performance.

We also measure the safety performance of service delivery partners that work in the field on our assets (these are the workers who are most directly affected by our activities and assets). These service delivery partners worked a total of over 1.24M hours in 2020 and recorded a total LTIR of 0.32.

Of the Lost Time Incidents that did occur in 2020, half were related to manual handling or body movement and one third were associated with interaction with plant or equipment. The remainder were associated with being struck by a falling object.

Leading indicators include the number of Health, Safety, Quality and Environmental audits and inspections undertaken, the closure rate for Corrective Action Reports (actions arising from audits, incident investigations etc.) the completion of investigations into High Potential incidents (HiPos) within defined time criteria and the completion of safety improvement initiatives.

We are proud of this excellent performance; however, we continue to strive to achieve zero injuries in line with our stated Safety Policy goal that “our activities and assets shall not cause harm to anyone”.

Apprenticeship programme

At the end of 2020, we fully completed our first apprenticeship programme in thirty years with apprentices across three craft areas, Mechanical Fitting, Electrical Instrumentation and Pipefitting.

The apprentices have now successfully achieved their respective trade certification and ten of these apprentices have joined the company on a permanent basis.

In 2018 we took on a further seven apprentices across three craft areas including electrical instrumentation, mechanical automation & maintenance fitting and plumbing.

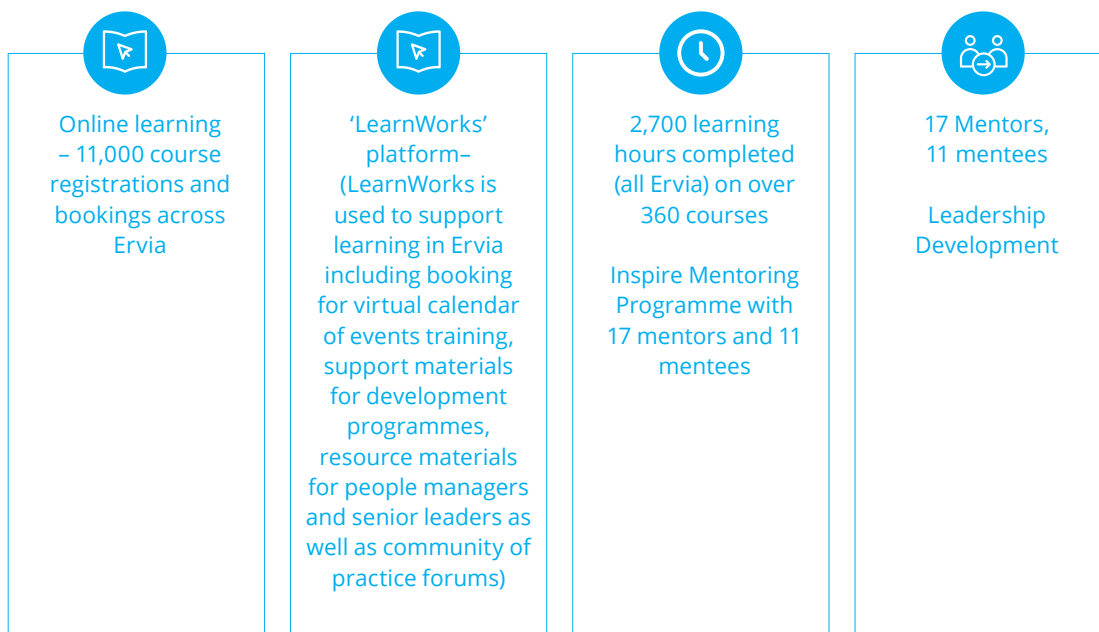


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Apprenticeship programmes are an integral part of our workforce plans. These programmes help to ensure that we have a strong technical talent pipeline developing throughout the organisation now and into the future.

Learning and Development

In 2020 we supported:



Diversity and Inclusion

We are committed to creating a dynamic, diverse and inclusive place to work where everyone feels a sense of belonging. Across the Ervia organisation there is a diverse workforce of 34 different nationalities, people of all ages coming from many social and ethnic backgrounds.

Diversity in numbers

Gender	Male		Female		
	394		155		
Region	Dublin	Cork	Regional	Brussels (ENTSOG)	NI
	253	279	14	2	1
Gender	Male		Female		
	72%		28%		
Age group	under 30 years old		30-50 years old		over 50 years old
	8%		59%		33%

Information related to membership of a minority or vulnerable group is voluntarily disclosed by employees and as a result we do not currently hold information required on our HR systems.

Throughout 2020, Ervia's iBelong Diversity and Inclusion Programme continued to focus on creating a dynamic, diverse and inclusive working community where employees feel a sense of belonging. The programme was originally launched in 2019 with the purpose of enshrining diversity and inclusion in the workplace through the creation of a Diversity and Inclusion strategy, implementation of the iBelong strategic plan from 2019-2023, and the introduction of a series of metrics and measurements to track progress in this space.

The iBelong Diversity and Inclusion programme of work is overseen by the Diversity and Inclusion Council, which includes employee representatives from all levels of the organisation and executive sponsorship. In 2019 and 2020, initial priority was given to gender diversity at Ervia, supported by the launch of the iBelong Women's Network, Ervia's first employee resource group.



The Diversity and Inclusion Index was introduced to the Balanced Scorecard in 2020 and further metrics were proposed in the roll out of Unconscious Bias training and the elimination of single sex candidate shortlists in the recruitment and selection process.

Further highlights of 2020 included two further employee groups, the iBelong Rainbow Network, and the iBelong Family Network. A review of female talent at all levels of the organisation resulted in the creation and launch of a Female Talent Development Programme. Furthermore, a review of the Ervia HR policies was also undertaken with a view to improving and enhancing our policies from a Diversity and Inclusion perspective in 2021 and 2022. The iBelong programme received a 2020 Global Gartner Communications Award for Excellence in Employee Engagement.

Focusing on Female Talent

We launched the Female Talent Development Programme in Sept 2020, which is part of a broader Ervia iBelong Diversity and Inclusion initiative. The aim of the programme is to support and motivate identified female employees, focus on their individual growth and career progression through networking, assertiveness skills, authentic self-promotion, and interview training amongst other initiatives. The programme is six months in duration and participants can choose which elements of the programme they wish to undertake (and are most applicable to where they are in their career). In this way, time commitments are workable to everyone's needs.

Employee Engagement

We truly appreciate the contribution that every employee makes to ensure the success of the organisation.

We survey our employees' opinions regularly, listen to their feedback, ensure they are engaged and that they know their work matters.

In 2020 we delivered a vast array of employee engagement initiatives including:

- Staff Communications through Managing Director hosted All Hands, Executive Open-Door Sessions, Employee Forums and All Company information series
- Staff wellbeing initiatives
- Corporate communication tools including 'Staying Connected' e-zine and intranet website 'The Zone'
- Employee award programmes
- Crisis response procedures to support staff through the COVID-19 pandemic

Fair Wage

A culture that engages, excites and empowers our people and workforce is essential to achieving our ambitions and delivering on our strategy. Fair compensation is an important factor in achieving this. All our employees are paid above the Living Wage.

Social

Agile Working

In 2019 Agile Working was introduced across the business, facilitating employees to work one day a week from another Ervia location or from their own home. The adoption of Agile Working practices served the company well during the global pandemic, with all office-based employees previously set up with home working access. In 2021 the Ervia Group will review options to develop Agile Working further into the future.

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102-35

Remuneration

Remuneration Committee

The Remuneration Committee's responsibilities are set out in its Terms of Reference, which is available at www.ervia.ie. The Remuneration Committee held 7 meetings during the year.

Key activities undertaken by the Remuneration Committee in 2020 include:

- Review of the CEO's and other senior managers' performance for 2019
- Review and consideration of Talent and Succession plans
- Review of the Ervia pay model
- Appointment of Ervia Chief Executive Officer
- Appointment of Ervia Chief Legal Officer
- Appointment of Ervia Chief Financial Officer
- Set and review performance as per 2020 scorecards
- Consideration of the results of the employee engagement survey.
- Annual review of executive pay
- Review of Diversity and Inclusion initiatives
- Ervia Superannuation Scheme Actuarial Valuation
- Single Public Utility pension implications
- Project 23 pension implications.

