Sustainability in Action 2022

Gas
Networks
Ireland

Cover Image: Bee Orchid, Ophrys apifera, Magairlín na mbeach

As a result of reduced mowing during No Mow May, the rare and spectacular bee orchid made an appearance at our Dublin office. The bee orchid features a distinctive bee-like lower lip between pink sepals which mimics both the scent and appearance of females of a select few species of solitary bee. This attracts male bees hoping to mate, who instead help to pollinate the orchid. See our Biodiversity Action Plan on page 21 to read more.

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Cathal Marley
Chief Executive Officer

Welcome to Gas Networks Ireland's 2022 sustainability report, 'Sustainability in Action'. This is our fifth sustainability report, aligned to the Global Reporting Initiative (GRI) standard. Our sustainability strategy has three pillars, Environment, Social and Governance, 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 aim to deliver a safe, consistently excellent, efficient and cost-effective energy 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 a least cost, safe and secure manner. Our principal activity is the transportation of natural gas on behalf of over 713,000 business and residential gas customers regardless of which gas supply companies they choose.

We attach great importance to ensuring that our investment policies are aligned to the national strategic outcomes outlined in the National Development Plan 2021–2030, the Climate Action Plan 2023 and the Government's wider energy policy. I am personally very conscious of the importance of balancing economic objectives such as profitability and shareholder value creation, alongside socio-economic and environmental objectives, in order to promote sustainable long-term growth.

The gas network is the ideal partner for renewable energies such as wind and solar. The large energy storage capability and flexibility of the network mean it can ramp up to meet high heat demand during extreme cold periods, or it can provide extra fuel for power generation when the wind doesn't blow. The gas network's ability to respond to changing profiles is an increasing important feature for the electricity grid as the penetration of intermittent renewable electricity generation continues to grow.

I am delighted to share that through our ongoing commitment to sustainability, we achieved a B rating in the Carbon Disclosure Project (CDP). In addition, we won Best ESG Campaign or Case Study to Improve Education or Access to Education at the ESG Awards, won the 'Public Sector' category at the 2022 Health & Safety Excellence Awards for our public safety campaigns, and won Green Public Sector Organisation of the year at the 2022 Green Awards.

In response to the invasion of Ukraine we worked closely with National Gas (formerly National Grid) and with other Transmission System Operators across Europe to monitor gas security of supply. We carried out a number of emergency exercises to test the resilience of the network. Our robust and tested procedures ensured that Ireland's essential gas network continued to operate safely and without interruption throughout 2022.

Chief Executive Officer's introduction

Action 169 from Ireland's Climate Action Plan 2021 aims to "Develop Renewable Gas in the Gas Grid". One of the steps identified as necessary for delivery of this action is to "test the technical feasibility of safely injecting green hydrogen blends in the gas grid" with a proposed output of a "completed assessment of the impacts on network operation, integrity, and end-users' appliances" by the end of Q4 2022. This action was assigned to Gas Networks Ireland, as the operator of Ireland's natural gas network.

Over the course of 2022, Gas Networks Ireland, assisted by global energy consultancy DNV, undertook technical assessments of our assets, processes, procedures and arrangements and a review of international studies and trials. In December 2022, Gas Networks Ireland submitted our technical and safety feasibility study report on injecting green hydrogen blends into Ireland's gas network which indicated that it will be both safe and feasible to utilise the existing gas network to transport blended hydrogen. However, before injecting hydrogen into the network, further detailed research will be required.

Finally, and most importantly, I would like to express my sincere gratitude to all our staff and delivery partners for their hard work and commitment to sustainability. I am proud of our achievements and the progress we made in 2022.

Cathal Marley
Chief Executive Officer

Report Structure

Gas Networks Ireland's sustainability strategy was framed using the three pillars of sustainability, economic, environment and social. Following 2022 review we moved to the pillars Environment, Social and Governance, or ESG.

Gas Networks Ireland have reduced the size of our sustainability report this year to minimise print volume and support the environment. For more information on the below topics, (included in previous editions of our sustainability report), please see our annual report.

- Factors Influencing Value Creation
- Business Model
- Operating Performance
- Financial Review

2022 sustainability achievements

Won 2022 Green Public Sector Organisation of the Year

Won the 'Public Sector' category at the 2022 Health & Safety Excellence Awards for our public safety campaigns

Won the Gas Safety Award at the Institute of Gas Engineers and Managers (IGEM) Gas Industry Awards for our carbon monoxide public safety campaign

Winner of Best ESG Campaign or Case Study to Improve Education or Access to Education and shortlisted for Sustainability Report of the Year at the ESG Awards – a global awards contest showcasing the best ESG performance in line with the UN's 17 Sustainable Development Goals

CDP climate change score B

CDP supplier engagement rating A-
We took part in the Carbon Disclosure Project (CDP) for the third time, maintaining our B rating which demonstrates our commitment to continuously improving our carbon performance year on year and to taking coordinated action on climate change

Supported 59 community projects
and provided over €205,000 in financial support to local communities

Continued the 'Hot Spot' programme with Leave no Trace Ireland at Turvey Nature Reserve and Rogerstown Estuary, Co Dublin

Developed our biodiversity strategy and Biodiversity Action Plan to support the National Biodiversity Action Plan

Delivered our Hydrogen Technical and Safety Feasibility Report to the Department of the Environment, Climate and Communications

Responsibly certified
Five ISO Management Systems – ISO14001, ISO50001, ISO45001, ISO9001 and ISO55000 Recertified to the Business Working Responsibly Mark which is aligned to the Social Responsibility Standard ISO26000

2022 sustainability achievements

Published our fourth annual sustainability report highlighting progress in implementing the principles of the UN Sustainable Goals and aligned to the Global Reporting Initiative standard for sustainability reporting

Presented our Sustainability Strategy at the All-Ireland Sustainability Summit and presented our Biodiversity Strategy at the 2022 National Biodiversity Conference

Delivered a **Reduce Your Use campaign** in our offices in collaboration with SEAI and OPW

Developed Landscaping for Biodiversity guidelines to enhance biodiversity at Gas Networks Ireland sites

Successfully obtained our first afforestation licence enabling the planting of more than 15,000 native Irish tree species at our Baldrumman AGI, alongside the three ponds constructed allowing the local flora and fauna to flourish supporting our Biodiversity commitments.

Achieved a 52% improvement in energy intensity for our offices and fleet, from our energy efficiency baseline

Research and development towards a cleaner energy future for Ireland commenced at the Network Innovation Centre in Citywest, Dublin. Together with our research partners from academia and industry, we're collaborating to ensure the safety and operability of the Irish Gas Network when transporting a blend of hydrogen and methane

We transported 41 GWh of biomethane in 2022

Our reportable Lost Time Incident Frequency Rate was 0.23 (the number of lost time injuries resulting in >1 day absence occurring per 100k hours worked).

Our history and sustainability journey

1970s
number of staff: **32**

Pre 1970s, "town gas" was produced from coal at local gasworks sites and was used primarily for streetlamps.

First gas street lamp

1971
The Glomar North Sea exploration ship finds gas off the south coast of Ireland.

1976
The Gas Act establishes Bord Gáis Éireann as the State Gas Development Agency. The new semi-state replaces a series of private sector small town-based gas companies.

1978
Natural gas first brought ashore through a sub-sea pipeline at Inch in Co Cork.

1980s
number of staff: **99**

The Clayton Gas Holder, c1980s

1983
Gas pipeline from Cork to Dublin completed

Dublin Gas Company receives its first natural gas supplies and begins converting 120,000 customers to natural gas from town gas

Cork and Dublin Gas Companies fully acquired by Bord Gáis Éireann

1990s
number of staff: **905**

1990
Sale of natural gas appliances increases by 50% and gas sales to the industrial/ commercial sector increased by 15%

Dublin Gas Construction 1990s

1992
Work begins on the first subsea interconnector and a major compressor station was under construction in south-west Scotland to increase supply of gas to Ireland by 50%

Natural gas within reach of 550,000 homes in Ireland

2000s
number of staff: >**905**

2000
Aurora Telecom enters dark fibre market

2001
Second subsea interconnector approved by government

2002
Commission for Energy Regulation established, and significant transmission network extension projects are undertaken to bring gas to the west of Ireland for the first time

Bord Gáis Éireann

Our history and sustainability journey

2010s
number of staff: **1000**

2014
Following the sale of Bord Gáis Energy, Bord Gáis Éireann is rebranded to Ervia – Ireland's first multi-utility company

2015
Bord Gáis Networks rebranded to Gas Networks Ireland and becomes a separate subsidiary

2016
BWR Mark achieved

Ervia   Gas Networks Ireland

2018
First Sustainability Report published

2019
Ireland begins its journey to a net zero carbon gas network, with the introduction of domestically produced renewable biomethane onto the national network

Sustainability strategy developed and sustainability team established

2020s
number of staff: **1600** 2022~**750**

Additional CNG stations opened

2020
First CDP rating of B- achieved

2021
Two additional public CNG stations opened at Ballysimon Road, Co Limerick and Clonshaugh, Co Dublin; there are now four publicly accessible, fast-fill CNG stations in the country

Today
Over 713,000 Irish homes and businesses, including power generation and many of the country's largest industries rely on gas for electricity, heating and transport

Future

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 CNG refuelling station targets

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

2050 Net-zero national gas network realised for Ireland

Key Performance Indicators

		2022	2021
Environment	CDP Climate Change Rating	**B**	B
	CDP Supplier Engagement Rating	**A-**	A-
	GHG Emissions Scope 1 TCO_2e*[1]	**186,586**	186,156
	GHG Emissions Scope 2 TCO_2e*[2] Office and fleet	**3,067**	2,573
	GHG Emissions Scope 3 TCO_2e*[3]	**3,157**	7,103
	PSMR Energy Efficiency Target of 33% - exceeded	**52%**	52%
	Biomethane transported by Gas Networks Ireland GWh	**41**	5
Biodiversity	Native Irish Trees Planted	**1,180**	0
	Eligible AGIs piloting grassland management*[4]	**14**	0
	Eligible Offices with grassland management*[5]	**4**	2
	Baseline score measurement on our AGIs	**10**	0
Social	Charitable donations	**€202,672**	€158,778
	In kind donations	**€74,000**	€40,160
	Employee fundraising	**€18,091**	€15,553
	Social impact hours	**44,745**	55,972
	Employee volunteer hours	**618**	890
	Employees volunteering on programmes	**1 in 8**	1 in 6
Safety	Total Lost Time Incident Frequency Rate – Employees (>1 day absence #/100k hours*)	**0.23**	0.0
	Emergency Response	**28 minutes**	29 minutes
Customer	Customer Service – First Contact Resolution	**94%**	91%
Employee	Training Days	**833**	1034
	D&I Male to Female Ratio	**1.9 to 1**	**2.6 to 1**
Economic	Credit Rating Moody's	**A2**	A2 Stable
	EBITDA	**€224m**	€245m
	New Connections (volume contracted GWh)	**2,940**	848

Notes:
1. GHG Emissions Scope 1 TCO_2e
The production of gas at the Corrib gas field is now declining and we are increasingly reliant on our compressor stations in Scotland. These compressor stations increased our fuel gas requirements in 2020 and 2021 and caused an increase in carbon emissions. We have implemented a number of initiatives to improve our energy performance of our compressors and as part of our sustainability strategy several decarbonisation options are being appraised to further reduce our emissions and achieve our Low Carbon Pledge commitments.
2. GHG Emissions Scope 2 TCO_2e
The reductions in electricity use are partly due to improved energy efficiency measures across our operations and offices.
3. GHG Emissions Scope 3 TCO_2e
Our scope 3 emissions have increased slightly from 2020 to 2021 due to increased scope and accuracy of GHG reporting by suppliers and increased traveling by staff following COVID restrictions in 2020.
4. Of our approximately 200 AGIs, 24 have potential for grassland management.
5. Gas Networks Ireland has six office locations.

2022 business highlights

	GAS	WIND	COAL		GAS	WIND	COAL		GAS	WIND	COAL
January	Total 45% Peak 74% Low 12%	Total 33% Peak 76% Low 1%	Total 14% Peak 25% Low 6%	**May**	Total 53% Peak 88% Low 24%	Total 33% Peak 69% Low <1%	Total 5% Peak 13% Low 2%	**September**	Total 55% Peak 81% Low 16%	Total 25% Peak 74% Low <1%	Total 11% Peak 21% Low 4%
February	Total 28% Peak 60% Low 10%	Total 53% Peak 77% Low 8%	Total 11% Peak 22% Low 5%	**June**	Total 57% Peak 86% Low 15%	Total 30% Peak 77% Low 1%	Total 5% Peak 15% Low 2%	**October**	Total 39% Peak 79% Low 15%	Total 45% Peak 75% Low <1%	Total 7% Peak 23% Low 3%
March	Total 41% Peak 77% Low 8%	Total 33% Peak 76% Low 0%	Total 14% Peak 28% Low 4%	**July**	Total 64% Peak 87% Low 24%	Total 21% Peak 62% Low <1%	Total 10% Peak 19% Low 0%	**November**	Total 45% Peak 83% Low 12%	Total 39% Peak 76% Low <1%	Total 6% Peak 19% Low <1%
April	Total 52% Peak 89% Low 17%	Total 32% Peak 75% Low <1%	Total 6% Peak 22% Low 2%	**August**	Total 64% Peak 92% Low 20%	Total 19% Peak 71% Low 0%	Total 10% Peak 21% Low 0%	**December**	Total 45% Peak 73% Low 11%	Total 33% Peak 76% Low 1%	Total 12% Peak 26% Low 5%

Highest monthly totals highlighted
Peak & Low – based on 15-minute resolution figures

Gas remained the backbone of Ireland's energy mix

In 2022 gas generated 48% of Ireland's electricity a 2% change from 2021. Wind's share of electricity generation increased from 29% in 2021 to 38% in 2022, and coal's generation fell from 11% in 2021 to 9% in 2022. At their peak, gas and wind powered up to 92% and 77% of Ireland's electricity needs respectively, but the intermittent nature of wind saw it drop lower than 1% at times, while the contribution of gas didn't drop below 8% during 2022. Coal provided as much as 28%.

Increased volumes of biomethane on the network

The volume of indigenously produced biomethane seamlessly flowing into Ireland's gas network at the country's only purpose-built gas injection facility in Cush, Co. Kildare saw an eight-fold increase to 41 GWh in 2022 versus 2021.

Renewable gas certification scheme launched

We were appointed as the body responsible for issuing Guarantees of Origin for renewable gases in line with European Union (Renewable Energy) Regulations 2022 and in accordance with a supervisory framework to be established by the Commission for Regulation of Utilities. Producers of renewable gas will be issued with a Guarantee of Origin for every megawatt hour of renewable gas injected into Ireland's national gas network.

Award Winning STEAM education programmes

Over the past 13 years, more than 400 of our employees have volunteered to facilitate and deliver STEAM (Science, Technology, Engineering, Arts, and Maths) education to over 30,000 primary students nationwide. These programmes include Energize - a programme to encourage sixth class pupils to continue science subjects in second level education, Time to Count – a numeracy support primary school programme, and the World of Work education and career support secondary school programme. In recognition of our STEAM programmes we were named as the winner of the 'Best ESG Campaign or Case Study to Improve Education or Access to Education' at the ESG awards in 2022.

Hydrogen research

At our Network Innovation Centre in west Dublin, we have been working with University College Dublin's Energy Institute (UCDEI) to understand the full potential of hydrogen and ensure Ireland's gas network is capable of safely transporting and storing this vital carbon free gas. In November 2022, a report on the findings of the initial part of our research into testing blends of hydrogen and natural gas was published, proving that Irish domestic appliances can operate on blends of 20% hydrogen and reduce emissions. Together with our research partners from academia and industry, we're collaborating to ensure the safety and operability of the Irish Gas Network when transporting a blend of hydrogen and methane.

Natural gas

20% hydrogen blend

2022 business highlights

Green Public Sector Organisation of the year 2022

Following another successful year delivering on our holistic sustainability programme, we were named the Green Public Sector Organisation of the Year at the 2022 Green Awards. This was our third time to win at these awards, at what is seen by many as Ireland's leading environmental event for businesses. Judges examined all aspects of the business including waste management, biodiversity, use of green suppliers or materials, transport, energy and water efficiencies, staff engagement and community involvement.

New connections

A total of 420 small-to-medium enterprises, 33 large industrial customers, over 2,300 homes and 13 apartment blocks contracted to be connected to the gas network in 2022. A total of over 6,200 new connections were completed in 2022.

- 2,851 GWh - 33 large industrial users
- 51 GWh - 420 commercial businesses
- 23 GWh – 1,935 mature homes
- 3 GWh – 364 new homes
- 12 GWh – 13 new apartment blocks.

Responding within the hour, every hour

In 2022 we responded to 14,550 suspected gas escapes, carbon monoxide issues and incidents with an average response time of 28 minutes.

€133m investment in Ireland's gas network as it transitions to a cleaner energy future

Ireland's gas network is already delivering for Ireland, supporting the transition to a cleaner energy future. In line with our counterparts in the UK and Europe, our focus is also on transitioning our gas supply to renewable technologies such as biomethane and hydrogen.

Customer care

We continued to deliver an excellent experience on our customer journeys which saw our Net Promoter Score (a measure of how likely the customer is to recommend us to their friends/family) increase one point to +71 in 2022 and our Net Easy Score (a rating of how easy it was to interact with us) remain steady at 83 points.

Aurora Telecom

Aurora Telecom, our division which specialises in dark fibre and colocation services is now the carrier-neutral provider of choice to top global content and application providers. In 2022, we extended our national backhaul fibre network by over 10% and strengthened Ireland's international and digital footprint by continuing our significant capital expenditure to provide secure, resilient, dual-feed connectivity to both terrestrial and subsea cable networks that span to mainland Europe, as well as transatlantic to the United States

Response to the COVID-19 pandemic and energy crisis

Our COVID-19 controls remained in place at the beginning of 2022, and our robust and tested procedures ensured that Ireland's essential gas network continued to operate safely and without disruption. In March, employees returned to the office on a phased basis as we transitioned from our pandemic working arrangements to our hybrid working trial. In response to the energy crisis, we supported the Commission for Regulation of Utilities initiative to implement a general system wide moratorium on debt-related gas meter locks and disconnections during the pandemic and up until March 2023.

Hardware donations to Ukraine

Answering Ukraine's gas distribution and transmission system operators' calls for support, we worked with the Ukrainian authorities and the European Commission to, together with our main contractors, donate over €165,000 worth of vital equipment, hardware, fittings and materials to our Ukrainian counterparts to help them to repair and maintain their gas system.

Our sustainability strategy

Gas Networks Ireland 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 we operate in. We are proud of the fact that we are one of only 41 companies in Ireland to hold the Business Working Responsibly (BWR) mark and are committed to ensuring that sustainability is at the forefront of everything we do and help Ireland to reduce its carbon emissions.

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 network and the reduction of emissions across all sectors of Irish society. During 2022 we continued to embed sustainability across our business. Our sustainability strategy has three pillars, Environment, Social and Governance, and is aligned with the United Nations' Sustainable Development Goals. While we endeavour to support all 17 UN SDGs, we focus primarily on the six goals which align most closely with our strategic framework. We are committed to ensuring that sustainability is at the core of our business decisions and business strategy.

In 2022, we commenced the process to refine our sustainability strategy to ensure we are continuing to focus our attention in the right areas. As part of the process, we carried out a materiality assessment with our employees and external stakeholders.

These six of the 17 United Nations' Sustainable Development Goals are at the core of our Sustainability Strategy

Environment

7 AFFORDABLE AND CLEAN ENERGY

13 CLIMATE ACTION

Take urgent action to combat climate change and its impacts.

Ensure sustainable consumption and production patterns.

Social

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

3 GOOD HEALTH AND WELL-BEING

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

Ensure healthy lives and promote well-being for all at all ages.

Governance

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

8 DECENT WORK AND ECONOMIC GROWTH

Ensure access to affordable, reliable, sustainable and modern energy for all.
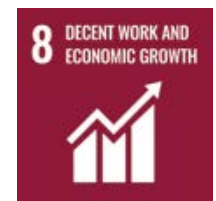
Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation.

Sustainability steering committee

Sustainability governance and resources

In 2020, we established a dedicated Sustainability team, which now sits within the Strategy and Regulation Department. The role of the Sustainability team is to drive sustainability initiatives across the business and report on our Sustainability performance.

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Asset Management Steering Committee ── Sustainability Steering Committee ── Climate Action Steering Committee
                                                │                                    │
                                                └──────────── Climate Action Sustainability Working Group
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The team reports to an overall Sustainability Steering Committee which consists of members from the Executive Management Team, including our Director of Strategy & Regulation, Director of Business Services, Director of People, Head of Commercial, Treasury & Risk, Head of Asset Delivery, Sustainability Manager & Asset Engineering Manager. The Sustainability team also reports to the Gas Networks Ireland Executive Team and Board and works closely with the Climate Action Steering Committee and the Asset Management Steering Committee.

Our sustainability team structure

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Gas Networks Ireland Board
            │
Gas Networks Ireland Executive Team
            │
Director of Strategy and Regulation
            │
    Sustainability Manager
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Environmental      Social          Sustainability
Sustainability   Sustainability    Best Practice
Manager          Manager           Engineer
   │
Sustainability Engineer
   │
Sustainability Engineer
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Our sustainability priorities

2020
- Established a sustainability strategy and team
- Took part in the Carbon Disclosure Project (CDP) for the first time with a B- rating
- Won the Sustainable Energy Achievement Award and the Green Large Organisation Award at the Green Awards
- Sustainability featured as key part of our new main contractor contract

2021
- Sustainability report aligned with Global Reporting Initiative standard
- Improved our CDP rating from B- to B
- Generated a methane emissions management plan
- Conducted a staff culture survey on sustainability
- Developed a Biodiversity Strategy and a Biodiversity Action Plan

2022
- Delivered the 2022 Gas Networks Ireland Biodiversity Action Plan objectives
- Maintained our CDP rating of B, and A- Supplier Engagement Rating
- Contributed to the first Business in the Community Diversity and Inclusion "Elevate Pledge" 2022 Report
- Produced our first Gender Pay Gap report
- Delivered the 2022 Gas Networks Ireland methane emissions plan
- Updated our Sustainability Strategy
- Ensured our sustainability goals successfully evolve in collaboration with our main contractors

2023-2024
- Continue to refine our sustainability strategy and objectives
- Continue to develop our Sustainability Reporting in line with GRI and best practice requirements
- Continue to develop and maintain ISO management systems
- Certify Aurora to ISO standards
- Obtain the Sustainable Procurement standard ISO2400 and implement the Gas Networks Ireland Sustainable Procurement Charter
- Work towards the new Corporate Sustainability Reporting Directive and participate in NewERA reporting requirements
- Deliver the 2023 Gas Networks Ireland Biodiversity Action Plan objectives
- Complete the 2023 CDP submission
- Contribute to the Business in the Community Diversity and Inclusion "Elevate Pledge" 2023 Report
- Develop and improve our Sustainability culture
- Deliver the 2023 Gas Networks Ireland methane emissions plan
- Continue to develop and report on sustainability KPIs including sustainability linked finance KPIs
- Complete a Materiality Assessment

2025
- Be recognised as a leader in sustainability
- Achieve an A rating in the CDP
- 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
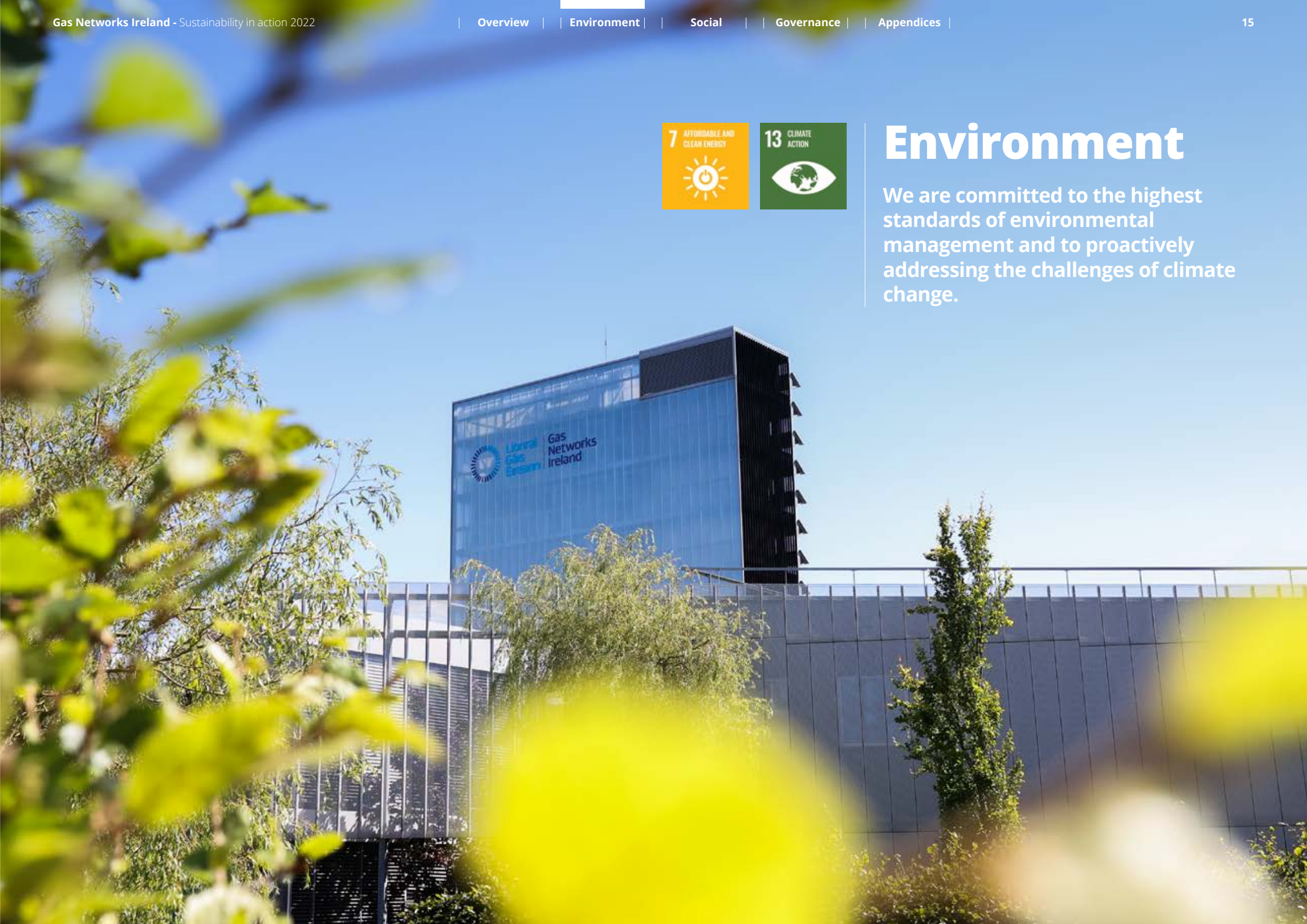- Deliver renewable gas targets on the network

2050

Net-zero national gas network realised for Ireland

Environment

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

Introduction

We continuously revise our approach to reducing the environmental impact of business activities, and our investment in leading asset management systems and processes contributes to enhanced network asset performance and energy efficiency. Significant milestones have been the implementation of an Environmental Management System (certified to ISO14001) in 2012, achieving the Energy Management System certification (ISO50001) in 2014 and being one of the first companies in the country to achieve the Asset Management System Standard ISO55001 in 2015.

To reduce our impact on the environment we have developed objectives in several areas including greenhouse gas/carbon emissions, energy use, biodiversity, 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 Greenhouse Gas (GHG) inventory was independently verified according to ISO14064-3:2019 specifications with guidance for the Validation and Verification of Greenhouse Gas Statements.

The sustainability team promotes an integrated and strategic approach to environmental and energy management across the business and our asset base. Bespoke in-house design toolkits and environmental guidance assist our designers, planners and operations colleagues to apply a standardised approach to environmental management.

Climate action

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

The gas network is crucial to Ireland's energy mix. Our vision is for a net zero carbon gas network by 2050, by replacing natural gas with renewable gases, such as carbon neutral biomethane made from agricultural and food waste and carbon free green hydrogen. Decarbonising the gas network will complement the development of renewable electricity, reduce emissions across all sectors of the economy including those that are traditionally difficult to decarbonise such as industry, agriculture and heavy transport, and further enhance the security and diversity of Ireland's energy supply.

The European Union, through its 2021 Climate Target Plan Impact Assessment, concluded that gas will continue to provide 20% of Europe's energy in 2050. The EU Energy System Integration stating that of this 20% "80% should be of renewable origin". We are currently working to meet the Government's 2022 Climate Action Plan (CAP) target of 5.7TWh/yr of biomethane on the national gas network by 2030, noting the Government's intent to explore opportunities to increase targets and further reduce emissions in the agri-food sector, which we believe is possible.

CNG

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.

Ireland's four publicly accessible, fast-fill CNG stations, form part of the developing national network of CNG stations aimed at providing clean fuel to the HGV sector. Strategically located to support prominent haulier routes, the state-of-the-art stations have the capacity to fill 70 Heavy Good Vehicles (HGVs) a day, with each fill taking no more than five minutes. These stations allow hauliers and fleet operators in the region to begin the journey to sustainable transport by switching their fuel from diesel to CNG today and ultimately transition to networked renewable gases, including biomethane and hydrogen, in the future.

CNG filling station

Climate action

Renewable gases

Biomethane

Biomethane is largely identical to natural gas, meaning that it can seamlessly replace gas in appliances, heating systems, transport and power generation. A renewable gas industry in Ireland would support the decarbonisation of the agricultural sector and provide significant opportunities to rural communities.

Following the seamless introduction of small volumes of biomethane into the network since 2019, Gas Networks Ireland was granted planning permission by An Bord Pleanála in December 2020 for a proposed development of a biomethane injection facility near Mitchelstown in Co. Cork. The time period for Judicial Review lapsed in February 2021 and the project land purchase was completed during 2021. The Mitchelstown CGI facility is part of the GRAZE Gas Project, which has been awarded funding by the Department of Environment, Climate and Communications under the Climate Action Fund. Gas Networks Ireland has operated a scheme for the issuance of electronic certificates to track Renewable Gas delivered to the Irish gas system. Input to the Statutory Instrument was submitted to the Department of Climate Communications and Environment in 2021.

Statutory Instrument number 350 of 2022 was signed into ROI legislation on 12 July 2022 by Eamon Ryan, Minister for the Environment, Climate and Communications. Article 25 of the Statutory Instrument appoints Gas Networks Ireland as the Issuing Body for Guarantees of Origin for Gas, produced from renewable sources, including hydrogen produced from renewable sources.

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 one of the safest and most modern gas networks in Europe. 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.

We continue to participate in a number of Irish and European gas fora and research initiatives, which are assessing how hydrogen could be transported using existing gas networks. We have built a distribution test network in our facility in Citywest, Dublin to allow us to test how blends of natural gas and hydrogen perform in the network and also with downstream appliances.

Anaerobic digestion facility

Climate action

Hydrogen case study

Investigating blends of hydrogen for use on the gas distribution system and for gas customers

Hydrogen is a carbon free flammable gas that can be produced from renewable electricity and is well suited to storage, making it an attractive option to decarbonise energy systems and a driver for a cleaner energy future for Ireland. Gas Networks Ireland's distribution pipes are ready to transport hydrogen, either at up to 20% blended with natural gas or pure hydrogen via repurposing parts of the network.

However, there are thousands of devices connected to the gas network in homes and businesses across Ireland, and any potential impact on their operation by the addition of hydrogen into the gas network needs to be considered. At the recently refurbished Network Innovation Centre in Brownsbarn, Citywest, Dublin, Gas Networks Ireland and the UCD Integrated Energy Lab carried out testing of blends of hydrogen and natural gas to evaluate the safety and reliability of operation of residential end-user devices connected to the Irish gas network over a range of hydrogen concentrations from 2% to 20%. Post 1996 gas appliances, including six condensing boilers, two gas fires, two gas cookers and two gas hobs, were tested in accordance with the Gas Appliance Directive/Regulations.

The study concluded the impact on appliance emissions to be positive (decreased Carbon Dioxide (CO_2), Carbon Monoxide (CO) and Nitrous Oxide (NOx) emissions) and the impact on appliance performance is generally very modest. For example, the time taken to boil one litre of water in steel kettles on a gas hob using natural gas versus a 20% hydrogen blend is 49 seconds, about a +12% increase in time.

Next steps will include testing of higher than 20% hydrogen blends and 100% hydrogen, testing industrial and commercial end-users' equipment, testing renewable hydrogen and biomethane blends, leakage and safety testing and further research of the natural gas customer appliance populations in the domestic and industrial / commercial sectors.

Climate action

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 a number of areas including air/carbon emissions, 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 Greenhouse Gas (GHG) inventory was independently verified according to ISO14064-3:2019 specifications with guidance for the Validation and Verification of Greenhouse Gas Statements.

The environmental team 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.

In 2022 we continued to focus on the areas of biodiversity, GHG emissions/carbon management, waste, energy and procurement.

Environmental performance

Any significant fines and non-monetary sanctions for non-compliance with environmental laws and/or regulations are demonstrated in the table below.