Pensions

The Group operates a defined benefit scheme and a defined contribution scheme.

Defined benefit scheme

The Group operates one externally funded defined benefit pension scheme in Ireland. The level of benefits provided depends on members' length of service and their pensionable salary when they leave the scheme, i.e. a 'final salary' scheme. Increases are generally provided to pensions in payment on a discretionary basis with a long-term target of price inflation. The defined benefit scheme is administered by a Board of Trustees which comprises member and employer representatives. The Board of

Trustees is responsible for the management and governance of the scheme including compliance with all relevant laws and regulations. The assets of the scheme are held separately from those of the Group in trustee administered funds. The scheme is subject to independent actuarial valuations at least every three years. The latest valuation of the defined benefit scheme was carried out as at 1 April 2020 by a qualified actuary. The next actuarial valuation is due with an effective date of 1 April 2023. Further information regarding our pension schemes can be found in the Ervia annual report page 114.

GRI
401-2**Employee benefits**

All benefits as per benefits table below are available to all employees – there is a 1-year qualification period for sick leave.

	2020 €'000	2019 €'000
(a) Aggregate employee benefits		
Staff short-term benefits	(50,174)	(47,985)
Post-employment benefits - pensions contributions	(13,500)	(9,803)
Social insurance costs	(5,392)	(5,580)
	(69,066)	(63,368)
Capitalised payroll and other payroll transfers	12,755	11,421
Employee benefit expense charged to profit or loss	(56,311)	(51,947)

**Core Benefit**

- Pension Scheme
- 2.5 company days, 24 days annual leave
- Sick pay scheme, Income Protection, Death in Service
- Educational Assistance
- Paid Marriage/Civil Partnership
- Paid Paternity Leave
- Enhanced Maternity Leave pay
- Compassionate Leave
- Other Statutory Leaves:
- Parental, Parents, Carer's, Force Majeure

**Financial Wellbeing**

- Tax Saver Ticket
- Employees Credit Union
- Home Computer Purchase discount
- Microsoft Home Programme Scheme
- AXA Insurance Group Discount scheme (car/home insurance)
- Christmas Saving Facility
- Onsite Banking: Bank of Ireland
- Long Service Awards
- Professional Subscriptions

**Physical Wellbeing**

- Cycle to Work Scheme
- Onsite fitness room
- Staff Restaurant
- Flu vaccinations
- Group Health Scheme:
- VHI, Lyons: Irish Life, LAYA
- Eye Care provision
- Digital Doctor Service

**Emotional Wellbeing**

- People Awards
- Agile working
- Employee Assistance Programme:
- EAP online support website
- Specialist Information
- Legal / Financial Information
- Telephone Counselling
- Face-to-face counselling
- Wellbeing Week/ initiatives

Social

Long Service Awards

Long Service Awards Total Recipients

Recipients LSA - Cork (including Limerick and Waterford area)	68
Recipients LSA - Dublin (including Galway)	64
Total Length of Service Combined Dublin	1367
Total Length of Service Combined Cork	1092
45 Years	5
40 Years	4
35 Year	7
30 years	0
25 Years	4
20 Years	24
15 Years	46
10 Years	37
Combined Years of Service	2459 Years

Marketplace

Natural gas plays a critical role in providing a cleaner, competitive and secure energy supply for Ireland. Our ambition is to drive the evolution of Ireland's energy system and respond to the challenge of climate change while providing a safe and secure energy supply.

2020 was a year dominated by the global COVID-19 pandemic. Our crisis management procedures were activated and we invoked the Retail Gas Management Incident Management Plan (RGMIM) in March 2020. We immediately enabled large scale working from home and accelerated our strategy on employee wellbeing and engagement.

Our frontline staff continued to carry out essential works including the prioritisation of healthcare projects. We proactively engaged with our shippers and customers and responded to multiple stakeholder requests. We facilitated an increase in emergency credit for Pay As You Go customers and implemented the Commission for Regulation of Utilities supply suspension scheme. While COVID-19 presented our business with significant challenges our comprehensive response has ensured continuity of service throughout the year for our shippers and customers, testament to our robust business continuity plans and the dedication and hard work of our colleagues and service providers.

Safety

Average time to respond to Public Reports of Escapes (minutes)



This measure tracks how quickly we respond, on average, to reports of gas escapes as reported by the public.

We operate a best-in-class emergency response service to respond to suspected gas escapes, carbon monoxide incidents or other gas related emergencies. Our agreed target with the CRU is to respond to 97% of publicly reported call outs within one hour. In 2020, we responded to 14,928 publicly reported gas escapes with an average response time of 29 minutes, responding to 99.96% of reports within an hour.

This is a core safety metric. Maintaining these high performance standards consistently over time shows how important this is to us.

Delivering the highest health and safety standards

We are committed to the highest possible safety standards and during 2020 we continued to manage all aspects of operations in a safe and environmentally responsible manner. Our comprehensive Safety, Environmental, Quality, Energy and Asset Management Systems, independently certified to ISO 45001, ISO 14001, ISO 9001, ISO 50001 and ISO 55001, ensure our activities are managed in accordance with international best practice.

We work closely with the Commission for Regulation of Utilities, Register of Gas Installers of Ireland, the National Standards Authority of Ireland and Liquid Gas Ireland amongst others, to ensure that safety standards are continuously improved, not only for the natural gas network, but also for consumers of natural gas.

Our Combined Lost Time Incident Frequency Rate for staff and key service providers stood at 0.28 – the lowest since we began measuring. We recorded over 650 Safety Leadership Conversations and undertook 28 Internal management system audits along with over 644 safety, technical and environmental inspections.

Our HAZCON (Hazard and Control) app won the Health and Safety Initiative of the Year award at the Networks Awards 2020 in July. The Health and Safety Initiative of the year award recognises exceptional commitment to all-round health and safety and is awarded to organisations who demonstrate an innovative, robust and high-quality safety management system and evidence of health and safety performance that goes beyond statutory requirements. We also launched an app for managers and senior leaders to record Safety Leadership Conversations and the Pipeline Open Database System project was successfully completed. This project is the first phase of building an intelligent Pipeline Integrity Management System.

Natural gas is a flammable fuel. When transported and used correctly it is safe, however leakage and misuse, whether deliberate or inadvertent, can pose risks. The primary risks associated with natural gas are fire or explosion arising from uncontrolled leakage and carbon monoxide poisoning arising from incomplete combustion.

A hydrogen safety strategy was commenced to establish the actions required to safely introduce hydrogen to the natural gas network and we continued to promote public safety awareness via a range of campaigns, including the Gas Emergency Service, Dial-Before-You-Dig, Meter Tampering, Always Use a Registered Gas Installer and Carbon Monoxide campaigns.

Safety Advertising

We are committed to promoting public safety awareness of natural gas via a range of multi-media advertising campaigns, including the Gas Emergency Service, Dial-Before-You-Dig, Meter Tampering, Always Use a Registered Gas Installer and Carbon Monoxide campaigns. Each campaign has its own unique call to action but feeds into the ultimate objective of promoting gas and energy safety awareness. Each of the campaigns has been successful in driving safety awareness.

The Gas Escapes campaign raises public awareness of what to do and who to call if a gas leakage is suspected. We undertake consumer research annually on our main campaigns to establish awareness of key safety messages and the performance of the campaigns. Results from 2020 show a 72% spontaneous recall of the campaign, and 87% total recall. This is slightly lower than in previous years, but it should be noted that the methodology for this survey changed from face-to-face to online in 2020 due to COVID-19 public health restrictions. Development of a new campaign commenced in 2020 as the **gas emergency telephone number is changing from 1800 20 50 50 to 1800 20 50 50** as a result of regulatory changes made by the communications regulator ComReg. This new ad aired for the first time in April 2021.

Social



Gas emergency telephone number is changing
from 1800 20 50 50 to
1800 20 50 50

The Carbon Monoxide campaign raises awareness of the causes, signs, symptoms and preventative measures for carbon monoxide poisoning. Research from 2020 shows almost universal awareness (95%) of the dangers of Carbon Monoxide. Carbon Monoxide alarm ownership has also gone from 24% in 2014 to 69% in 2020, since the launch of the current campaign. In 2020 we commenced development of a new Carbon Monoxide advertising campaign to encourage owners of Carbon Monoxide alarms to test their alarms on a regular basis. This campaign aired for the first time in February 2021.