	2022
(i) Total monetary value of significant fines	0
(ii) Total number of non-monetary sanctions	0
(iii) Cases brought through dispute resolution mechanisms	0

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 AIE Officer by email to foi@gasnetworks.ie or via post at: AIE Officer, Gas Networks Ireland, Networks Services Centre, St. Margaret's Road, Finglas, Dublin 11. You 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 your name, address and any other relevant contact details
- State, in terms that are as specific as possible, the environmental information that you require
- If you require access to the environmental information in a particular form or manner, specify the form or manner of access desired.
- If possible, include a contact telephone number (to allow us to contact you to clarify your request, if necessary).

	2022
Access to Information on the environment requests made to Gas Networks Ireland	3

The Freedom of Information Act 2014 ("the FOI Act") also gives members of the public the right to access records held by public bodies and to seek reasons for decisions of FOI bodies. Requests can also be made by email to foi@gasnetworks.ie or via post at: FOI Officer, Gas Networks Ireland, Networks Services Centre, St. Margaret's Road, Finglas, Dublin 11, with the requirements above.

Biodiversity Action Plan

We have embraced our important role in promoting biodiversity awareness, not only among our colleagues but also in the communities where we work. 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. We also recognise the potential to create a network of pollinator friendly habitats across the country and to share our knowledge with other businesses.

Gas Networks Ireland are signatories of the government's biodiversity 'Seeds for Nature' Charter, pledging to manage all of our infrastructure, asset base and office locations (on the island of Ireland and in Scotland) in line with Biodiversity Best Practice and to strive to have a net gain impact on biodiversity across its operations by 2025 to support, scale up and fast-track the implementation of the National Biodiversity Action Plan. Gas Networks Ireland is a Partner of the All-Ireland Pollinator Plan which is a leading biodiversity initiative in Europe.

Our Biodiversity Action Plan, which is a key part of our Sustainability Strategy, outlines action to be taken by the business to help achieve its Biodiversity Commitments.

In 2022 we focussed on delivering 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 surveyed eleven more of our AGIs using our own Biodiversity Scoring Metric to establish the current biodiversity score and potential for improvement.

Managing for Biodiversity

Managing work that has the potential to impact on biodiversity is a key aspect of our approach to environmental management.

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. We delivered training to approximately 50 staff and contractors on dealing with Invasive Alien Species and also on how to implement Gas Networks Ireland's Landscaping for Biodiversity guidelines on our sites during design and construction project stages.

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.

Biodiversity Action Plan

A new Gas Networks Ireland Tree Felling and / or Hedge Cutting Permit has been implemented, to further protect biodiversity and wildlife on Gas Networks Ireland sites while allowing for essential activities. The new permit provides guidance to Gas Networks Ireland operational teams when they encounter scenarios where tree or hedge cutting is required. A mitigation hierarchy enables a development project to work towards "No Net Loss" of biodiversity and preferably, a "Net Gain".

Enhancing biodiversity

Biodiversity Research

Research is underway by the Irish Research Council, Dublin City Council and University College Dublin to examine the relative biodiversity and hydrological merits of different types of green roofs all around Dublin to inform sustainable planning and development. Lead Researcher Elena Spinelli (UCD) and Sean Rogers (DCC) visited every month setting traps and 'borrowing' soil cores to capture arthropods from above and below the soil. Already there have been very promising signs of biodiversity on the National Services Centre roof, which is of particular interest for the study because it has several types of green roofs (extensive, intensive) and is managed thinking of biodiversity while others are either not managed at all or managed only considering aesthetics. Furthermore, it has nearby ground sites that can be used as control which are also managed for biodiversity.

Enhancing Biodiversity

Our recently developed guidelines for Landscaping for Biodiversity at Gas Networks Ireland sites have been deployed in all new project designs where it is practical to do so, and also during operational works, for example, replanting hedgerows or trees. Using these guidelines, we have also commenced a number of biodiversity-focused projects at specific AGIs adding significant Biodiversity Net Gain, in line with the Gas Networks Ireland Biodiversity Action Plan. Examples are Ballygarraun in Galway and Baldrumman in north Dublin. We also produced a ten-year Biodiversity Action Plan for the ten Gas Networks Ireland assets in Scotland. This included a baseline biodiversity score measurement, a measure of the potential that can be achieved and a detailed plan on how to reach that potential for example by creating woodland edges and rides for deer.

Gas Networks Ireland began changing how grass was managed on our large grassed AGIs through our Civil and Landscaping contractors, to provide more food and shelter

A frog at our Baldrumman AGI

for vital pollinators. Our efforts were rewarded with the appearance of the rare bee orchid at our Dublin office, pictured on the front cover. We are continuing to look at grass management options in 2023 and are fully committed to delivering this important biodiversity goal. We have not impacted habitats such that restoration activities were necessary. In certain operations, for example on construction sites, rehabilitation planning forms part of our environmental management programme.

In 2023 Gas Networks Ireland plan to complete the remaining biodiversity baseline scores, to secure the grass-cutting regime nationwide for pollinators, to upgrade more Republic of Ireland sites for biodiversity, to improve biodiversity measures on the Northern Ireland and Isle of Man assets and to start delivering the Scottish Biodiversity Action Plan.

In 2022, we continued our support of Wildlife Management Services' birdlife conservation by sponsoring their Kestrel Project, having previously provided vital funds to assist in the establishment of the Laois Barn Owl Project. Our funding will provide nest sites, promote public awareness, and facilitate fieldwork to ensure breeding success.

We have also commissioned swift nesting boxes and a call system to be installed at our Cork office to support this vulnerable bird species. These nesting sites will be established ahead of the 2023 breeding season.

Promoting Biodiversity Awareness

We actively seek to promote biodiversity awareness in the community through education initiatives and publication sponsorship and engaged Midlands Science to conduct a workshop with primary school children during Biodiversity Week.

Students conducted experiments to learn about biodiversity and climate action – some of the activities included taking soil samples to compare sods from different parts of the school and using tools representing different types of beaks to assess the suitability of different bird beaks to eat different foods. Gas Networks Ireland's sponsorship of this initiative fosters an interest in STEAM and biodiversity in young people.

Kestrel chicks

Enhancing biodiversity

We also continued our annual sponsorship of the National Biodiversity Data Centre's sustainability supplement in the Irish Examiner. 2022's subject, "Getting to grips with Biodiversity", focused on driving awareness of Ireland's biodiversity and habitats, and the importance of conservation and species recording.

Managing for biodiversity

enviroplan

Number of above ground installations

200 approximately

Number of offices with biodiversity opportunities

6 in ROI

envirokit

Number of compressor stations

2 in Scotland

Km of pipeline

14,669

Landscaping for Biodiversity Guidelines

Natural Capital Accounting

Hedge and Tree-cutting Permit

Biodiversity Case study
Baldrumman Biodiversity Project

In 2022, Gas Networks Ireland undertook a large biodiversity project at our new Above Ground Installation (AGI) in Baldrumman near Lusk, Co Dublin. The objective of this project is to increase the biodiversity score at the site by providing several diverse habitats including wet meadows, ponds, hedgerows and bat corridors. Biodiversity was measured before the project including a bird survey to establish the biodiversity baseline. 1,180 native Irish woodland trees were planted. Three large ponds have been constructed and in November 2022 we were granted an Afforestation Licence to enable the project to be completed.

In 2023, we will plant over 14,000 native Irish woodland trees at the Baldrumman AGI. The site will be managed for wildlife by letting the woodland grow and protecting it from disturbance. Biodiversity scoring will be measured again in a few years to see how it has been affected by these changes.
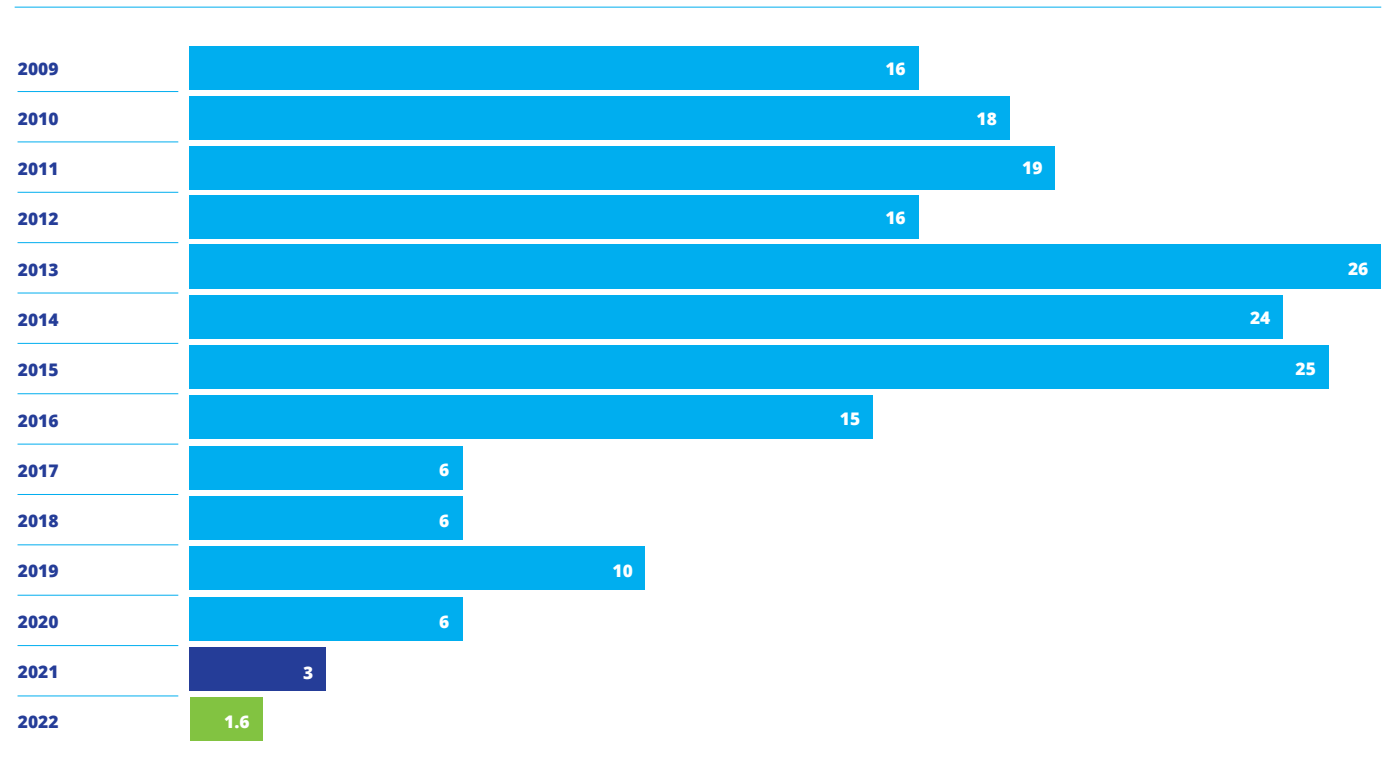
Baldrumman site map

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 and upgrading of offices.

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. We utilise internally sourced emission factors for both supply and treatment of water. We do not consume water from areas of water stress.

In 2022 we used 3,718,000 litres of water, resulting in our water consumption falling to 1.6 TCO_2e in 2022.

Our annual water consumption in TCO_2e

Year	Value
2009	16
2010	18
2011	19
2012	16
2013	26
2014	24
2015	25
2016	15
2017	6
2018	6
2019	10
2020	6
2021	3
2022	1.6

Waste reduction and management

We are committed to reducing our waste to landfill and the company's long-term target is to send zero waste to landfill by 2025. Monthly key performance indicators (KPIs) are recorded and reported.

All our waste suppliers are audited to assess operational best practice and to ensure adherence to Gas Networks Irelands standards. Our two main contractors who carry out work on our behalf also report monthly on their waste KPIs and are also striving to meet Gas Networks Ireland's target of zero waste to landfill by 2025.
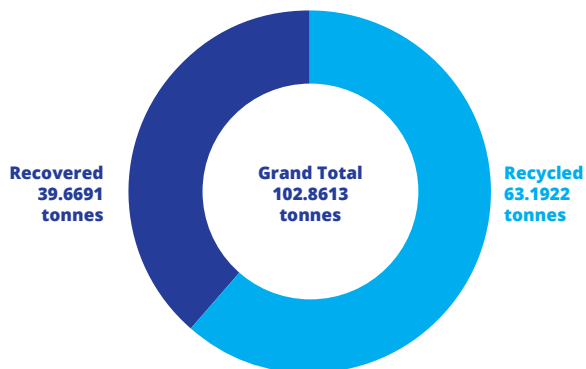
In 2022, the overall figure for recycling and recovery in our offices was 100%.

We monitor and report on waste from office locations. As well as site waste generated from our operations across the entire gas network in Ireland, we have regional office locations – headquarters in Cork, the Network Services Centre (NSC) in Dublin and smaller regional offices in Waterford, Limerick, Galway, Midleton and Brownsbarn Innovation Centre at Citywest.
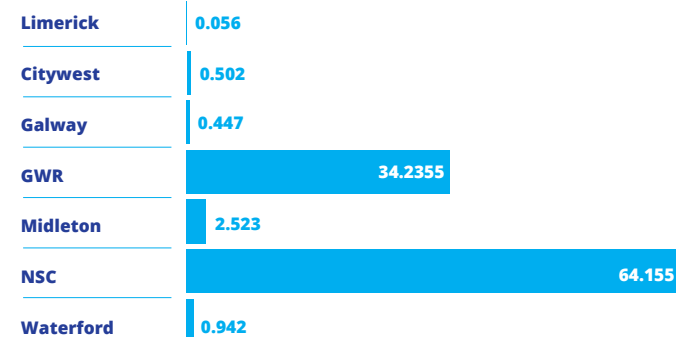
Our main office waste includes recycled paper, mixed packaging, compost, cardboard, glass, wood, metal, waste electrical goods, printer cartridges and plastic. Our operational waste includes plastic, metal, timber and waste electrical goods. We have management systems in place to dispose of hazardous and biological waste. Our waste data, including recycling rates, are calculated from waste collection documentation provided by our waste collection service provider.

Of the 102.9 Tonnes of waste produced in 2022, all of this waste was recycled or recovered. Our total carbon footprint associated with waste is 6.59 TCO_2e in 2022, an 841% increase on 2021. Increases in waste are related to the return of staff to office locations.

Recycled waste vs recovered waste

Recovered 39.6691 tonnes

Grand Total 102.8613 tonnes

Recycled 63.1922 tonnes

Office waste by location 2022 (Tonnes)

Location	Tonnes
Limerick	0.056
Citywest	0.502
Galway	0.447
GWR	34.2355
Midleton	2.523
NSC	64.155
Waterford	0.942

Annual waste managed (Tonnes)

Month	Tonnes
January	6.85
February	6.43
March	14.04
April	4.53
May	5.03
June	16.63
July	6.46
August	2.96
September	6.64
October	10.13
November	8.4
December	14.76
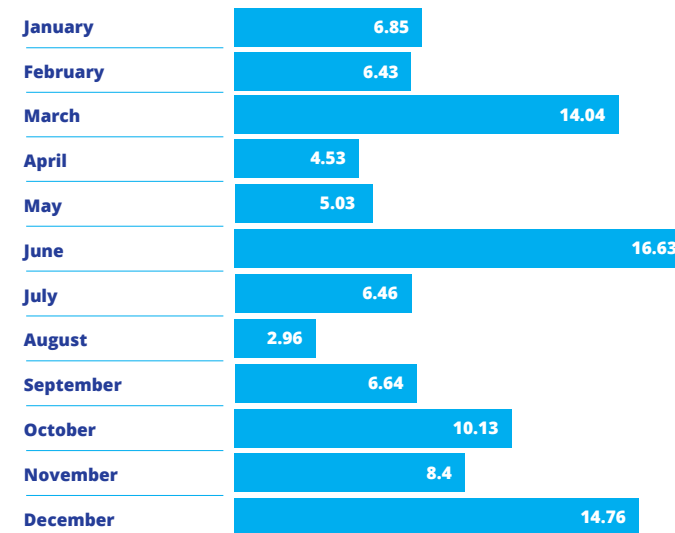
Waste Managed per Stream 2022 (tonnes)

Stream	Tonnes
Mixed Packaging	27.05
Bulky Waste	26.35
Metal	14.01
MSW Municipal Mixed	9.59
Plastic Packaging	6.46
Recy Confidential	7.17
Compost	4.43
Wood	4.38
Cardboard Packaging	2.0
WEEE	0.64
Haz Batteries	0.62
Glass	0.1
Packaging containing residues of or contaminated by hazardous substances	0.07
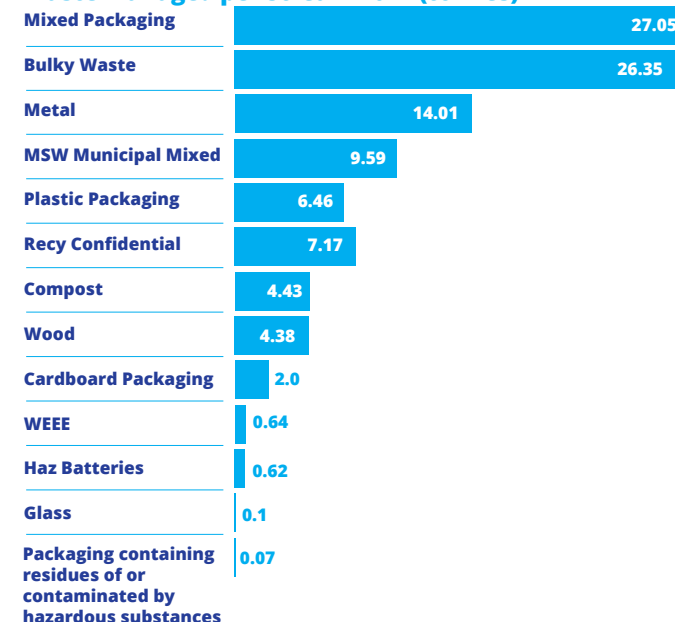
Energy management

Fuel Gas

Natural gas in Ireland is supplied by a combination of domestic production and imports via pipeline from Scotland. Currently, approximately 80% of Ireland's natural gas is supplied from Scotland and the remaining 20% comes from Ireland's indigenous source at Corrib, Co. Mayo. Vermilion Energy manage and produce the natural gas from the Corrib gas fields and Gas Networks Ireland facilitate the transportation of this gas but are not responsible for production of the gas.
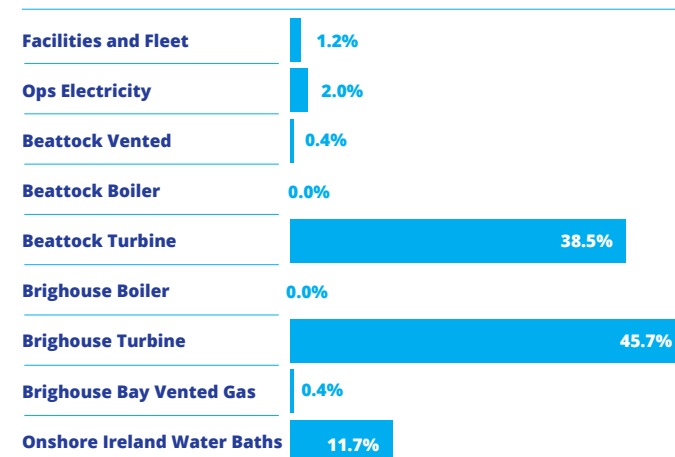
Natural gas transported via the Moffat Entry Point in Scotland, requires the use of compression facilities at Beattock and Brighouse Bay Compressor Stations in order to raise the pressure of the gas supplied from Moffat for onward transportation to Northern Ireland, Isle of Man and Republic of Ireland and to maintain pressures throughout the system. Gas is transported via the two subsea interconnectors, into the Gas Networks Ireland onshore ROI network at Loughshinny and Gormanston. The pressure on the

interconnectors is approx. 110 bar, with pressure reduction prior to entry into the 65barg onshore network. Fuel gas and electricity used to operate the compressor stations and pressure reduction stations account for 98% of the energy consumed by Gas Networks Ireland.

In 2022, the total metered energy consumption was ~570,000,000 kWh:

Facilities and Fleet	1.2%
Ops Electricity	2.0%
Beattock Vented	0.4%
Beattock Boiler	0.0%
Beattock Turbine	38.5%
Brighouse Boiler	0.0%
Brighouse Turbine	45.7%
Brighouse Bay Vented Gas	0.4%
Onshore Ireland Water Baths	11.7%

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.
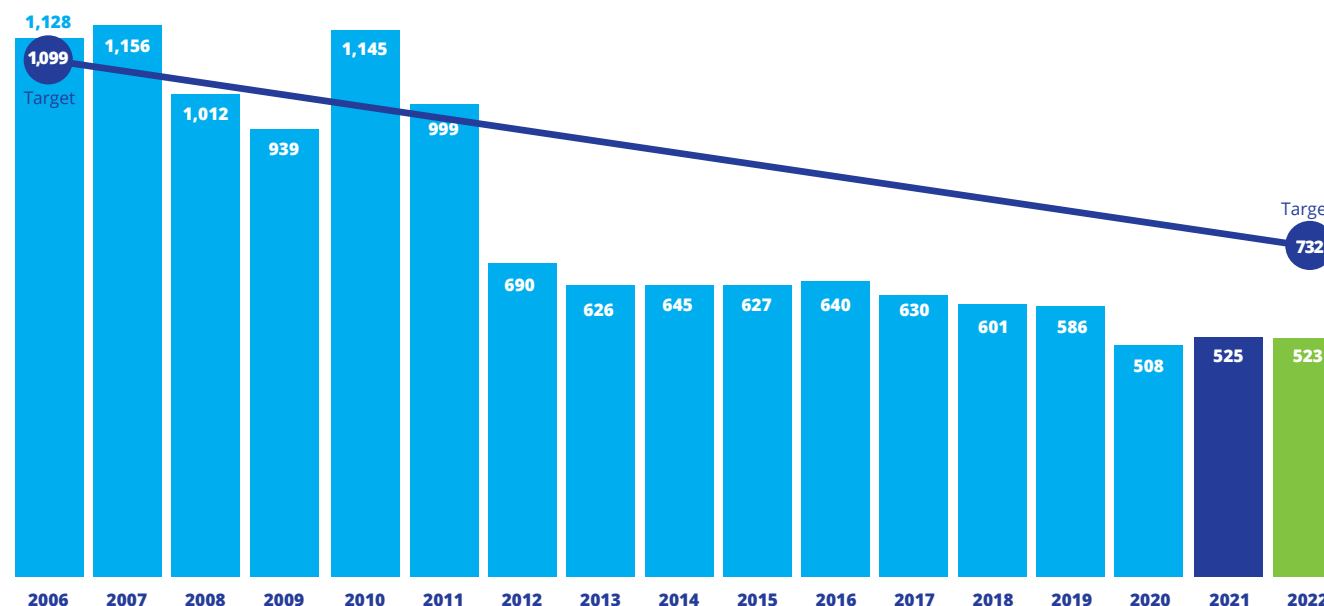
The 2021 Climate Action Plan set out 2030 targets for the Public Sector to reduce Greenhouse Gas (GHG) emissions from the sector by 51% and improve energy efficiency by 50%. SEAI is working with stakeholders to track progress towards these targets.

Our fleet and office energy performance are tracked by Energy Performance Indicators (EnPIs). These EnPIs are intensity metrics and reported to the Sustainable Energy Authority of Ireland (SEAI). Our target EnPI for 2022 was 732 kWh/m2, our actual 2022 EnPI was 522 kWh/m2. This is a reduced energy intensity from 587 kWh/m2 in 2019 (2020 and 2021 had low occupancy in our buildings and a reduced energy consumption) and a 52% reduction in energy intensity and 48% in absolute emissions since 2010. The reduction from 2019 figures is as a result of a range of measures taken by our facilities team to reduce energy consumption of our buildings.

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. We have also upgraded our headquarters in Gasworks Road in Cork to further improve our energy efficiency of the building.

We have consistently exceeded fleet and office energy performance year on year which is highlighted above. Our annual saving from projects implemented and planned (as reported on SEAI Public Sector Monitoring and Reporting System) up to 2022 was 1,615,414 kWh.

Fleet and office energy performance kWh

Bar chart showing fleet and office energy performance in kWh by year:
- 2006: 1,128 (Target 1,099)
- 2007: 1,156
- 2008: 1,012
- 2009: 939
- 2010: 1,145
- 2011: 999
- 2012: 690
- 2013: 626
- 2014: 645
- 2015: 627
- 2016: 640
- 2017: 630
- 2018: 601
- 2019: 586
- 2020: 508
- 2021: 525
- 2022: 523 (Target 732)

Energy management

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.

Our Network Services Centre in Finglas, Dublin 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 recently completed a refurbishment of our headquarters in Cork and sustainability considerations (energy efficiency and resource management) are central to the upgraded design.

Energy Case study
Reduce Your Use campaign

In the Summer of 2022, the EU called for a 15% reduction in gas demand across Europe. This was seen as an opportunity for Gas Networks Ireland to demonstrate our commitment to sustainability and its importance for all our staff and external parties.

The SEAI and OPW set up a campaign called "Reduce Your Use" and Gas Networks Ireland signed up for this and fully utilised the guidance and supports available throughout this campaign. We established a "Reduce Your Use" Team in September 2022 which included:
- Director of Business Services
- Director of Strategy and Regulation
- IT Service Manager
- Facilities Manager
- Sustainability Manager
- Sustainability Team
- Internal Comms Manager
- Network Operations Manager / Gas Transportation Manager

The team met fortnightly and presented updates to both the Board of Management and the Executive Team. At each meeting we reviewed opportunities to reduce energy consumption and updated the team on the progress of current projects and monitored the energy consumption of the company. We also held information sharing sessions with staff to provide awareness of what staff could do both in the office and at home to reduce energy and ran an awareness communications campaign.

At the end of Winter 2022/23, we are on track to achieve a 15% reduction in our energy demand for facilities, IT and fleet. The energy consumption of our operations is linked to our ability to provide security of supply, so there were limited opportunities for quick reductions in this area. However, there are ongoing long-term projects (e.g., water bath replacement programme) that will provide longer term efficiencies.

The success of the working group has been recognised and an enduring Reduce Your Use working group is in place to continue to drive energy and emission efficiency throughout the company.

Energy management

Smarter travel

Gas Networks Ireland offer staff a number of commuting options including a car-sharing facility, the establishment of Bicycle User Groups (BUGs), carrying out events promoting sustainable travel and providing free bike services to staff.

We promote and support smarter travel options which have positive impacts for our colleagues, our business and for our environment. We encourage staff to use public transport where feasible over taking their vehicle. We reviewed our "agile working" policy (which allowed staff to work from home or from one of our nationwide office locations) and have moved to a "hybrid working" policy allowing staff to continue to work remotely for part of the working week. We also provide and promote the use of video conferencing. This allows employees to benefit from flexible work locations and hours, exceeding current government guidelines.

For a number of years, we have successfully operated several CNG (Compressed Natural Gas) 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 have purchased additional vehicles, and we are progressively growing our CNG fleet. In 2022, we consumed 27,055 kWh of CNG.

GHG emissions management

Our Energy Management System (EMS) supports us to meet energy efficiency and Greenhouse Gas (GHG) emission reduction targets.

GHG emissions
Sustainability and decarbonisation principles are at the core of our business and strategic decisions.

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.

In 2023 our 2022 GHG inventory will be independently verified according to the ISO 14064-3:2019 Specifications with Guidance for the Validation and Verification of Greenhouse Gas Statements.

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
• A reduction of 50% in Carbon Emissions intensity by 2030

While the pledge focuses on Scope 1 and Scope 2 emissions sources, we are actively focusing on emissions sources beyond this.

Increasing the ambition of the Low Carbon Pledge and setting Science Based Targets
Business in The Community Ireland (BITCI) has furthered 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 COOis co-chair of the low carbon pledge 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 2023.

Carbon disclosure via CDP
In 2020, we disclosed our carbon emissions and equivalents through the Carbon Disclosure Project (CDP) for the first time. CDP's annual disclosure and scoring process is respected as the world's leading framework of corporate environmental transparency, ranking companies on a scale of A to D-, based on their comprehensiveness of disclosure, level of transparency, awareness and management of both environmental risks and opportunities, their demonstration of best practices, and their setting of ambitious and meaningful targets.

We achieved a score of 'B' in 2022 which exceeds the average CDP rating for the oil and gas storage and transportation sector and demonstrates that we are taking co-ordinated action against climate change.

GHG emissions performance

Absolute GHG Emissions Reduction since 2010
-18%

Emission Intensity Reduction since 2010
-14%

GHG emissions management

We have established GHG Working Group to help achieve our carbon reduction ambitions. The Working Group is currently assessing several carbon reduction initiatives to help drive the company's decarbonisation efforts. Each business unit has contributed to the identification of initiatives. All are currently being assessed based on the potential achievable emissions reduction and the associated mitigation/abatement cost.

Methane emissions performance

We also recognise that methane emissions have an increased negative impact on climate change than carbon dioxide. We have established a Methane Emissions Work Group to further align our quantification methodologies and identify methane emission reduction opportunities across the business.

We have developed a methane emissions management plan and presented same to the Gas Networks Ireland Board in December 2021. We include methane emissions as part of the Scope 1 GHG emissions reporting.

We are committed to accurately calculating our methane emissions from our network, and we are an active member of MARCOGAZ, the technical association of the European natural gas industry which has 25 members in 20 different countries across Europe. MARCOGAZ is a supporting organisation to the Methane Guiding Principles along with Gas Infrastructure Europe (GIE).

Fugitive emissions result from unintentional emissions of natural gas from equipment or components such as pipelines, regulators, valves, flanges, connectors, etc. on the gas transportation network. These can be the most difficult to quantify and so are estimated in line with industry developed methodologies. We utilise the "MARCOGAZ model" which allows for quantification of emissions from each source, and then aggregates same.

Our GHG inventory was independently verified according to ISO 14064-3:2019 Specifications in 2021 with Guidance for the Validation and Verification of Greenhouse Gas Statements. Conversion factors for carbon equivalents used are from verified sources.

GHG emissions
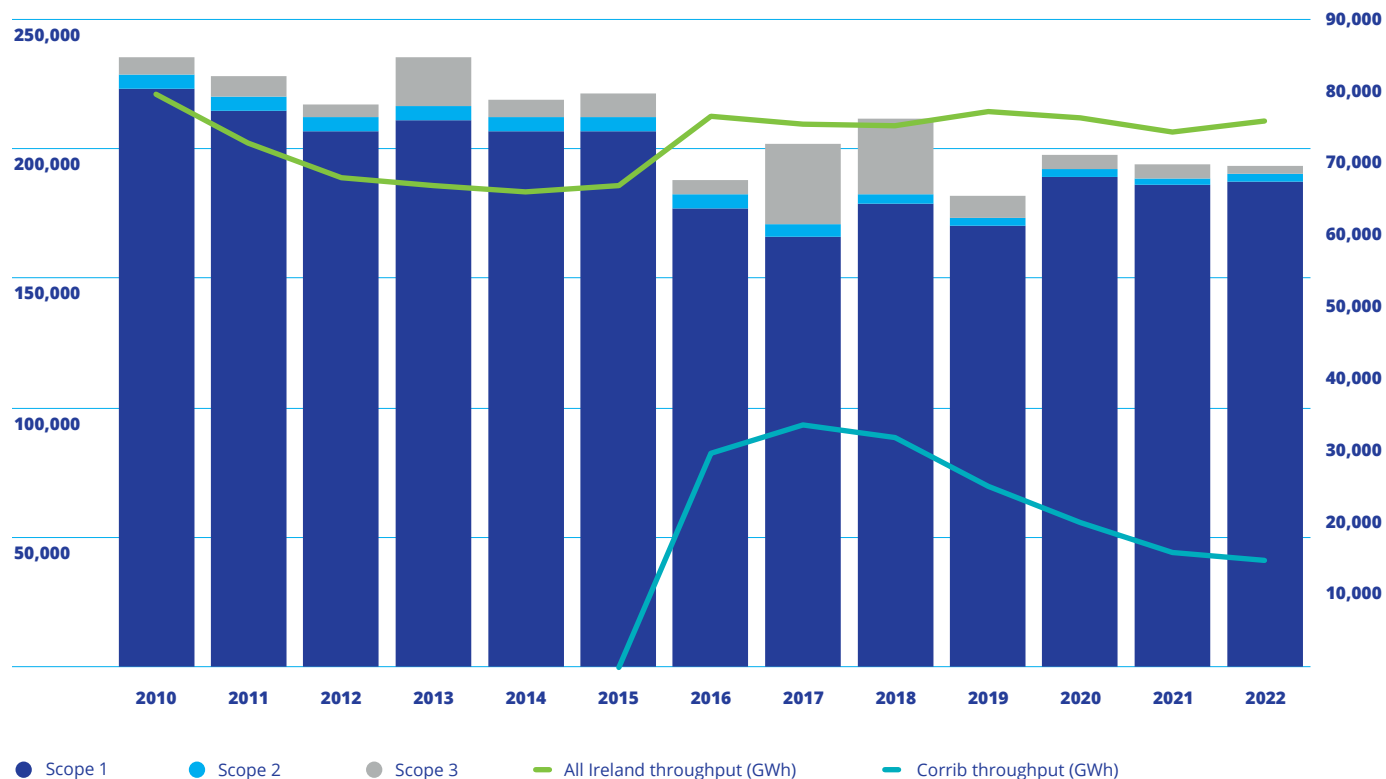
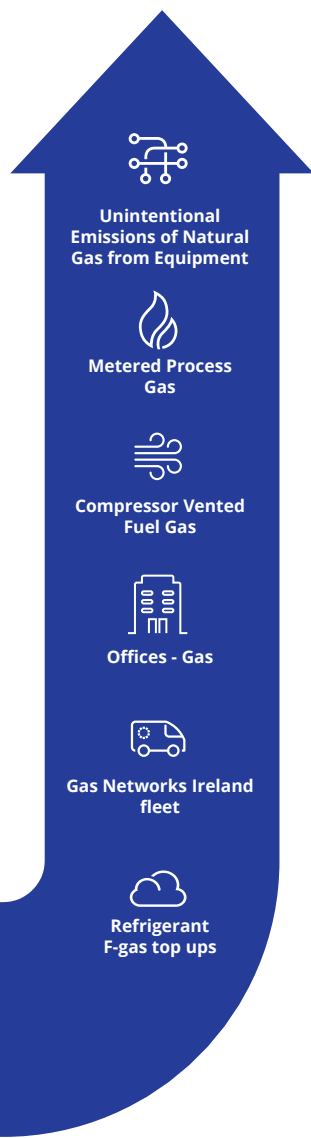Gases included are CO_2, CH_4 etc. Final figures are reported in tonnes of CO_2 equivalent (tCO_2e).