The Dial Before You Dig campaign encourages anyone planning or undertaking excavation or similar ground works to contact Gas Networks Ireland in advance to obtain gas network drawings and to follow safe digging practices to reduce the risk of damaging a gas pipeline. The Dial Before You Dig online portal, launched in Q4 2019 has seen huge traction with nearly 2,500 users registered for the service by the end of 2020 and over 16,000 drawings downloaded.

The Meter Tampering campaign continues to make people aware of the dangers of tampering with a gas meter.

We also promote the Register of Gas Installers of Ireland (on their behalf) via a multi-media campaign. Results from 2020 show 82% of people are aware of the Register of Gas Installers, up from 67% in 2019. Again, it should be noted that the methodology for this survey changed from face-to-face to online in 2020 due to COVID-19 public health restrictions.

Downstream Gas Incidents and Non-Compliances

Under the Gas (Amendment) Act 1987 (Section 2) Orders of 1987 and 2003 we are obliged to report fatalities, injuries requiring hospitalisation, and property damage of a value greater than €6,349 to the Commission for Regulation of Utilities (CRU) where natural gas is involved. Such incidents are termed "Reportable Incidents". We are also obliged to report any other incidents involving natural gas to the CRU where we believe it is beneficial to do so. We are committed to transparent and open disclosure and have agreed additional categories of incidents with the CRU that should be reported under these criteria. These are termed "Reportable Under Guidelines" (RUG) incidents. Such incidents are reportable whether they occur on our network or on consumer installations downstream of the gas meter (which are the responsibility of the consumer).

In 2020 we reported one Reportable gas incident and three RUG incidents on downstream (consumer) installations. None of these incidents involved fatality or serious injury.

When working on customer installations, we have obligations in relation to the identification of unsafe or non-compliant gas appliances, installation pipework and ventilation that are downstream of the meter (and are thus the responsibility of the consumer). If safety issues or non-compliances are identified, we issue a Notice of Hazard to the consumer and may shut off either the gas supply to the whole property or the gas supply to an individual appliance depending on the nature of the issue identified. The consumer is then required to contact a Registered Gas Installer to rectify the issue(s). In 2020 we issued 11,268 Notices of Hazard.



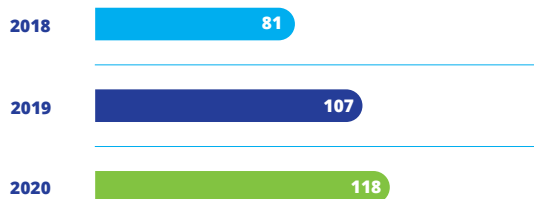
Social

Business delivery

Operating, maintaining and developing our network in an efficient and economic manner is a key element of our strategy. In 2020 we delivered over 39,732 planned maintenance work orders on the transmission and distribution networks and a capital expenditure programme of €109 million which included ongoing programmes to improve the safety and reliability of the network. 98% of all planned maintenance was completed and no gas quality non-conformances were identified. We continued to operate the network 24*7 continuously across the year. Grid Control operated independent shifts from separate locations in Midleton compressor station and Gasworks road as a protective measure to prevent the spread of COVID-19. A new gas control centre was built out on the Brownsbarn campus. While the national approach and restrictions to contain the spread of COVID-19 impacted delivery of capital works in Q2 2020, a substantial proportion of this was recovered when construction activities recommenced in June 2020.

Stakeholder engagement

Stakeholder engagements initiatives growth by year



We understand and value the critical role our stakeholders play in our business. We have a comprehensive stakeholder engagement plan that takes a holistic, pragmatic approach to stakeholder engagement based on the internationally recognised Stakeholder Engagement Standard (AA1000SES). Steady year-on-year increases in stakeholder initiatives reflect the growing importance of stakeholder engagement within our company.

The 51% increase in stakeholder initiatives between 2020 and 2021 reflects the introduction of ten key stakeholder engagement areas across the company, adding a more forward thinking, strategic approach to our stakeholder engagement. We strive to actively engage and collaborate with our stakeholders both on current and future energy, environment and societal concerns.

European Affairs

Gas Networks Ireland's European Affairs team articulates our standpoints at a European (EU) level, advocating on behalf of gas and ensuring we impact on future energy policy developments and decarbonisation commitments at an EU and national level. Proactively monitoring EU developments, the team inputs to relevant EU position papers and consultations, ensures full compliance with EU legislation, and, identifies funding opportunities for gas-related, future focused projects.

Engaging with a wide range of EU stakeholders including the European Commission, European Parliament, key European gas associations [ENTSOG, Eurogas, GIE and GD4S] and key European institutions, they leverage strong EU working relationships and actively participate in Working Groups and initiatives to extend our influence as an energy leader in Europe.

Europe's plans for climate neutrality by 2050, as outlined in the European Commission's European Green Deal, places importance on the manner in which all gas system operators manage infrastructure and deliver services for the future. Our European Affairs team ensures our position is reflected in key emerging strategies from the EU, including in two of the most significant launched in 2020, relating to the future role of gas: The Energy System Integration and Hydrogen strategies.

Europe's decarbonisation ambition brings with it the significant challenge for Transmission (TSO) and Distribution System Operators (DSO) of delivering work practices and services in a sustainable manner. Our team's ongoing collaboration with various EU institutions and associations ensures collective focus on this challenge and a stated commitment to delivering best practice. During 2020, our European Affairs team, working with our sustainability and corporate responsibility leads, participated in the development of a 'Sustainability Charter' for GD4S, a leading gas association, of which GNI is a member. The charter not only affirms the members' collective pledge to adhere to best practice in alignment with the ambition put forward in the European Commission's EU Strategy to Reduce Methane Emissions (October 2020), but also enshrines on their behalf, a detailed Sustainability Roadmap for delivery into the future.



Brexit

We remain satisfied that there will be no adverse impact on natural gas flows due to Brexit. We anticipate no disruption to the daily importation of natural gas from Great Britain to Ireland from January 2021. This follows extensive engagement with relevant stakeholders, including other natural gas pipeline operators and energy regulators in the UK and Ireland, as well as EU stakeholders. While there will be no import or export tariffs on natural gas, from January 2021 there will be an administrative requirement for both importing shippers and Gas Networks Ireland to submit customs declarations on natural gas imports from Great Britain. Throughout 2020, we have worked closely with both HMRC and Irish Revenue to ensure that we are ready to meet these obligations.

Transparency

As a commercial state body, we are an open organisation which strives to be accountable and transparent to the public. We are committed to improving the public's understanding of how the organisation operates and our role in delivering important national infrastructure and services to support the social and economic development of Ireland.

Anti-corruption and bribery

We actively promote a culture where acts of bribery and corruption are never acceptable. This culture is promoted and led by our board, executive and extended senior leadership team. Nobody within our company or acting on our behalf, may give or accept, directly or indirectly, a bribe or inducement in any form or solicit a bribe, directly or indirectly. An example of behaviours prohibited in this context is the giving or receiving excessive gifts or hospitality, or receiving gifts or hospitality in exchange for information.

The Group Chief Legal Officer is responsible within Ervia for overseeing all anti-bribery actions and the Group HR Director is responsible for communicating our anti-bribery policy to all new staff during induction. As well as providing quarterly and annual refreshers on relevant anti-bribery and corruption topics for existing staff in accordance with Ervia's "Doing The Right Thing" policy.

Social

Ervia's policies encourage staff to report any concerns relating to activities that may constitute an act of bribery or corruption to their line manager without delay – or if that is inappropriate in the circumstances to Ervia's Chief Legal Officer, or anonymously to a confidential email address or voicemail. Staff are routinely reminded of their ability to discuss concerns relating to bribery or corruption without fear of victimisation, knowing that the strictest confidence will be maintained – this process is comprised in Ervia's Protected Disclosures Policy.

Protected Disclosures and Raising Concerns

The mechanism whereby Ervia's employees and management may raise concerns, or make disclosures in the public interest, in accordance with the Protected Disclosures Act 2014 is outlined in the Ervia Protected Disclosures Policy. Concerns are screened to ensure they raise sufficient grounds for an investigation, all the while protecting the identity of the discloser, and if sufficient grounds exist, the Group Chief Legal Officer, the Group Head of Internal Audit and the Chairman of the Audit and Risk Committee liaising together will appoint such person or persons (either internal or external to Ervia) who is or are most appropriately placed to investigate the particular disclosure in question.