GHG emissions management

The following sections provide more detail of the Scope 1, 2 and 3 trends since 2010.

Breakdown of emission sources by activity:

Scope 1

This covers the Green House Gas (GHG) emissions that GNI makes directly — for example while running its boilers, compressors and vehicles along with methane emissions.

Unintentional Emissions of Natural Gas from Equipment

Metered Process Gas

Compressor Vented Fuel Gas

Offices - Gas

Gas Networks Ireland fleet

Refrigerant F-gas top ups

Scope 2

These are the emissions it makes indirectly – like when the electricity for heating buildings and electricity on site, is being produced on its behalf.

Offices – Electricity

Process Sites Electricity Use

Scope 3

In this category are all the emissions associated, not with the company itself, but that the organisation is indirectly responsible for, up and down its value chain. For example, from buying products from its suppliers.

Main Period Contractor

Grey Fleet

Helicopter

Water

Waste

Suppliers

Staff Commuting

Remote Working

Taxis

Distribution Pipeline Construction

Transmission Pipeline Construction

Airline Travel including RF forces

Rail Travel

Printed Paper

Transmission & Distribution electricity losses
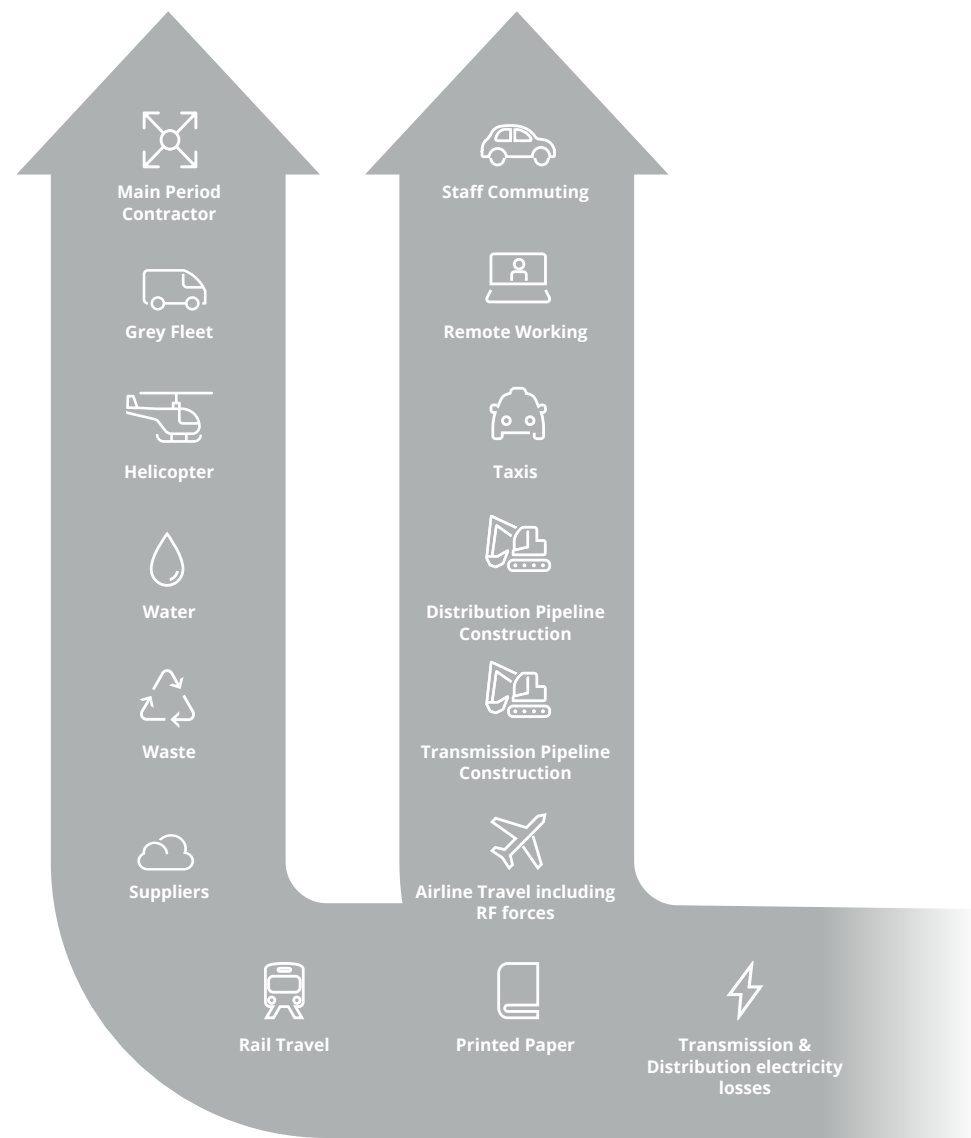
GHG emissions management

Our carbon intensity (TCO_2/GWh) is based on the volume of natural gas transported through the gas network annually. There has been a 14% reduction in carbon intensity since 2010.

Most of our carbon footprint is under the financial and operational control of the business. 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.
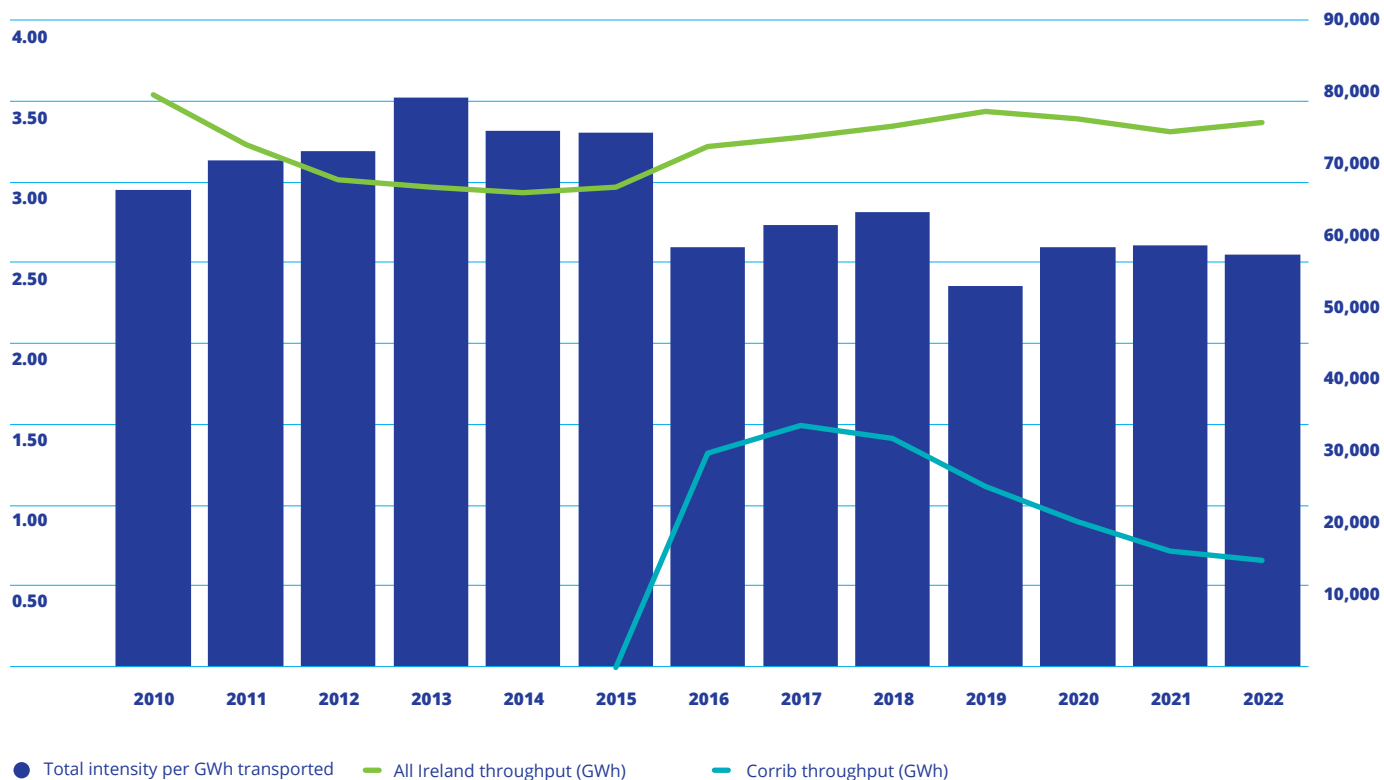
Our carbon intensity (TCO_2/GWh) is based on the volume of natural gas transported through the gas network annually.

Emission Intensity (TCO_2e/GWh)

● Total intensity per GWh transported   ▬ All Ireland throughput (GWh)   ▬ Corrib throughput (GWh)

GHG emissions management

Scope 1

The location base for our scope 1 emissions is on the island of Ireland and in the Southwest of Scotland. Our Scope 1 emissions are primarily accounted for by

- fuel gas combusted by compressor stations
- fuel gas combusted to heat gas at our Above Ground Installation's (AGI's)
- Fugitive emissions - accidental leaks or undesirable emissions of natural gas from the transportation system.
- Vented gas – natural gas emissions also occur as a result of gas which is vented for safety purposes during essential operation and maintenance.

Our scope 1 emissions have trended down from the baseline year of 2010 to 2019, in part, 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. As production of gas at the Corrib gas field is now declining, we are increasingly reliant on our compressor stations in Scotland, which impacts our scope 1 emissions. Our 2022 scope 1 absolute emission footprint has reduced by 16% from our 2010 baseline.

Greenhouse gas emissions performance at Gas Networks Ireland's Compressor Stations

Ireland's natural gas is a combination of domestic production and imports. Currently, approximately 80% of our natural gas is supplied from Scotland and the remaining 20% comes from Corrib, Co. Mayo. Vermilion Energy manage and produce the natural gas from the Corrib gas fields; Gas Networks Ireland facilitate the transportation of this gas but are not responsible for its production.
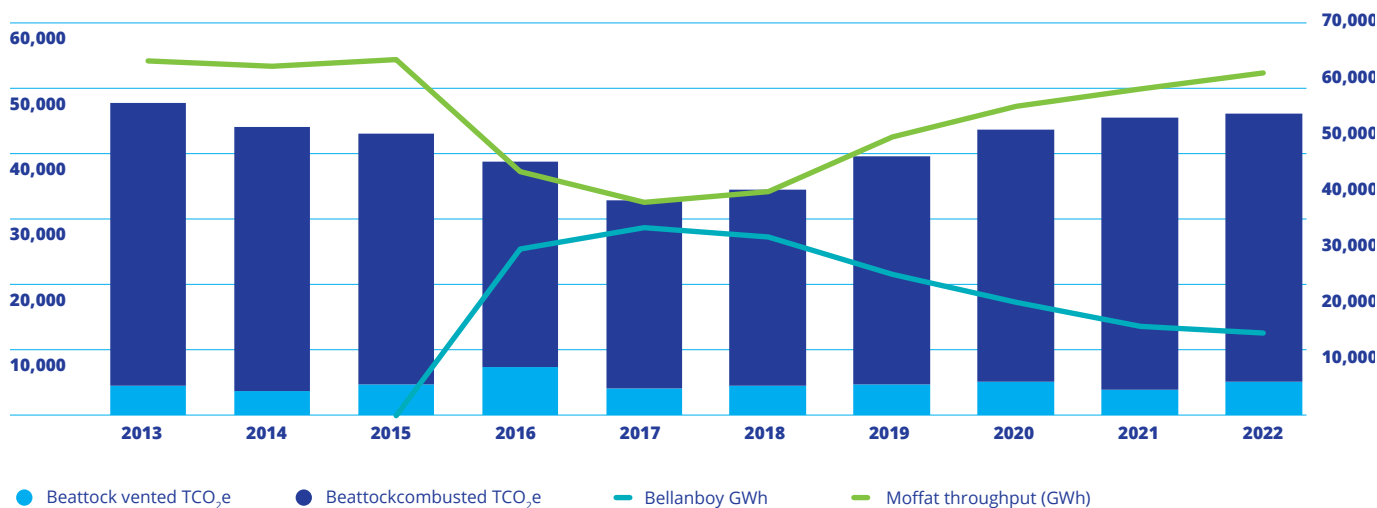
Natural gas transported via the Moffat Entry Point in Scotland, requires the use of compression facilities at Beattock and Brighouse Bay Compressor Stations to raise the pressure of the gas for onward transportation to Northern Ireland, Isle of Man and Republic of Ireland and to maintain pressures throughout the system. Gas is transported via the two subsea interconnectors, into the ROI network at Loughshinny and Gormanston. The pressure on the interconnectors is approx.

110 bar, with pressure reduction prior to entry into the 65barg onshore network.

Fuel gas consumed at our compressor stations in Scotland accounts for ~55% of our Scope 1 emissions. Gas is combusted at our compressor station turbines to transport the gas at required pressures. Compressor Stations also require an amount of gas to be vented in order to operate safely at times, such as starting and stopping of compressor units. The fuel gas combusted, and vented emissions are the main contributors to our carbon footprint for our compressors.

The fuel gas consumption, and therefore carbon footprint (TCO_2e) at our compressor stations for combustion and venting purposes is related to the throughput at the compressor stations (which in turn is directly related to the increase / decrease of Corrib supply) as is evident in the following charts.

Gas Network Ireland compressor station combusted and vented gas emissions at our compressor stations (TCO_2e)

Legend: ● Beattock vented TCO_2e ● Beattock combusted TCO_2e — Bellanboy GWh   — Moffat throughput (GWh)

GHG emissions management

Beattock
Brighouse Bay

Beattock vented TCO_2e Beattockcombusted TCO_2e Bellanboy GWh   Moffat throughput (GWh)

Gas Networks Ireland has also taken steps to address the volatility of the pressures received from National Gas, by installing control valves at Beattock Compressor Station, which will reduce suction pressures at Beattock to a level that will enable optimal turbo-compressor operation (i.e., the turbines will operate in Dry Low Emissions mode). This project is currently underway. It should be noted that this upgrade will stabilise higher pressures, only; it will not address lower pressure range (i.e., less than 60 bar) volatility.

Several options are being appraised, for decarbonisation across our operations (including compressor stations) and were submitted for price control consideration to our regulator in 2022.

CNG

We have five dedicated Compressed Natural Gas (CNG) vans in our fleet, emitting 5.57TCO_2e in 2022. Our traditional fleet is made up of both diesel and petrol vehicles. The carbon emissions for these vehicles have been included in our scope 1 emissions.

As Corrib declines and more gas is required to flow through Moffat, it is anticipated that the Onshore Scotland Compressor Station own use gas requirement (and Total Emissions TCO_2e) will continue to increase.

Compressor station combustion intensity also depends on operating the compressors within their most efficient range. Variation occurs where compressors are forced to operate outside of this range (e.g., intra-day throughput peaks).

As is evident from the graphs for Brighouse Bay and Beattock, a significant improvement in venting has occurred in recent years, due in part to the Corrib decline and in part due to improved operation of the network.

Gas Networks Ireland has been working in conjunction with Premier Transmission Limited (PTL) and National Gas (NG) to minimise the within day flow volatility as a result of the timings of nominations received for the Moffat Interconnection Point. Late in the gas day nominations make it increasingly difficult for the Transporter to flow efficiently at its Scottish compressor stations The Commission for Regulation of Utilities (CRU), Office of Gas and Electricity Markets in the UK (Ofgem) and the Utility Regulator (UR) Northern Ireland have all granted approval to an amendment to agreements, which will allow the Transporter to utilise exit information to create a more accurate estimation of the end of day quantity, earlier in the gas day. This in turn, will allow for a more efficient hourly flow profile at the Scottish Compressor Stations throughout the gas day.