Section 22 of the Protected Disclosures Act 2014 requires Ervia to publish an Annual Report relating to protected disclosures made under the Act. In accordance with this requirement, Ervia confirms that in the year ending 31 December 2020, there were no protected disclosures reported for it or any of its subsidiaries.

Regulation of Lobbying

Ervia and its subsidiaries (Gas Networks Ireland and Irish Water) are registered on the lobbying register maintained by the Standards in Public Office Commission and have made the required submissions for the return periods in 2020 in accordance with the requirements of the Regulation of Lobbying Act 2015.

Prompt Payments

Appropriate internal financial controls are in place within Ervia to ensure compliance with the provisions of the European Communities (Late Payments in Commercial Transactions) Regulations 2012-2016. Ervia is a signatory to the Prompt Payment Code as launched by the Government in 2015 and, pursuant to its provisions, undertakes to pay suppliers on time, to give clear guidance to suppliers on payment procedures and to encourage the adoption of the code by suppliers within their own supply chains.

Evaluation of our approach

Controls are in place to ensure all our obligations are met, including detailed financial procedures, budgets, finance system automated workflows, external audit process, internal audit process and Audit and Risk Committee oversight of the financial statements.

Data Protection and customer privacy

We are committed to meeting and exceeding our data protection obligations. All customer data is stored on encrypted systems that have appropriate segregation of duties. We have TLS (Transfer Layer Security) in place with customer facing vendors, which encrypts all text within all emails. We also utilise firewalls, patching and anti-virus protection, and align ourselves to ISO27001. All staff and contractors have undertaken online GDPR training. Key customer facing staff have undergone mandatory classroom-based training in GDPR.

The Ervia Group Data Protection Officer has not raised any areas of concern regarding non-compliance with regards to legislative requirements under GDPR during 2020.

Human rights and modern slavery

We have a zero-tolerance approach to modern slavery. We are committed to acting ethically and with integrity in all our business dealings and relationships and to implementing and enforcing effective systems and controls to ensure modern slavery is not taking place anywhere in our own business or in any of our supply chains. We are committed to ensuring that there is transparency in our business and in our approach to tackling modern slavery throughout our supply chain and we expect the same high standards from all our contractors, suppliers and other business partners.

Steps taken in order to prevent acts of slavery and human trafficking from occurring within our business and supply chains:

- We always seek to comply with employment law applicable to the jurisdictions in which we operate and put in place contractual arrangements with providers of agency staff requiring that they achieve the same level of compliance.
- The principles of the modern slavery act have been enshrined in the Code of Business Conduct (available at www.ervia.ie) which is reviewed on an annual basis. This is also highlighted and supported by a group-wide programme called Doing the Right Thing which aims to ensure that everyone carrying out business on our behalf does so with integrity and in an ethical manner.
- We have developed anti-slavery and human trafficking requirements for incorporation into our procurement processes and contractual arrangements with contractors, suppliers and other third parties.
- We have completed an assessment of third-party contractors and suppliers to assess any at high risk of acts of slavery / human trafficking.
- We provide training to relevant employees, particularly those involved in procurement processes, on the risks of slavery and human trafficking occurring.
- We provide a mechanism for employees, and others, to report suspected incidents of unlawful behaviour, including slavery and human trafficking.
- As part of our continued commitment to sustainable procurement and to inform the development of its processes, in 2020 we have issued surveys and conducted interviews with suppliers to understand the origin (direct and indirect) of products used and to understand the level of auditing of third country third party suppliers and their social impacts and to ensure compliance with principles set down by the International Labour Organization concerning workers' rights.
- We have also conducted an initial assessment of suppliers with an annual spend of greater than €500,000 who source elements of their materials or labour from outside of Europe.

Customer

We delivered high quality services to over 706,000 domestic and commercial customers during 2020.



41,049

customer appointments made with 99% regulatory compliance rate



57,220

customer appointments kept with 99% regulatory compliance rate



1.66m

meters read



448,785

customer contacts handled by our Contact Centre

Supporting our customers during the pandemic

We supported the Commission for Regulation of Utilities initiative by facilitating a moratorium on debt-related gas supply locks and disconnections during the pandemic, making sure customers had access to the gas they needed to help heat their homes and cook food. Pay As You Go (PAYG) Emergency Credit increased temporarily to €100 from €50 to support vulnerable customers who could not get to a retail outlet to top up their gas card during lockdown.

Eligible small businesses could avail of a newly launched Supply Suspension Scheme which was introduced to help alleviate some of the financial pressure on small businesses by foregoing network charges for a period of up to 90 days. To date, 2,200 customers have signed up for the scheme.

Social

Putting our customers first

We met all our customer satisfaction score targets across all activities surveyed and with a 20.5% reduction in complaints made by our customers compared to 2019. We continued to engage with the wider industry in Ireland and the UK to gain insight on best practice to help influence and define our customer strategy and operations.

We helped customers manage their energy costs by enabling supplier switching and by installing prepayment meters. These meters now constitute 17% of the total residential meter population. In 2020, we exchanged in excess of 20,000 meters under our domestic meter replacement programme. These meters are an important tool in the fight against energy poverty.

We are responsible for the process of switching customers from one supplier to another. In 2020, there were nine competing retail suppliers active in the market. During 2020 just under 114,000 gas customers changed supplier. Since the gas market opened to competition in 2004, over 1.25 million gas supplier switches have been completed.

In 2020 we also supported

- Customer Experience Programmes
- Customer Satisfaction Insights and Monitoring Programme
- Customer Initiatives Register
- Customer Satisfaction Surveys
- Carried out customer workshops on key processes

Insights into Action

Our Insights into Action programme helps us drive customer improvement initiatives to enhance customer experience by supporting efficiencies and promoting continuous improvement across the organisation. In 2020 we completed 30 customer experience initiatives, against our target of 26.

Customer Centricity

In 2020 we continued to ensure that our customers are at the heart of everything we do. To measure the success of this strategy we have developed several customer centricity metrics.

After a customer contacts us, we ask a series of questions using three key metrics to understand how customers rate their experience.

Customer Satisfaction – how satisfied they were with the work carried out, from first contact right through until the work on the ground is fully completed. Satisfied customers give us a score of 7-10. Very Satisfied customers will give us a score of 9 out of 10.

Net Promoter Score – asking customers if they would recommend us to their friends/family is a measure of how we made them feel through the experience.

Net Easy – we ask customers how easy it was to interact with us and what would have made it easier for them.

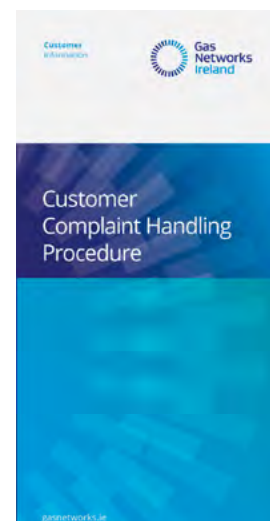
Our customer centric score combines each of these metrics. Our score is reported and measured in our Balance Score Card and departmental goals and targets. No matter where people work within the company, they play a part in delivering for our customers and empowering us to achieve an excellent Customer Centric Score.

Standards of Service

We publish our 'standards of service' guides on our website to help ensure that all customers experience open and transparent service standards.

Our published service standards include:

- Customer Charter
- Vulnerable Customers Guide
- Complaints Handling Code of Practice



Vulnerable Customers

We are committed to providing the best customer service possible to all our customers, and in particular, those who are vulnerable by making specific provisions for those who require special services.

These commitments and provisions are detailed in our Vulnerable Customer Guide and include:



We will never disconnect the gas supply of a 'vulnerable' customer during winter months unless it is for a specific safety reason.



We will also contact a 'vulnerable' customer or nominated contact in advance of a planned interruption to their gas supply.



We have dedicated Access Officers whose role is to ensure that our customers, with a disability, are provided with assistance and guidance in accessing our services and information.