GHG emissions management

Scope 2

Our scope 2 emissions have seen reduction in carbon emissions from our 2010 baseline of 43%. Electricity used in our pressure reduction and compressor stations and electricity used in our offices is also included.

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

The increase in electricity use in our office buildings is due to the re-opening of our offices following the easing of Covid restrictions. However, a significant project was undertaken in our Gasworks Road building to improve the energy efficiency as is detailed in the case study on page 50.

Scope 2 emissions (TCO$_2$e)

● Office Electricity (TCO2e)   ● Process Electricity (TCO2e)
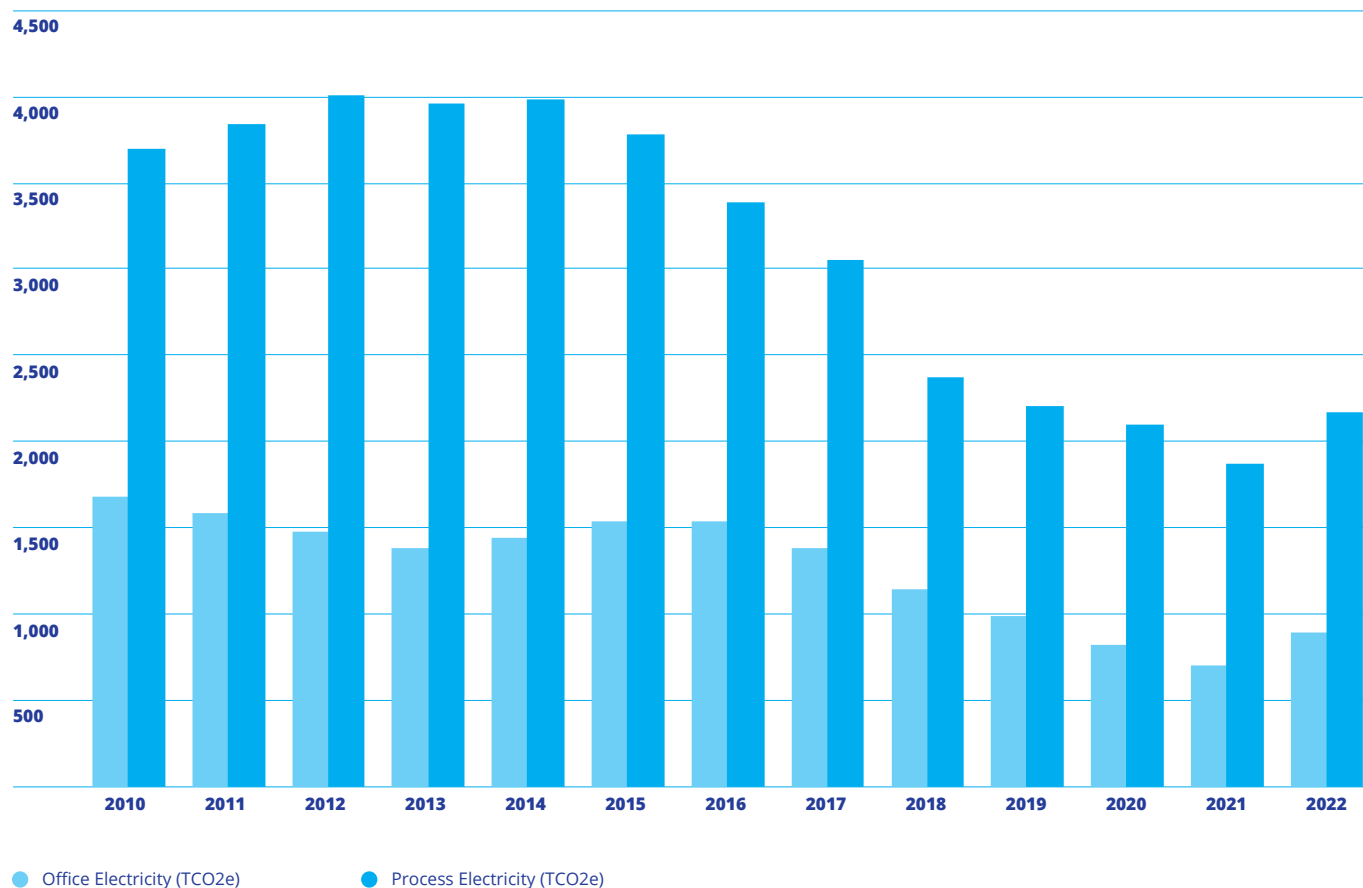
GHG emissions management

Scope 3

We are committed to consistently increasing the scope of our carbon emissions reporting. Our Scope 3 emissions have varied due to a number of factors including the amount of pipeline laid in a year and the emissions reported by our main period contractors.

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.

A new 50km gas pipeline between Cluden and Brighouse Bay in Scotland was completed in December 2018. This pipeline completes full twinning of the interconnectors between Ireland and the UK and reinforces security of supply across Ireland and the UK. This accounts for the significant Scope 3 emissions in 2017 and 2018. Our scope 3 emissions have increased slightly from 2021 to 2022 due to a change in our main period contractor.

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

Scope 3 emissions (TCO$_2$e)
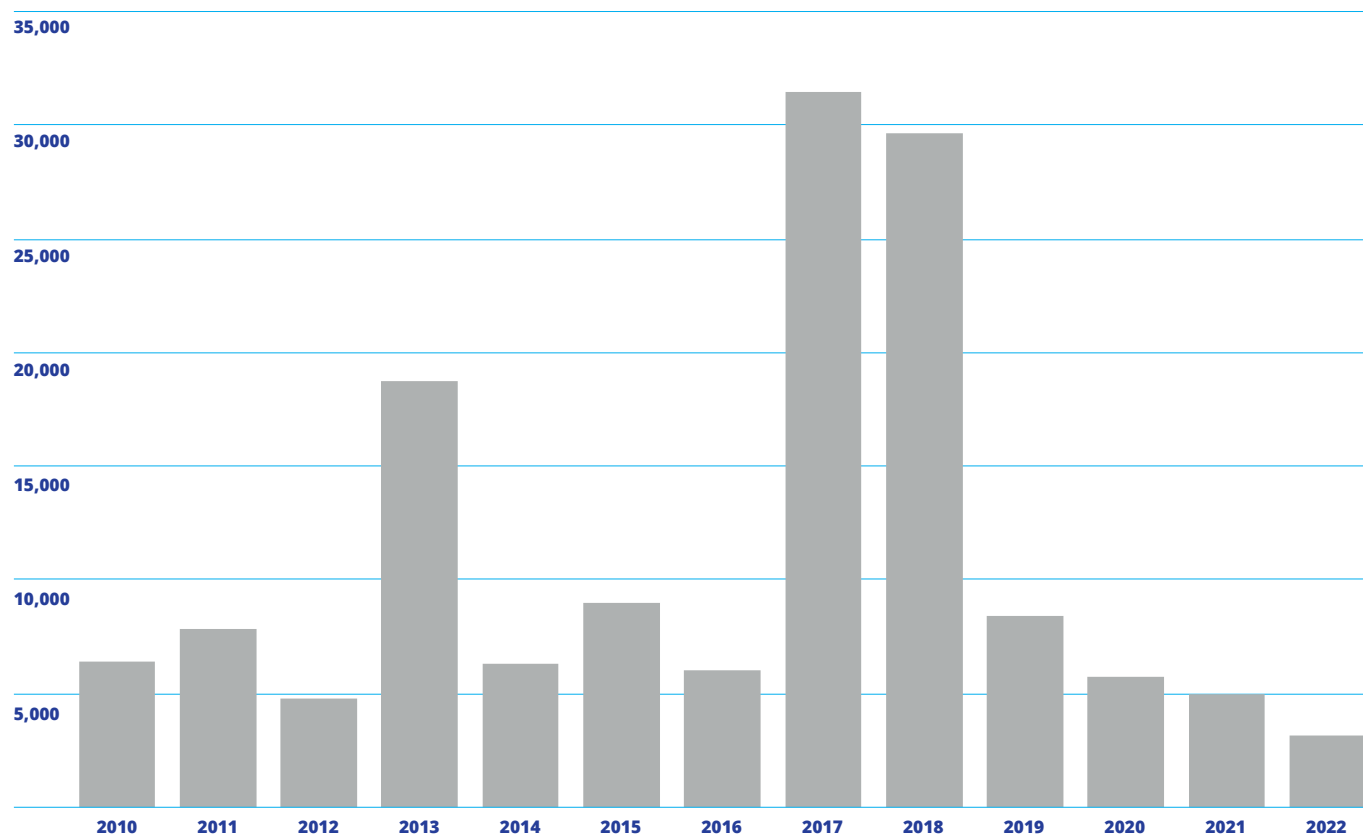
Social

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

Introduction

Our social programmes in the community, workplace, and marketplace focus on education initiatives, environmental stewardship and social inclusion. We are committed to ensuring that sustainability is at the forefront of everything we do and to help Ireland to reduce its carbon emissions.

In 2022, we retained certification as one of only 41 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 members of the Elevate diversity and inclusion Group.

Employee volunteering is part of our corporate responsibility strategy, where we aim to deliver our services in a sustainable manner that contributes to the protection of the environment while supporting the social and economic development of their communities.

Community

Acting responsibly and building strong relationships in the communities where we operate is fundamental to carrying out our business effectively.

Supporting local communities

Our core community programmes focus on environmental awareness and three key areas of social inclusion: education, employability and accessibility.

In 2022 we supported 59 community initiatives, provided over €200,000 of financial support to local communities, and 618 volunteering hours were delivered by Gas Networks Ireland staff.

Gas Networks Ireland provided the below funding to support initiatives in our communities:
- €40,000 donation to Leave No Trace
- €34,000 donation to Junior Achievement Ireland
- €20,000 donation to Business in the Community to support community programmes
- Almost €18,500 donation to Age Action from our corporate charity fund and donations from our Customer Experience Surveys
- €10,000 staff fund for employees to request funding for charitable organisations of their choice
- Four €2,000 donations to DEIS schools to fund biodiversity murals promoting wellness and environmental awareness

Operations with significant actual and potential negative impacts on local communities

We are committed to responsible and sustainable business practices and as holders of the Business Working Responsibly Mark and five ISO certifications, we ensure that the highest standards are maintained across all levels of our business. Based on the successful execution 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.

We are proud to have supported the below organisations in 2022.

Community

Our Education Initiatives

Gas Networks Ireland sponsor and deliver impactful education initiatives across Ireland promoting Science, Technology, Engineering, Maths, employment and the development of life skills including Energize, Time to Count, and World of Work. We also supported other STEAM initiatives including sponsoring a panel event at I Wish and ran events during Science Week and Biodiversity Week.

Energize
Summary of Results

3,447
students took part in programme

99
schools involved

164
 business volunteers

54
supporting organisations

18
Gas Networks Ireland volunteers

98%
of students enjoyed participating in Energize

Students from schools in
18 counties
participated in the programme this year Carlow, Clare, Cork, Dublin, Galway, Kerry, Kildare, Kilkenny, Leitrim, Limerick, Louth, Mayo, Meath, Roscommon, Tipperary, Waterford, Westmeath, Wexford and Wicklow

2022 marked the 12th year of our partnership with Junior Achievement Ireland with over 400 Gas Networks Ireland staff volunteering on Junior Achievement programmes to date, working with over 30,000 students nationwide. Not only did students enjoy the Energize programme there were more positive attitudinal associations with education, the world of work and science.

Community

"Energize has been the highlight of the term for my 6th class students. Our Gas Networks Ireland Volunteer has brought curiosity, fun and energy for STEAM into our classroom."

Teacher, Whitechurch National School, Cork

"Our pupils didn't want the sessions to end and really enjoyed the hands-on element to the programme. We would love to have this programme again."

Teacher, Castleknock N.S., Dublin 15

"My class thoroughly enjoyed the Energize programme which brought science to life through fun and interactive sessions reflecting the curriculum."

Teacher, Carrigeen National School, Kilkenny

Carbon monoxide poster competition

Each module of Energize features a creative element allowing students to engage with STEAM subjects in a new way; in the "Safety First" module, students design a poster promoting carbon monoxide awareness. Through this activation method students learn the important message of carbon monoxide safety and in turn convey that message in their own homes, promoting Gas Networks Ireland's goal of 100% of homes having a carbon monoxide alarm.

We received many creative entries to our carbon monoxide poster competition. The term winners were from Scoil Chaitríona Cailíní National School, (Coolock), Carrigeen National School, (Kilkenny) and Scoil an Linbh Íosa, (Naas). Each winning submission won an iPad for their class donated by Gas Networks Ireland.

"All our sixth-class pupils engaged in the poster competition and grasped the important safety messages related to carbon monoxide with wonderful creativity thanks to Junior Achievement Ireland and Gas Networks Ireland."

Teacher, Scoil an Linbh Íosa, Naas

Community

Time to Count

The Business in the Community Time to Count programme fosters children's confidence around numeracy and maths problem solving skills which play a vital role in their development. Third class pupils at Scoil Aiséirí Chríost in Cork were visited by Gas Networks Ireland employees over an eight-week programme of specially designed numeracy and activities aimed at building confidence and enjoyment of maths, supporting problem solving skills and reinforcing number concepts.

"Time to Count supports the curriculum and helps to make maths more enjoyable and interesting for the pupils. Having engineers and scientists from Gas Networks Ireland deliver the programme has certainly promoted a positive attitude and helped inspire the pupils."

Principal, Scoil Aiséirí Chríost, Cork

World of Work

In 2022 Gas Networks Ireland continued to support the World of Work programme which promotes education for secondary school students. We have worked with Nagle College Cork on the programme since 2006, celebrating our 15th year working with the school this year. 2022 marked Gas Networks Ireland 12th year partnering with Beneavin College in Finglas.

"I would like to sincerely thank all at Gas Networks Ireland for the sharing of their expertise and facilitating this site visit as well as the many workshops, work experience opportunities, seminars, and mentoring sessions they have run with us over the last 15 years, which greatly benefitted our students."

Teacher, Nagle Community College

I Wish

I Wish is an award-winning initiative to inspire, encourage and motivate secondary school female students to consider careers in Science, Technology, Engineering and Maths. I Wish is a unique volunteer led coalition of local government, higher education and industry with a common goal to improve female participation in STEM through direct high impact, fun and inspirational engagement. In 2022 Gas Networks Ireland staff spoke at a panel event focused on sustainability.

Science Week

Gas Networks Ireland joined forces with one of Ireland's leading science communicators and European Space Agency champion, Dr Niamh Shaw, to host a free online 'My Place in Space' webinar to celebrate Science Week in November. Dr Shaw shared her experience of taking a zero-gravity parabolic flight, participating in a simulated mission to Mars in the Utah desert and witnessing a launch from the Baikonur Cosmo drome in Kazakhstan. Webinar attendees were invited to enter an art competition depicting "Ireland in Space" with winners receiving space themed children's books. Dr Shaw also visited our partner primary schools in Cork and Dublin to present to the students about her recent adventures in a STEAM based career.

Community

Biodiversity Week

To mark Biodiversity week in May, Gas Networks Ireland sponsored a biodiversity workshop at Scoil na gCeithre Máistrí, Athlone, facilitated by Midlands Science. Students conducted experiments to learn about biodiversity and climate action – activities included taking soil samples to compare sods from different parts of the school and using tools representing distinct types of beaks to assess the suitability of different bird beaks to eat different foods. We were delighted to support this initiative fostering an interest in STEAM and biodiversity in young people.

Caring for our environment

By undertaking social responsibility activities which benefit the environment, Gas Networks Ireland demonstrates our commitment to promoting the importance of biodiversity, not only amongst our stakeholders but with our colleagues and the communities where we work.

National Spring Clean

During An Taisce's National Spring Clean in April, the Cork and Dublin based members of the sustainability team undertook a social responsibility project in Portlaoise, volunteering as litter pickers in the River Triogue park. The team collected two large bags of litter in just an hour, and among the more unusual rubbish collected were a jacket, a saucepan lid, and a satellite dish.

Community case study
Leave No Trace Hot Spot

Gas Networks Ireland collaborated with Leave No Trace in 2022 to support their Hot Spot programme for its second year. The Hot Spot Programme is a conservation project aimed at addressing the impact of heavy use and activities on areas of natural beauty and ecological importance.

Having previously worked to help restore areas of Glengarra Wood in Co. Tipperary that were impacted by outdoor activities and heavy use, last year Gas Networks Ireland focussed on the Turvey Nature Reserve and Rogerstown Estuary in Co Dublin.