Supporting Age Action

In 2020 we continued to work with our charity partners Age Action to promote our vulnerable customer services and provide support to their programmes in the community.

Since 2016 we have donated over €200,000 worth of carbon monoxide alarms, which were installed in the homes of elderly people. In 2020 we were one of the first companies to support Age Action's COVID-19 response and hardship fund, providing vital financial support (€8,000) for vulnerable people. Vulnerable older people were able to apply for a €250 grant to help with immediate costs including food, bills etc.

We also raised €15,972 through our customer survey programme. These donations went towards the

Care and Repair programme which supports older people who find it difficult to complete household tasks. 24 employees also volunteered on Age Action's new technology tutoring programme, Getting Started Keep in Touch, supporting cocooners to keep in touch with friends and family by showing them how to make video calls through their smartphones and how to use the internet.

We are continuing our partnership with Age Action for 2021, together we can make a difference for older people. We have signed up for Age Action's Big Corporate Challenge, our colleagues will compete against other companies over a six-month period starting in March to create intergenerational activities, events and / or products to raise vital funds for Age Action's services. We are currently recruiting more volunteers for the above programme and will continue to do so in the long term.

Above and Beyond Recognition Programme

Our Above and Beyond Recognition Programme recognises and rewards staff and contractors who have received positive feedback from a customer via our survey programme. Quarterly celebrations are held, and each nominee receives a token reward and is entered into a prize draw. In 2020 220 colleagues were rewarded for going above & beyond for our customers.

**above
& beyond**
for our customers

Balfour Beatty **clg**

FEXCO

Social

Accessibility

Promoting equality, diversity and accessibility is an important part of how we operate. Our two Access Officers work with a number of representative bodies to gain better understanding of the issues facing employees, customers and stakeholders across a number of areas. We also support the National Job Shadow Programme providing work placements for people with a disability.

All key Gas Networks Ireland communications are translated into the most frequently spoken languages in Ireland – English, Irish, French, Polish, Mandarin Chinese and Russian as well as into

HTML plain text. In addition, we regularly conduct mystery shopping activities to assess customers' experiences. We take care to ensure our mystery shoppers reflect the diversity of our actual customer base, including the elderly and those with a disability to ensure that our communications are tailored specifically and understood by everyone.

We continue to work with our customers and stakeholders to explore opportunities to support those with disabilities.

Customer Case Study: Taking our responsibility beyond connections

We are committed to helping our customers make a positive impact on their environment and community.

In 2020, MF Nurseries, trading as Flynn's Irish Tomatoes, invested €1.8m in a major expansion of its tomato growing facility at Balheary, Swords, Co. Dublin, which included the development of two new greenhouse facilities spread over three acres and a two-kilometre connection to the national gas network.

Switching to natural gas as its primary source of energy eliminated MF Nurseries' need for fuel deliveries resulting in a carbon emission reduction of up to 10%. Almost all – up to 90% – of the remaining emissions are then captured and absorbed by the tomato plants, thanks to the innovative greenhouse system.

“Our customers want to see the steps we are taking to reduce our carbon footprint. Major retailers only work with suppliers who are driving down their emissions. Switching to natural gas, in tandem with our own natural carbon-capture process, is helping us to achieve that in a very organic way.”

MF Nurseries Managing Director, Martin Flynn



William Flynn, Owner & Director, MF Nurseries and Martin Flynn, Owner & Director, MF Nurseries

Case Study: Aurora Telecom

A division of Gas Networks Ireland, Aurora Telecom owns and operates an extensive national backhaul fibre network. It provides a future proofed backhaul network for progressive projects of national economic and social importance.

A carrier-neutral operator, Aurora specialises in dark fibre services for telecommunications carriers, corporate organisations and government services.

In 2020 Aurora Telecom commissioned the concluding 300km segment of its national network from Cork to Dublin via Waterford and Carlow bringing the footprint to over 1,200km, the only high fibre connection of its kind for these regions. The network extends across 15 counties, in a ring topology, and interconnects the cities of Galway, Limerick, Cork, Waterford, and urban centres along this route including, Athlone, Mullingar, Shannon, Mallow, Middleton, Dungarvan and Carlow.

Aurora also completed a 105km connection, paving the way for a vital transatlantic submarine cable system to land in Co. Mayo, providing dedicated connection to the US. We also commenced the construction of backhaul connections for other subsea cable connections due to land in 2021.

In a highly competitive market, Aurora achieved best in class operational performance in 2020, with the most modern, lowest latency network in the country, coupled with the highest levels of network availability.

The telecommunications industry is an essential service. Because of the economic and social disruption caused by COVID-19, people and organisations across the country significantly rely on technology for information, for social contact, as well as for trading, working and educating from home. The Aurora team, alongside their Gas Network Ireland colleagues, ensured that all major projects continued to be rolled out safely and on programme.



Economic

Natural gas is of key strategic importance to the Irish economy, representing 31 percent of Ireland's primary energy mix and generating 52 percent of Ireland's electricity.

7 AFFORDABLE AND
CLEAN ENERGY



9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



Economic

Introduction

We aim to deliver an excellent, efficient and cost-effective service that benefits all customers. Ireland's gas network is a valuable national asset which will play a major role in achieving a clean energy future in the lowest cost, least disruptive, safest and most secure manner.

Natural gas is the ideal partner for renewable energy sources such as wind and solar. Renewable gas can ensure that Ireland has a robust, renewable and sustainable indigenous energy source as part of our energy mix well into the future. Coupled with the long-term potential of hydrogen gas, the gas network can play a crucial role in supporting Ireland's delivery of climate change targets.



Investing in our future

We serve over 706,000 gas customers in Ireland, including over 27,000 businesses. Ireland's national gas network infrastructure, which is valued at €2.7 billion, is 14,617km long and connects towns and villages in multiple counties across the country.

In 2020 we connected 8,091 new commercial and residential customers to the gas network and contracted 635GWh of new natural gas demand. With safety as a priority for our assets and operations, we invested €112m in our gas and telecoms network infrastructure with a strong focus on driving growth and increasing new connections to the network, developing Compressed Natural Gas (CNG) as a transportation fuel and delivering programmes to improve the safety and reliability of the network.

In 2020 two publicly accessible, fast-fill CNG stations were constructed at Clonshaugh in Dublin and Ballysimon Road in Limerick. The country's second publicly accessible, fast-fill CNG station, opened at Circle K's forecourt in Cashel as part of the developing national network aimed at providing clean fuel to the Heavy Goods Vehicle (HGV) sector. Strategically located at Junction 8 off the M8 (Dublin – Cork) motorway, the state-of-the-art station has the capacity to fill 50 HGVs per day, with each fill taking no more than five minutes. This new station allows hauliers and fleet operators in the region to begin the journey to carbon neutral transport by switching their fuel from diesel to CNG today and ultimately transitioning to networked renewable gas in the future.

In May 2020, Ireland's only purpose-built injection facility in Cush, Co. Kildare was declared an entry point and joined Corrib as one of the two indigenous gas sources on Ireland's gas network (following the closure of the Kinsale gas field in July 2020). Locally produced renewable gas entered the gas network with leading businesses purchasing renewable gas made from their own food and drink waste to power their operations.

Through our telecoms business, Aurora Telecom, we further extended the ultra-high fibre network in Ireland in 2020. This included a 300km segment of its national network from Cork to Dublin via Waterford and Carlow bringing the network to over 1,200km, the only high fibre connection of its kind for these regions. The network extends across 15 counties, in a ring formation, and interconnects the cities of Galway, Limerick, Cork, Waterford, and urban centres along this route including, Athlone, Mullingar, Shannon, Mallow, Middleton, Dungarvan and Carlow. Because of the economic and social disruption caused by COVID-19, people and organisations across the country significantly rely on technology for information, for social contact, as well as for trading, working and educating from home. The continued rollout of the network is also important beyond COVID-19 as the shift to working from home, enabled by improved telecommunications, will reduce the mobilization of people and consequently reduce harmful transport emissions.



Economic

Our financial performance

In 2020 we delivered a strong financial performance. We had available undrawn loans of €462m and €97m of cash and cash equivalents at December 31st, 2020. This ample liquidity will allow us to continue funding future investment in the gas network. Additionally, when working with debt holders and credit rating agencies, we continue to commit to the climate change agenda and the targets we have set ourselves to 2050.

Return to the shareholder

In 2020 we supported Ireland's economy by making a dividend payment of €70m to the Exchequer, including a final special dividend of €23m relating to the sale of the Bord Gáis Energy business.

Full financial statements can be found in the Ervia Annual Report.

Supporting our customers and Irish society following the impact of COVID-19

The Retail Gas Management Incident Management Plan (RGMIM) was invoked in March 2020, the same day that the World Health Organization declared that COVID-19 had been categorized as a global pandemic. Under the RGMIM a working group comprising Gas Networks Ireland, The Commission for Regulation of Utilities and retail gas suppliers convened to manage incidents that impact the operation of the retail gas market. The first action of the group was to increase emergency credit for Pay As You Go customers. This was implemented in March to assist self-isolating customers to keep their gas on. We also implemented and communicated a changing siteworks process to ensure that essential



Investors:
We paid out €17m to investors in interest payments



State Support:
We paid €55m to the Irish & UK governments and regulators in tax, rates and levies



Suppliers:
Our expenses to suppliers for the provision of goods and services in 2020 totalled €79m

works were prioritised, however some construction work was restricted, in line with public health guidance. Working with gas suppliers, we designed and implemented a new market process which allowed gas customers in the Small to Medium Enterprise sector to apply for a waiver of service charges in cases where they had been forced to cease operations as a result of COVID-19. The scheme, known as the 'Supply Suspension Scheme' operated for 3 months from May to July, with 2,263 applications successfully processed resulting in significant savings for our business customers.

Innovation

As well as keeping safety as our priority, we strive to improve our network and we actively promote and utilise our Innovation Fund which provides funding to promote and encourage innovative projects in the gas industry with the potential to:

The Gas Innovation Fund allows us to engage with key stakeholders to share knowledge and leverage the best use of all resources for innovation. It has many benefits in terms of supporting strategic and research projects and trials to meet the key priorities of the fund.

The Innovation Fund is split into two categories: The Causeway Project and the Gas Innovation Fund:

- The Causeway project is the largest funded project in the Innovation Fund. This project is intended to deliver 14 high capacity fast fill CNG stations and a single renewable gas network injection point. The fast fill stations provide quick, efficient and safe refuelling. As outlined in the sections above, the construction of two stations, in Clonsaugh and Ballysimon Road, were completed in 2020 under the Causeway programme.
- In 2020, the Gas Innovation Fund approved the allocation of over €780,000 of funding for 16 projects that cover a range of topics including transport, home heating and renewable gas. The gas network is critical Irish infrastructure that can play a key role in the decarbonisation of a number of sectors across the economy. The potential for renewable gas to reduce the carbon intensity of the gas network has been recognised and will continue to be an area that requires investment and innovation.



deliver

significant carbon savings



increase

throughput in the gas system



assist

in the transition to a low carbon economy



provide

measurable value to all gas customers

We are also continuing to explore the potential of hydrogen to future proof the gas network and support Ireland's climate change agenda. In 2020, we built an independent distribution network in our facility in Brownsbarn, County Dublin to allow us to test how blends of natural gas and hydrogen perform in the network and with customer appliances.

Economic



Our taxation policies

We are committed to complying fully with all applicable laws, rules and regulations in meeting our compliance and reporting responsibilities. We fulfil our corporate social responsibility obligations by paying appropriate taxes in compliance with both the letter and the spirit of the laws and regulations in both Ireland and the UK. Ireland and the UK are the primary locations where we operate and further detail on our subsidiaries, primary activities and the taxes paid by our business are included in our consolidated financial statements available on our website.

Tax Governance and Control Framework

Our Board has overall responsibility for risk management and the systems of internal control. The Group Chief Financial Officer is the executive responsible for ensuring that we comply with all applicable laws, rules and regulations associated with tax compliance.

We have a quarterly risk governance process in place which identifies the nature, extent and financial implication of risks we face including tax risks. It also assesses our ability to manage and mitigate risks that may occur through putting appropriate controls and actions in place and reports the Group risk profile to the Ervia Group Risk Management Committee and onwards to our Board and the Audit and Risk Committee of the Ervia Board.

Across the Ervia Group, fraud, bribery and corruption are not tolerated and it is each employee's responsibility to report any suspected acts of fraud, bribery or corruption or suspicious behaviour they encounter, this would include any tax concerns that are identified.

There is a Group wide integrity-based initiative, 'Doing the Right Thing' which promotes the integrity value and emphasises the importance of ethical behaviour. As part of the initiative, guidance booklets are issued to employees on key ethics related policies with annual training updates and quarterly team integrity conversations.

The internal control environment includes internal policies requiring all employees to act with integrity and maintain the highest ethical standards. These policies include the Code of Business Conduct, Anti-Fraud policy, Anti-Bribery and Anti-Corruption policy, Lobbying policy and Protected Disclosures policy. It also includes a comprehensive anti-fraud programme including Anti-Fraud policy, training and communication and a fraud response plan.

Management of Tax Compliance

The following principles are applied to maintain and improve tax compliance:

- Hiring of tax and accounting qualified personnel to manage the tax obligations of the company.
- Paying the right amount of tax and filing all necessary tax returns based on the tax laws, rules and regulations. These returns and payments are made in full and on time.
- Maintaining segregation of duties to ensure the preparation and review steps in filing all tax returns are completed independently.
- Training and support provided to all non-tax qualified personnel with responsibilities for tax required information to ensure that they have the skills, technical expertise and knowledge to effectively and accurately fulfil their tax responsibilities and perform to the best of their abilities.
- Ensuring key risk areas are monitored and material risks minimised by adhering to strict controls to ensure material compliance with all applicable tax laws, rules and regulations.
- Engaging with the tax authorities and / or procuring the support of tax accounting firms where legislation is unclear or is subject to interpretation.

Assurance Process

Following the review of the Group's annual corporation and deferred tax workings the auditor issues a letter of compliance confirming the tax charges are materially correct and that statutory obligations of timely filing of corporation tax returns have been fulfilled.

The financial note detailing our tax expense for 2020 can be found in Note 9 of the overall Gas Networks Ireland Annual Report.

Relationships with Tax Authorities

We have an open and transparent relationship with all tax authorities, working to maintain and improve good tax corporate governance. We have signed up to the Co-operative Compliance Framework (CCF) with Irish Revenue.

The CCF is designed to promote open communication between Irish Revenue and larger taxpayers, reflecting the mutual interest in being accurate about tax liabilities. This provides for a relationship based on trust and cooperation between Irish Revenue and large businesses where both parties work together to achieve the highest possible level of tax compliance.

GRI
201-4

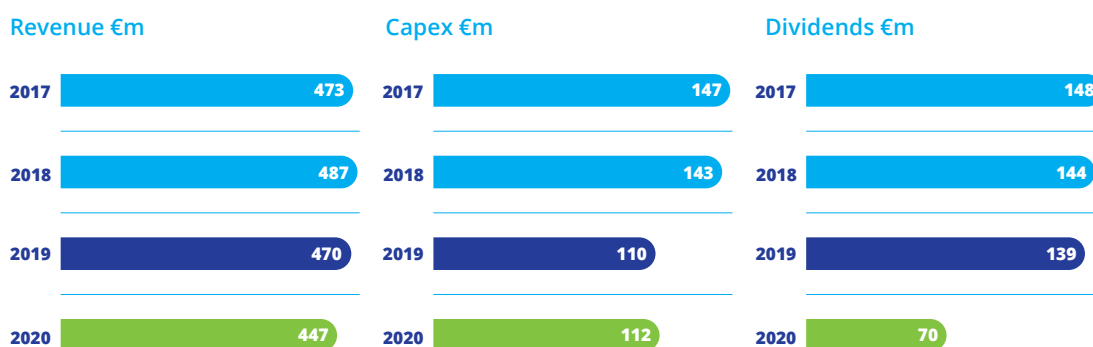
Financial Assistance received

To support the development of our capital investment programme we apply for grant funding where applicable. The following grants were received from the Innovation and Networks Executive Agency in 2020:

- €7.1m was received to assist with the funding of the twinning project (a 50km section of pipeline twinning the South West Scotland onshore pipeline to improve security of supply).
- A further €0.8m was received for the development of the CNG network under the Causeway and Green Connect schemes.
- A grant for €0.1m in relation to the development of policies, procedures and training within IT.