Gas Networks Ireland volunteers undertook impact days at the site alongside members of the north Dublin community to identify and record species present, pick litter, and remove tree guards (plastic guides used to protect saplings during their early growth stages). On one visit alone the volunteers removed 7.2 kg of standard rubbish and 26 kg of tree guards, preserving tree guards in good condition for reuse.

"Delighted to be involved with the Leave No Trace project and understand the importance of how we look after and interact with our environment."

Gas Networks Ireland volunteer

Community

Social Inclusion

We are committed to supporting social inclusion, valuing all individuals, and recognising their diverse contributions to communities and workplaces. In Gas Networks Ireland we promote equality, diversity and accessibility in both our internal and external social initiatives. We are striving to ensure our volunteering opportunities and community initiatives are diverse and inclusive.

Supporting Age Action Ireland

Gas Networks Ireland continued to work with our charity partner Age Action Ireland to promote our vulnerable customer services and provide support to their programmes in the community. In addition to donations from our corporate charity fund and customer satisfaction surveys, since 2016 we have donated 8,695 carbon monoxide alarms to Age Action which were installed in the homes of elderly people.

In September, a number of employees spent the day working at the homes of elderly clients of Age Action Ireland in both Cork and Dublin. The volunteer teams tackled big DIY challenges that some of the more overgrown gardens presented and carried out light gardening and outdoor tidy-ups to get the gardens winter ready.

"As we grow older, we lose mobility and basic household tasks can become difficult to manage. The garden is often the first thing that they can no longer do by themselves – which can be upsetting for people who have kept beautiful gardens throughout their lives. The community partnership with Gas Networks Ireland means that together we have given older people a tidier, safer garden area for them to enjoy."

Age Action Representative

Enabling Equality, Accessibility, Diversity & Inclusion

Promoting equality, diversity and accessibility is an important part of how we operate.

All key Gas Networks Ireland communications are translated into the most frequently spoken languages in Ireland – English, Irish, French, Polish, Mandarin Chinese, Russian and HTML plain text. In addition, alongside standard Mystery Shopping activities to assess customer's experiences, we conduct monthly mystery shopping engaging an elderly person and a person with a disability to ensure that our communications are tailored specifically and understood by everyone.

Community

We launched an updated design for ReachDeck (previously Browsealoud), our website accessibility tool, on www. gasnetworks.ie. The update included a new design as well as launching it on mobile devices for the first time. In the first three months post-launch we saw a huge increase in the number of visitors using the tool (an overall increase of 938%). ReachDeck adds text to speech, reading and translation support to our website. It provides our web visitors with instant access to assistive features and helps to reduce barriers between our digital content and our diverse online audiences.

Some of our customer service and communications staff received 'Deaf Awareness' training from the Irish Deaf Society accompanied by an ISL Interpreter.

We continued to work with our customers and stakeholders to explore opportunities to support those with disabilities. We collaborated with groups such as CCMA Ireland, CCA Global and CXPA Ireland to gain insights on best practice.

Ever conscious of the financial pressures people are dealing with, we continued our critical engagement with MABS quarterly meetings. In support of the financially vulnerable we listened to current challenges faced and strived to demonstrate empathy as we offered information and advice.

Workplace

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

During 2022, we delivered several new training programmes in person and virtually across a range of key personal and professional development, we supported our staff through returning to the office following the COVID-19 pandemic with the introduction of new ways of working and collaboration tools, and provided opportunities for teams to connect through All Hands and Quarterly updates.

Our colleagues

Our overarching ambition is that the people who work in our organisation feel like this is a great place to work, and that their experience at work is enriching and rewarding. We continued to give our teams an opportunity to provide insight and opinions on their organisational experience through our annual engagement survey, employee forum and our employee resource groups. By continuing to listen and address areas that are important for our people we can take positive steps to shape our culture, improve how we do things and how we support our people. We are proud to see an increase in overall sustainable engagement in our company through our annual survey.

Throughout 2022 we considered future ways of working post pandemic, and commenced our hybrid working trial, transformed our offices in Cork, and took the first steps in the Digital Workplace Technology project which mark important milestones in our Future of Work project.

Workplace

Employee statistics

Profile of employees

Contract (perm/temp)

Permanent	693
Temporary	70

Type (full time/part time)

Full Time	745
Part Time	18

Gender

Male	503
Female	260

Region

Cork	448
Dublin	296
Regional	18
Northern Ireland	1
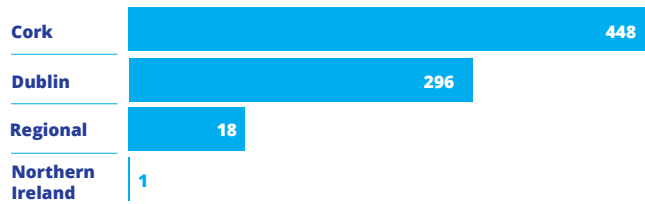
New employee hires

Age profile

18-20	0
21-30	28
31-40	26
41-50	13
51-60	9

Gender

Male	51
Female	25

Region

Cork	49
Dublin	27
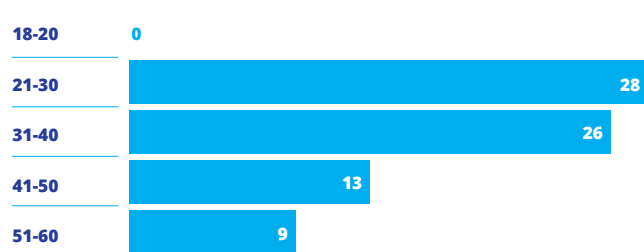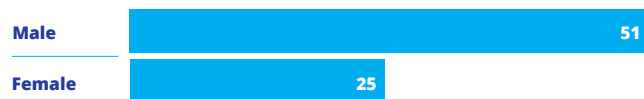
Employee turnover

Age profile

18-30	7
31-40	22
41-50	15
51-60	6
61+	2

Gender

Male	29
Female	23
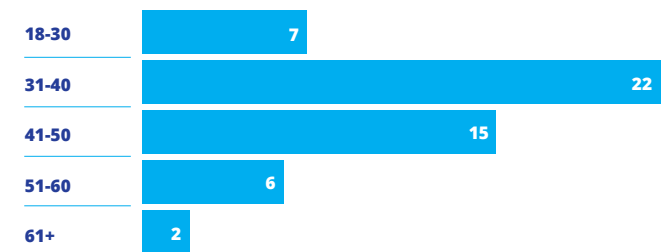
Employees that took parental leave

Gender

Male	11
Female	60

Workplace

Performance reviews

All 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. Managers have an objective included in their own performance reviews to ensure focus in this area.

Collective bargaining agreements and labour management relations

We support the right of all employees to join a trade union and recognise those trade unions. 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 our Group of Unions across a range of key employment matters, including policy development, pay determination and change initiatives and from the onset of any change programme, and 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.

Gas Networks Ireland is committed to ensuring that we engage both individually and collectively with our teams in compliance with the applicable labour legislation, and that we inform, consult and cooperate with our collective partners in a positive and constructive manner. Our approach to both employee and industrial relations is underpinned by the values of integrity, trust and collaboration, and is supported by a range of policies and processes.

Hybrid working

In 2022 we established our approach to hybrid working on a trial basis. The trial has allowed a significant portion of the organisation to avail of more flexible working. An individual may, subject to operational requirements, request to work from home up to three days a week, which has provided many with the opportunity to balance professional and personal responsibilities more effectively. This has been very well received across the organisation.

Workplace

Employee engagement

We truly appreciate the contribution that every employee makes to ensure the success of the organisation. We survey our employees' regularly, listen to their feedback, ensure they are engaged and that they know their work matters.

In 2022 we supported:
- Our fortnightly news and events e-zine "Staying Connected"
- Our intranet website "The Zone" and creation of a dedicated Employee Hub and Volunteer Hub
- Executive Round Tables
- Learn from the Experts sessions
- Management "Skip" meetings
- Quarterly all company business performance/highlights sessions – one in person
- Employee forum meetings
- Long Service Awards held in October/ November
- Our Annual People Awards event held virtually in December 2022

Long service awards
Long service awards (LSA) total recipients

Recipients LSA - Cork (including Limerick and Waterford area)	41
Recipients LSA - Dublin (including Galway)	44
Total Length of Service Combined Dublin	1225
Total Length of Service Combined Cork	695
45 Years	1
40 Years	13
35 Year	11
30 years	1
25 Years	8
20 Years	11
15 Years	24
10 Years	16
Combined Years of Service	**1,920 Years**

Workplace case study
Headquarters building upgrade

In 2018, Gas Networks Ireland committed to halving our energy usage and greenhouse gas emissions by 2030 as part of the low carbon pledge. Furthermore, in 2018 the new EPBD (Energy Performance of Buildings Directive) regulations identified that Public Sector buildings will need to comply with EU and Irish Nearly Zero Energy Building (NZEB). This will mean that all public sector buildings will need to achieve a minimum BER of B by 2030. An upgrade project commenced at our company headquarters in Cork in 2022 and will bring the building from its current BER of C3 to B1.

Some of the sustainable solutions the project will deliver:
- Gas absorption heat pump for heating the building
- Heat recovery Air Handling units for fresh air
- Solar Photovoltaic panels
- Insulating walls and roofs
- Airtightness membrane to all walls
- Demand controlled ventilation
- Occupancy detection operated energy efficient LED lighting
- Variable speed drive pumps

This will result in standards of building efficiency similar to a new build office.

Workplace

Remuneration

Remuneration Committee

The Remuneration Committee's responsibilities are set out in its Terms of Reference, which is available at www.ervia.ie.

The key activities undertaken by the Remuneration Committee in 2022 include:

- Review of the CEO's and other senior managers' performance for 2022.
- Review of the Gas Networks Ireland pay model.
- Set and review performance as per 2022 scorecards.
- Consideration of the results of the employee engagement survey.
- Annual review of executive pay.
- Single Public Utility pension implications.
- Project 23 pension implications

Pensions

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

Defined benefit scheme

The Group operates one 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. A Board of Trustees is responsible for the management and governance of the defined benefit pension scheme including compliance with all relevant laws and regulations. The Trustee Board comprises an independent corporate trustee as well as union, member and employer representatives. 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 with the latest valuation being carried out as of 1 September 2022 by the scheme actuary. Further information regarding our pension schemes can be found in the Ervia annual report.

Employee benefits

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

Aggregate employee benefits

	2022 €'000	2021 €'000
Staff short-term benefits		(46,483)
Post-employment benefits - defined benefit scheme		(11,372)
Post-employment benefits - defined contribution scheme		(2,677)
Social insurance costs		(5,045)
		(65,577)
Capitalised payroll and other payroll transfers		11,535
Employee benefit expense charged to profit or loss	(54,042)	(56,311)

Workplace

Core Benefits
- Pension scheme
- 2.5 company days, 24 days annual leave
- Sick pay scheme, income protection, death in service
- Educational assistance
- Paid marriage/civil partnership leave
- Paid paternity leave
- Enhanced maternity leave pay
- Compassionate leave
- Other statutory leaves including parental, parents, carer's & force majeure

Financial Wellbeing
- Taxsaver ticket
- Employees Credit Union
- Home computer purchase discount
- Microsoft home programme scheme
- AXA car/home insurance group discount scheme
- Christmas saving facility
- Onsite banking provided by Bank of Ireland
- Long service awards
- Payment of professional subscriptions

Physical Wellbeing
- Cycle to work scheme
- Onsite fitness room
- Staff restaurant
- Flu vaccinations
- Group health scheme:
- Eyecare provision
- Digital doctor service
- Occupational health initiatives

Emotional Wellbeing
- People awards
- Agile working
- Time to Talk mental health programme including:
  - Trained mental health first aiders
  - Manager and employee mental health awareness training.
- Employee assistance programme including:
  - EAP online support website
  - Specialist information
  - Legal / financial information
  - Telephone counselling
  - Face-to-face counselling
  - Wellbeing week / initiatives

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 a principal factor in achieving this. All our employees are paid beyond the Living Wage. We also comply with any other statutory compensation levels which may be applicable to our employees.

Diversity and inclusion
We are committed to ensuring that Gas Networks Ireland is an accessible and inclusive workplace and understand the importance of attracting, developing and retaining a diverse team, one that is reflective of the communities that we serve.

We are fortunate to have diverse teams within our company from different cultures, ages and background.

During 2022 the ibelong Diversity and Inclusion Council and Employee Resource Groups were re-established as Gas Networks Ireland became a stand-alone company. We now have active participation in five groups: the Women's Network, Family and Carers Network, Rainbow Network, Ability and Neurodiversity Network and our Ethnicity and Multicultural Network. These groups provide key insight to our Council and the wider organisation on specific programs and initiatives. We acknowledge that we do have work to do to make Gas Networks Ireland more diverse and are working on addressing this by looking at initiatives in areas such as recruitment, development and retention.

We also welcomed the opportunity to report on our Gender Pay Gap. The results showed that while a gap does exist between our male and female population, the gap of 5.7% does indicate a strong foundation of equity in terms of relative pay. We have established a plan to address this, which has been communicated and will continue to make co-ordinated efforts to address this. We have continued to work to increase the profile of STEAM (Science, Technology, Engineering and Maths) and Gas Networks Ireland through our education initiatives, as well as our apprenticeship, intern and graduate programmes, the intent of which is to provide access and opportunities to more diverse populations to technical career paths.

Workplace

Diversity in numbers

Gender

Male	66%
Female	34%

Age profile

Under 30 years old	10.9%
30-50 years old	57.1%
Over 50 years old	32%
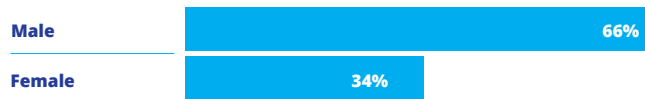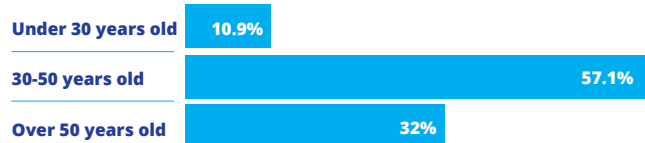
Apprenticeship programme

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.

In 2018 we took on seven apprentices across three craft areas including electrical instrumentation, mechanical automation & maintenance fitting and plumbing. Their apprenticeship programmes have been extended due to the effects of Covid-19 lockdowns and the subsequent time and classes lost in the Technical Colleges. They are all still with us and progressing towards the achievement of their respective trade certs.

Gas Networks Ireland took on 15 new apprentices in October 2022 across the same three craft areas. They are currently in Phase One of their apprenticeship and are working daily with both Gas Networks Ireland and contractor operatives.

Learning and development

2,559 eLearning courses completed on LearnWorks

513 L&D places attended across **22** courses

130 People Manager Essentials places attended across **7** modules

182 Contract Management Training places attended across **3** modules

91 Insights Discovery Team Workshop places attended across **10** workshops

65 Coaching Programme Pilot places attended across **45** modules

84 places attended at Peer Coaching embedding sessions

Learn from the Experts info sessions - **250** places attended across **5** sessions

Lean Six Sigma Training rolled out

Yellow belt workshop – **46** attendees

Green belt & facilitation workshop – **12** attendees

Manager / Sponsor workshop – **17** attendees

109 IMI Events (Masterclass & Webinar) attendees across **17** events

8 participants in IMI Cross Industry mentoring programme

In 2022 we supported 5,831 Training Hours and 833 Training Days as well as...

55 employees attended New Hire Induction

15 employees received Further education sponsorship

Workplace

Occupational health and safety

Our Work Safe Home Safe programme, in place since 2015, continued to grow in scope and ambition and proved to be a considerable workforce benefit during the ongoing COVID-19 pandemic. The programme includes a suite of initiatives across safety, health and well-being initiatives focused on Mind, Body and Life, with a pivoted focus on supporting our colleagues in response to COVID-19 including transitioning employees back to the office environment.

Occupational Health
- Employee assistance programme
- Digital doctor service
- Flu vaccine
- Eye test allowance
- Audiometric testing
- Cycle to work scheme

Time to Talk, our Mental Health Initiative
- Developed a Time to Talk Steering Committee
- 34 Mental Health First Aiders trained
- Quarterly Meeting with Mental Health First Aiders
- World Mental Health Day celebrated with a talk from Prof. Ian Robertson, clinical psychologist and neuroscientist
- Access to counselling through our EAP service

Wellbeing
- Hybrid working introduced
- Staff restaurant
- On-site gym
- Wellbeing eLearning modules
- Financial, legal and career advice through our EAP service
- Employee Resource Groups established
- Wellbeing Workshops
- Breastfeeding supports introduced for parents

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. The system was recertified by the NSAI for another three years in 2020 and underwent a successful surveillance audit in 2022. 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.