Economic

Financial review



Summary Income Statement

	2020 €m	2019 €m
Revenue	447	470
Operating costs	(182)	(186)
EBITDA	265	284
Depreciation and amortisation	(138)	(139)
Finance costs	(17)	(19)
Profit before income tax	111	127
Distributions paid to shareholder	70	139

Revenue

Revenue was €447m for the year to December 31st 2020, decreasing by €23m compared to 2019. This decrease was primarily driven by over-recoveries of revenue in prior years and lower pass-through revenues. Lower gas demand also contributed to the decrease in revenues. This was primarily due to high wind levels in the first quarter of 2020, and to a lesser extent due to COVID-19 related demand factors, as a result of the reduction in economic activities.

Operating Costs

Operating costs of €182m are €4m lower than 2019. This is primarily due to lower gas commodity costs to run the gas infrastructure.

Depreciation

Depreciation and amortisation of €138m is broadly aligned with prior year.

Profit before Income Tax

Profit before tax decreased by €16m to €111m for 2020 due to:

- Lower EBITDA of €19m, partly offset by lower depreciation charges of €1m
- Lower finance costs of €2m, primarily due to lower financing costs and the reduction in debt during 2020.

Dividends

A dividend of €70m was paid in 2020, €47m relating to the annual dividend and a special dividend of €23m relating to the sale of the Bord Gáis Energy business. The annual dividend is based on 45% of Ervia's profit before certain exceptional items.

Summary Balance Sheet

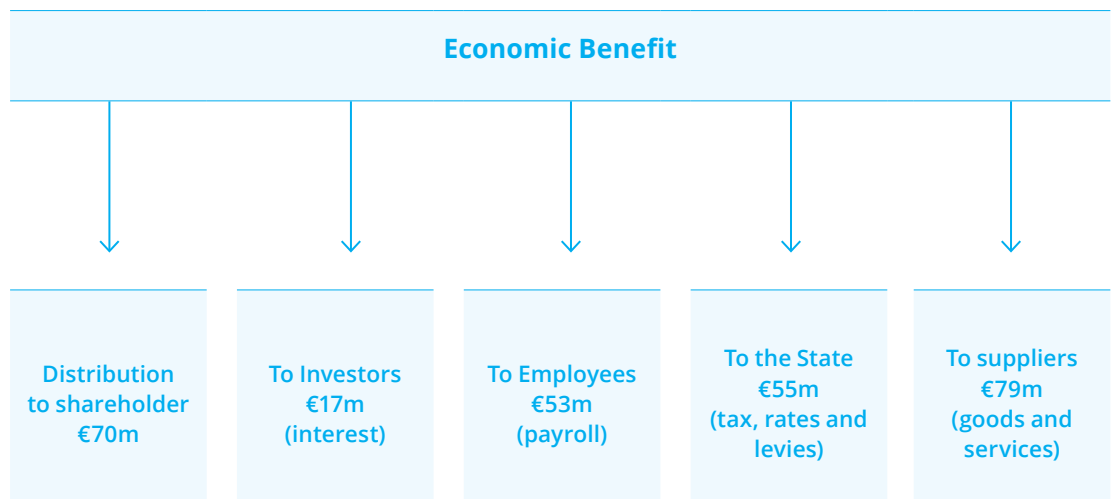
	2020 €m	2019 €m
Infrastructure assets	2,507	2,550
Other assets	204	223
Total assets	2,711	2,772
Borrowings and other debt	(1,138)	(1,190)
Other liabilities	(466)	(518)
Total liabilities	(1,604)	(1,708)
Net assets	1,107	1,064
Net debt	(1,037)	(1,074)

Economic Impact

Our aim is to deliver an excellent, efficient and cost-effective service that benefits all customers.

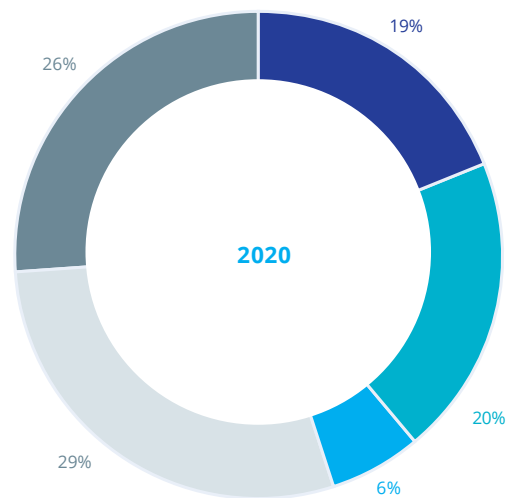
Value Added Statement

We create economic benefit for our employees, shareholders, contractors, partners and investors. Some of the value created is retained in the organisation to maintain and replace assets. In 2020, we retained €43m of profits for reinvestment.



Distribution of Value

- To employees as remuneration and other benefits
- Tax, local authority rates and regulatory levies
- Finance costs
- Suppliers
- Distribution to shareholder



Global Reporting Initiative (GRI) content list

GRI standard	Disclosure required of GRI	Section where disclosure is provided
GRI 101: Foundation 2016		
General disclosures		
1. Reporting principles	Organizational profile	
	1.1: Stakeholder inclusiveness - The reporting organization shall identify its stakeholders and explain how it has responded to their reasonable expectations and interests.	Our Sustainability strategy Stakeholder engagement Materiality assessment
	1.2: Sustainability context - The report shall present the reporting organization's performance in the wider context of sustainability.	Our Sustainability strategy Materiality assessment
	1.3: Materiality - The report shall cover topics that: - reflect the reporting organization's significant economic, environmental, and social impacts; or - substantively influence the assessments and decisions of stakeholders	Our Sustainability strategy Materiality assessment
	1.4: Completeness - The report shall include coverage of material topics and their boundaries, sufficient to reflect significant economic, environmental, and social impacts, and to enable stakeholders to assess the reporting organization's performance in the reporting period.	Materiality assessment Environment Social Economic
	1.5: Accuracy - The reported information shall be sufficiently accurate and detailed for stakeholders to assess the reporting organization's performance	Our Sustainability strategy
	1.6: Balance - The reported information shall reflect positive and negative aspects of the reporting organization's performance to enable a reasoned assessment of overall performance.	Risk management
	1.7: Clarity - The reporting organization shall make information available in a manner that is understandable and accessible to stakeholders using that information.	Table of contents - Web format split between: GNI Sustainability Report Environment Social Economic
	1.8: Comparability - The reporting organization shall select, compile, and report information consistently. The reported information shall be presented in a manner that enables stakeholders to analyse changes in the organization's performance over time, and that could support analysis relative to other organizations.	Table of contents - Web format split between: GNI Sustainability Report Environment Social Economic
	1.9: Reliability - The reporting organization shall gather, record, compile, analyse, and report information and processes used in the preparation of the report in a way that they can be subject to examination, and that establishes the quality and materiality of the information.	Our Sustainability strategy
	1.10: Timeliness - The reporting organization shall report on a regular schedule so that information is available in time for stakeholders to make informed decisions.	Materiality assessment GRI 102 – 52 reporting cycle Our sustainability report is published annually
GRI 102: General disclosures 2016		
GRI 102: General disclosures 2016	Organizational profile	
	102-1 Name of the organization	Gas Networks Ireland
	102-2 Activities, brands, products, and services	Who we are
	102-3 Location of headquarters	Materiality assessment GRI 102 – 3 Our headquarters are based in Gasworks Road, Cork, T12 RX96
	102-4 Location of operations	Who we are

GRI standard	Disclosure required of GRI	Section where disclosure is provided
	102-5 Ownership and legal form	Governance structure
	102-6 Markets served	Who we are
	102-7 Scale of the organization	Business model
	102-8 Information on employees and other workers	Who we are
	102-9 Supply chain	Who we are
	102-10 Significant changes to the organization and its supply chain	Who we are
	102-11 Precautionary principle or approach	Risk management Who we are
	102-12 External initiatives	Energy management Government's public sector monitoring and reporting (PSMR) initiative.
	102-13 Membership of associations	GHG emissions management Business in the Community
	Strategy	
	102-14 Statement from senior decision-maker	Managing Directors Introduction
	102-15 Key impacts, risks, and opportunities	Our Sustainability strategy
	Ethics and integrity	
	102-16 Values, principles, standards, and norms of behaviour	Strategic framework
	102-17 Mechanisms for advice and concerns about ethics	Our taxation policies Customer
	Governance	
	102-18 Governance structure	Governance structure Sustainability steering committee
	102-19 Delegating authority	Governance structure Sustainability steering committee
	102-20 Executive-level responsibility for economic, environmental, and social topics	Governance structure Sustainability steering committee
	102-21 Consulting stakeholders on economic, environmental, and social topics	Materiality assessment Stakeholder inclusiveness
	Stakeholder engagement	
	102-40 List of stakeholder groups	Stakeholder engagement
	102-41 Collective bargaining agreements	Workplace - collective bargaining
	102-42 Identifying and selecting stakeholders	Stakeholder engagement
	102-43 Approach to stakeholder engagement	Stakeholder engagement
	102-44 Key topics and concerns raised	Stakeholder engagement
	Reporting practice	
	102-45 Entities included in the consolidated financial statements	Financial review
	102-46 Defining report content and topic Boundaries	Materiality assessment
	102-47 List of material topics	Materiality assessment
	102-48 Restatements of information	Materiality assessment GRI 102 - 48 restatement of information No restatement of the 2019 report was made.

Global Reporting Initiative (GRI) content list

GRI standard	Disclosure required of GRI	Section where disclosure is provided
	102-49 Changes in reporting	Materiality assessment GRI 102 – 49 changes in reporting There are no significant changes in the list of material topics and topic boundaries compared to previous reporting periods.
	102-50 Reporting period	Materiality assessment GRI 102 – 50 reporting period The reporting period covered in this report is January 2020 to December 2020.
	102-51 Date of most recent report	Materiality assessment GRI 102 – 51 date of most recent report Our most recent sustainability report covered the 2019 period this report covers our 2020 performance
	102-52 Reporting cycle	Materiality assessment GRI 102 – 52 reporting cycle Our sustainability report is published annually
	102-53 Contact point for questions regarding the report	Materiality assessment GRI 102 – 53 contact point Any queries related to this report can be sent to Anne Moore, Sustainability Manager, sustainability@gasnetworks.ie
	102-54 Claims of reporting in accordance with the GRI Standards	Materiality assessment GRI 102 – 54 GRI reporting This report has been prepared in accordance with GRI standards: core option
	102-55 GRI content index	Materiality assessment
	102-56 External assurance	Materiality assessment GRI 102 – 56 external assurance Our 2020 Sustainability Report has not been externally assured.
Material topics		
200 series (Economic topics)		
Economic performance		
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	Economic section
	103-2 The management approach and its components	Economic section
	103-3 Evaluation of the management approach	Economic section
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	Economic impact Local communities
Indirect economic impacts		
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	Managing Director's introduction, Our Sustainability priorities, Highlights, Investing in our future, Innovation
	103-2 The management approach and its components	Managing Director's introduction, Our Sustainability priorities, Highlights, Investing in our future, Innovation
	103-3 Evaluation of the management approach	Managing Director's introduction, Our Sustainability priorities, Highlights, Investing in our future, Innovation

GRI standard	Disclosure required of GRI	Section where disclosure is provided
GRI 203: Indirect economic impacts 2016	203-1 Infrastructure investments and services supported	Managing Director's introduction, Our Sustainability priorities, Highlights, Investing in our future, Innovation
	203-2 Significant indirect economic impacts	Economic Vision 2050 Economic impact
Tax		
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	Our taxation policies
	103-2 The management approach and its components	Our taxation policies
	103-3 Evaluation of the management approach	Our taxation policies
GRI 207: Tax 2019	207-1 Approach to tax	Our taxation policies
	207-2 Tax governance, control, and risk management	Our taxation policies
	207-3 Stakeholder engagement and management of concerns related to tax	Relationships with tax authorities
300 series (Environmental topics)		
Energy		
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	Climate action Energy management
	103-2 The management approach and its components	Climate action, Energy management
	103-3 Evaluation of the management approach	Climate action, Energy management
GRI 302: Energy 2016	302-3 Energy intensity	Energy management
	302-4 Reduction of energy consumption	Energy management
Water		
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	Water reduction and management
	103-2 The management approach and its components	Water reduction and Management
	103-3 Evaluation of the management approach	Water reduction and management
GRI 303: Water and effluents 2018	303-5 Water consumption	Water Reduction and Management
Biodiversity		
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	Enhancing biodiversity
	103-2 The management approach and its components	Enhancing biodiversity
	103-3 Evaluation of the management approach	Enhancing biodiversity
GRI 304: Biodiversity 2016	304-3 Habitats protected or restored	Enhancing biodiversity
Emissions		
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	GHG emissions management
	103-2 The management approach and its components	Low carbon pledge
	103-3 Evaluation of the management approach	GHG emissions management

Global Reporting Initiative (GRI) content list

GRI standard	Disclosure required of GRI	Section where disclosure is provided
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	GHG emissions management
	305-2 Energy indirect (Scope 2) GHG emissions	GHG emissions management
	305-3 Other indirect (Scope 3) GHG emissions	GHG emissions management
	305-4 GHG emissions intensity	GHG emissions management
Effluents and waste		
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	Waste reduction and waste management
	103-2 The management approach and its components	Waste reduction and waste management
	103-3 Evaluation of the management approach	Waste reduction and waste management
GRI 306: Waste and effluents 2016	306-2 Management of significant waste-related impacts	Waste reduction and waste management
Environmental Compliance		
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	Environment
	103-2 The management approach and its components	Environment
	103-3 Evaluation of the management approach	Environment
GRI 307: Environmental compliance 2016	307-1 Non-compliance with environmental laws and regulations	Environment
400 series (social topics)		
Employment		
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	Employability, Workplace
	103-2 The management approach and its components	Employability, Workplace
	103-3 Evaluation of the management approach	Employability, Workplace
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Workplace
Labor/management relations		
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	Employability, Workplace
	103-2 The management approach and its components	Employability, Workplace
	103-3 Evaluation of the management approach	Employability, Workplace
GRI 402: Labor/management relations 2016	402-1 Minimum notice periods regarding operational changes	Workplace
Occupational health and safety		
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	Workplace - occupational health and safety
	103-2 The management approach and its components	Workplace
	103-3 Evaluation of the management approach	Workplace - occupational health and safety
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	Workplace
	403-2 Hazard identification, risk assessment, and incident investigation	Hazard identification, Risk Assessment and Incident Investigation
	403-3 Occupational health services	Workplace
	403-4 Worker participation, consultation, and communication on occupational health and safety	Worker participation, Consultation and Communication
	403-5 Worker training on occupational health and safety	Worker training on Occupational health and safety

GRI standard	Disclosure required of GRI	Section where disclosure is provided
	403-6 Promotion of worker health	Workplace
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Principal risks and uncertainties
	403-8 Workers covered by an occupational health and safety management system	Workplace
Training and education		
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	Workplace
	103-2 The management approach and its components	Workplace
	103-3 Evaluation of the management approach	Workplace
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	Training and education
	404-3 Percentage of employees receiving regular performance and career development reviews	Performance reviews
Diversity and equal opportunity		
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	Diversity and inclusion
	103-2 The management approach and its components	Diversity and inclusion
	103-3 Evaluation of the management approach	Diversity and inclusion
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	Diversity and inclusion
Local communities		
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	Community
	103-2 The management approach and its components	Community
	103-3 Evaluation of the management approach	Community - 2020 key Performance indicators
GRI 413: Local communities 2016	413-2 Operations with significant actual and potential negative impacts on local communities	Operations with significant actual and potential negative impacts on local communities
Customer health and safety		
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	Customer health and safety
	103-2 The management approach and its components	Customer health and safety
	103-3 Evaluation of the management approach	Customer health and safety
GRI 416: Customer health and safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Downstream gas incidents and non-compliances
Customer privacy		
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	Data protection and customer privacy
	103-2 The management approach and its components	Data protection and customer privacy
	103-3 Evaluation of the management approach	Data protection and customer privacy
GRI 418: Customer privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Data protection and customer privacy