Our ISO 14001 Environmental Management System, ISO 9001 Quality Management System, ISO 50001 Energy Management System and ISO 55001 Asset Management Systems also underwent successful surveillance audits in 2022 by the NSAI following their recertification in 2020.

The Safety Management System applies to all employees and all workplaces controlled by the business, and aspects of 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. 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.

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 or abnormal or unsafe situations or behaviours (HAZCONs), via a Sharepoint site or app on corporate mobile phones and tablets, so that potential accidents are prevented. 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

Workplace

addressed as soon as possible. Key service delivery partners are required, via the terms of their contracts, to operate similar hazard reporting systems. In 2022, service delivery partners reported 4,744 hazard reports.

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

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).

Findings from accidents and incidents are reviewed at the Networks Safety Management Committee – a steering committee, chaired by our Chief Operations Officer, 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

We encourage and facilitate the appointment of safety representatives selected by employees to represent them on safety and health matters, (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. Consultation also takes place via a number of fora including our Employee Forum and dedicated meetings with employee representatives.

In addition, we are committed to informing, communicating and consulting with 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. Managers and leaders undertook 373 Safety Leadership Conversations in 2022
- Senior management round table sessions and roadshows
- Intranet site and other company publications
- Safety posters and performance information on noticeboards

- Hazard and accident/ incident reporting systems
- Employee participation in the review and selection of personal protective equipment (PPE), in working groups focused on safety issues (e.g., safe driving), in the development and review of new and revised procedures, and in risk assessments
- 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 legislation, our Safety Statement / Safety Management System and safety related roles and responsibilities, and on workplace hazards and controls.
- Occupational health and welfare issues.
- Basic manual handling skills, basic first aid awareness, and basic fire safety, including the use of fire extinguishers.

This mandatory training is provided and managed by our Technical Training Centre. The content, effectiveness and frequency of this training are continuously reviewed. Additionally, we operate a technical competency management system, (which applies both to selected employee and service delivery partner roles), 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.

Workplace

Safety performance metrics

We actively monitor our safety performance, measuring 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%.

Level 1 Metrics	2022 Actual
Serious Injuries/Fatalities (monthly) => 3% weighting	Zero
Safety Composite 12% weighting	
=> 3% Incident Rate	103%
=> 9% Leading Metrics (see Level 2)	105%

Level 2 Metrics - composite breakdown	2022 Actual
Incident Rates	
a. Total LTIFR – Employees	0.23
b. Total LTIFR – Contractors	0.38

Level 2 Metrics - composite breakdown	2022 Actual
Leading KPIs	
a. Integrated HSQ Inspections	931
b. Integrated HSQ Audits	38
c. CAR Closure Rate	99%
d. HAZCONs raised by staff	505
e. Safety Leadership Conversations (total number)	373
f. Safety Leadership Conversations (1 per "Key Influencer per quarter)	82%
g. HiPo – completion of HiPo investigations within 1 calendar month	100%
h. Completion of the Work Safe Home Safe programme (Continuous Improvement Initiatives)	95%

Total LTIFR – No. of employee injuries (>1 day absence)/100k hours

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

There were three employee Lost Time Injuries (LTIs) in 2022. The employee LTIFR was 0.23 and the reportable LTIFR was 0.23. The three accidents resulted in one rib injury, one head injury, and one wrist injury. Although regrettable that such incidents occurred, thankfully none of the injuries sustained were serious and all our colleagues have returned to work.

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 1.31 million hours in 2022 and recorded a total LTIFR of 0.38. Our Combined LTIFR (for staff and key service providers) stood at 0.13, having been as low as 0.04 in July 2021 – the lowest since we began measuring.

Of the five LTIs that occurred amongst service delivery partners in 2022, one was a back injury, one was a shoulder injury, one was a finger injury, one a knee injury and one was an arm injury. None of the injuries were serious. All incidents are investigated, and recommendations are tracked and monitored via our Corrective Action Report (CAR) system to help reduce future incidents.

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".

Marketplace

Natural gas plays a critical role in providing a cleaner, competitive, and secure energy supply for Ireland. Our challenge 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.

Customer

Customers' needs, wants, and perceptions change as the context around them and the world shifts. In this changing environment, we continue to listen to our customers. We consider customer understanding to be a guiding focus whether related to a specific interaction or project or as part of broad scale strategy.

55,729
customer appointments made with 99% compliance rate

55,446
customer appointments kept with 100% compliance rate

1,630,192
meters read

507,912
customer contacts handled by our Contact Centre

Supporting our customers during the energy crisis

We supported the Commission for Regulation of Utilities (CRU) initiative to implement a general system wide moratorium on debt-related gas meter locks and disconnections during the pandemic and up until March 2023 (managed by gas suppliers and facilitated by Gas Networks Ireland), ensuring customers had access to the gas they needed to help heat their homes and cook food. We also engage with MABS, where quarterly meetings allow both parties to share information in relation to the challenges faced by customers relating to energy costs.

Putting our customers first

We met all our customer satisfaction score targets across all activities surveyed and with a 4% reduction in complaints made by our customers compared to 2021, continuing the trend of complaints decline since 2018. We continued to engage with the wider industry in Ireland and the UK, gaining insight on best practice and developments within the industry. Nurturing these critical industry relationships and sharing common experience, helps us define our ever-evolving customer strategy and operations approach as we adapt to meet changing customer needs.

We helped customers manage their energy costs by enabling supplier switching and by installing Pay as You Go (PAYG) meters. PAYG meters now constitute 16.9% of the total residential meter population. These meters can be used as an important tool in the fight against energy poverty. In 2022, we have also exchanged more than 18,094 meters under our domestic meter replacement programme (both credit and PAYG).

We are responsible for the process of switching customers from one supplier to another. In 2022, there were seven competing retail suppliers active in the market. 128,000 gas customers changed supplier in 2022. Since the gas market opened to competition in 2004, over 1.5 million gas supplier switches have been completed.

Marketplace

Insights into action

Customer Experience is the sum of all interactions a customer will have with a business – from marketing, to sales, to design and installation, and continued with customer care. Regular customer feedback tells us the story of how well we are delivering a service and where we can identify opportunities to improve.

Our Insights into Action programme helps us drive initiatives to enhance customer experience by supporting efficiencies and promoting continuous improvement across the organisation. Throughout the year and right across the business, many impactful projects, process improvements, and changes are quietly implemented. Much of this work will directly and/or indirectly impact and benefit our customers' experience.

To capture this and share these developments across the business, we created a "Customer Initiative Register" which offers a collaborative platform for cross-departmental cooperation. Customer related projects are listed with a brief overview, assigned to an initiative owner, and updated when completed/paused/cancelled. In 2022 we completed 28 customer experience initiatives, surpassing our target of 26.

Customer centricity

In 2022 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.

Following a customer interaction, we randomly select customers to ask a series of questions using three key metrics to understand how they rate their experience in dealing with us.

- 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 9-10.
- 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 Balanced Scorecard and departmental goals and targets. No matter where people work within Gas Networks Ireland, 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 Procedure

Vulnerable customers

We are committed to providing the best customer service possible to all our customers. Making specific provisions for those who require special services, we strive to support our vulnerable customers.

These commitments and provisions are detailed in our Vulnerable Customer Guide, which can be found at https://www.gasnetworks.ie/docs/home/customer-care/vulnerable-customer-guide.pdf and include:

All customers classified as vulnerable on the Special Services Register will be dealt with as a priority for reconnection

In the event of a gas network outage or planned gas supply interruptions, we will provide alternative heating and cooking facilities comprising of a two-ringed electric cooker and electric heater

Gas Networks Ireland will not lock or disconnect your gas supply from 1st December 2022 to 31st March 2023, unless it is necessary for safety reasons.

Committed to maintaining the highest possible standard of service to our vulnerable customers, continued feedback collected from our monthly "Mystery Shopping" scenarios provides up to date validation of the effectiveness of our processes or identifies opportunities for improvement.

Marketplace

Customer Service 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. The goal of the programme is to:

- **Encourage** our employees and business partners to surpass expectations in their delivery of excellent customer service
- **Recognise** those individuals and teams who have contributed more than their role calls for, as they rise to meet challenges and provide a customer experience above and beyond that expected
- **Celebrate** and share our customer experience success stories across the business
- **Promote** and embed the principal that each individual and team can affect a demonstrated impact on the customer, all playing a part in Gas Networks Ireland's delivery of industry leading customer experience, further promoting our customer centricity mindset

Quarterly celebrations of going above and beyond for our customers were held in 2022, with each of the 162 nominees receiving a token reward and entered into a prize draw. In addition, we celebrated 54 contact centre representatives rewarded through our "Voice of the Customer" programme, which recognises great customer service delivered by our contact centre business partners.

Customer health and safety

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

We are committed to the highest possible safety standards and operate a best-in-class emergency response service to respond to suspected gas escapes, carbon monoxide incidents or other gas related emergencies. Our independently certified Safety, Environmental, Quality, Energy and Asset Management Systems help to ensure that our activities are managed in accordance with international best practice. Our core safety metric of average number of minutes to respond to public reports of escapes agreed with the Commission for Regulation of Utilities (CRU) is 97% response within 1 hour. In 2022, we responded to 14,550 publicly reported escapes of gas with an average response time of 28 minutes, and 99.9% of these reports were responded to within one hour.

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. We undertake consumer research annually on our main campaigns to establish awareness of key safety messages and the performance of the campaigns.

The Gas Escapes campaign raises public awareness of what to do and who to call if you suspect a gas leakage. In 2022, 77% of adults were able to recall the new gas escapes campaign, with 80% (unprompted) knowing at least one correct action to take in the event of suspecting a gas escape.

Marketplace

The Carbon Monoxide campaign raises awareness of the causes, signs, symptoms and preventative measures for carbon monoxide poisoning. 2022 research shows almost universal awareness (93%) of the dangers of Carbon Monoxide. 66% of homes now have at least one carbon monoxide alarm, compared to only 25% in 2014 prior to the launch of the Tommy McAnairey ads.

Our new Carbon Monoxide ad to communicate what to do when your Carbon Monoxide alarm goes off aired in early 2022. 54% of all adults in Ireland can now name two correct actions to take should their Carbon Monoxide alarm go off, up 7% from 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 has seen over 5,500 users registered for the service.

We also promote the Register of Gas Installers of Ireland (on their behalf) via a multi-media campaign. Results from 2022 show 78% of people are aware of the Register of Gas Installers, up from 67% in 2019.

Downstream gas incidents and non-compliances

Under the Gas (Amendment) Act 1987 we are obliged to disclose "Reportable Incidents" (fatalities, injuries requiring hospitalisation, and property damage of a value greater than €6,349) to the CRU where natural gas is involved, and are obliged to report any other incidents involving natural gas where we believe it is beneficial to do so. We are committed to transparent and open disclosure and have agreed additional categories of "Reportable Under Guidelines" (RUG) incidents with the CRU. 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 2022 we reported three Reportable Incidents and five RUG incidents on downstream (consumer) installations. None 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 2022 we issued 13,129 Notices of Hazard.

Business delivery

Operating, maintaining and developing our network in an efficient and economic manner is a key element of our strategy. In 2022 we delivered over 46,612 planned maintenance work orders on the transmission and distribution networks and a capital expenditure programme of €135 million which included ongoing programmes to improve the safety and reliability of the network. 97% 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.

Stakeholder engagement
Gas Networks Ireland stakeholder engagements initiatives growth by year

Year	Value
2018	81
2019	107
2020	118
2021	179
2022	181
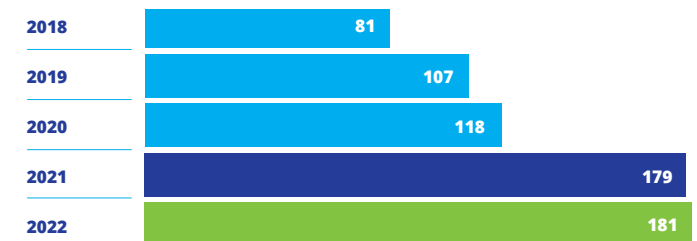
Gas Networks Ireland understands and values the critical role stakeholders play in its business. We have a comprehensive stakeholder engagement plan that takes a holistic, pragmatic approach to stakeholder engagement based on the internationally recognised Stakeholder Engagement Standard (AA1000SES).

Marketplace

Community Stakeholder Engagement

The importance of holding stakeholder sessions and supporting the community in towns where the gas network is expanding is recognised. We work with communities to ensure that construction projects in the locality cause minimum disruption providing regular updates in local newspapers and on local radio.

National Policy and European Affairs

Gas Networks Ireland's Policy and European Affairs teams articulate our standpoints at a European (EU) and national level, advocating on behalf of gas and the gas network and ensuring we impact on future energy policy developments and decarbonisation commitments at an EU and national level.

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, the team leverages strong EU working relationships and actively participates in Working Groups and initiatives to extend the company's 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 how 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 the Hydrogen and Decarbonised Gas Market Package, the Methane Emissions Regulation and the Energy Performance of Buildings Directive (EPBD).

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 and 2021, our European Affairs team, working with our sustainability and corporate responsibility leads, helped develop a 'Sustainability Charter' for Gas Distributors for Sustainability (GD4S), of which Gas Networks Ireland is a member. Gas Networks Ireland will again be directly involved in the development of the updated GD4S Sustainability Charter 2023.

Ireland's gas network can play a central role in helping Ireland achieve its commitment to net-zero by 2050 and our Policy Team are focussed on ensuring we deliver on the relevant actions assigned to us in the Government's Climate Action Plan (CAP) 2021 and actively developed key policies and measures and advocated for their inclusion in CAP 2023 and beyond.

Driven by climate change mitigation policy and geo-political considerations, Ireland's energy landscape is rapidly changing. National energy policy at present is primarily concentrated on Ireland's decarbonisation targets and security of energy supply, with the Government's Climate Action Plan 2021 and Energy Security Review expected to dictate the shape of Irish energy policy for many years to come. As we move to a low carbon society, the role of the gas network has come increasingly under the spotlight.

To highlight the central role that the gas network will continue to play in a net-zero carbon, resilient future energy system, developing a strong policy presence is critical. The Policy Team actively engages with Government departments and key stakeholders, such as Hydrogen Ireland, Ibec and Wind Energy Ireland, advocating on behalf of the gas network and Gas Networks Ireland. The team champions the increasing role of renewable and low carbon gases in the context of the gas network playing its part in Ireland's decarbonisation journey.

Cork Chamber Sustainability Webinar Series

Cork Chamber delivered the third year of their Sustainable Cork Programme with a webinar series co-sponsored by Gas Networks Ireland. The topics included 'City Centre Revitalisation', 'Electric Mobility - Redefining our City', 'Fuelling Business - Opportunity in Crisis', and 'Keeping Diversity, Inclusion, and Equity on track in a Hybrid Workplace'. The sessions were geared towards local businesses and focused on initiatives to promote sustainability in business.

Marketplace

Sustainable operations case study

Aurora Telecom: embedding sustainability into our operations: from dark fibre to subsea cables

Aurora Telecom is a division of Gas Networks Ireland. As Ireland's leading backhaul dark fibre service provider, we own and operate an extensive national backhaul fibre network across 15 counties in a ring topology, linking all the major cities and key urban centres along the route. As part of a multi-utility company a significant proportion of our network is adjacent to the national gas network. At design stage for all projects, we review the possibility of aligning our projects with construction works that are being carried out by our parent company.

At Aurora Telecom, we are committed to helping our customers to achieve their sustainability goals by demonstrating that we embed, deliver and monitor sustainability across all our operations and those of our suppliers.

Delivering a dark fibre network involves a number of sustainability challenges that must be carefully considered and addressed to ensure that the network is built and operated in a responsible and sustainable manner. This can involve a range of strategies, such as implementing energy-efficient technologies and processes, conserving resources, managing e-waste properly, and engaging with local communities to minimize social impacts.

In 2022, we constructed and commissioned over 100 km of fibre backhaul network. We utilised mole ploughing and directional drilling techniques in the construction of our network. These work practices are recognised as an efficient, effective and environmentally friendly way of installing cable and pipes.

We operate a fully resilient national ring network that links Dublin with the midlands, south and east, providing future-proof capacity for large ICT organisations and telecommunication carriers in the capital, but also the long-term broadband requirements of towns and cities along its route. The Aurora Telecom network therefore can support regional employment growth by ensuring that companies seeking resilient high-capacity data networks can now choose locations throughout the country while retaining the same level of national and international connectivity.

Aurora Telecom is a carrier's carrier. The traditional model for developing telecommunications networks is that each carrier would construct its own network but not permit others to use it. The Aurora model facilitates network sharing with all other telecommunications companies. As a carrier's carrier, our 1520 km network is designed with an ultra-high fibre count and is open access negating the requirement for a carrier to build their own network.

By utilising our network, further construction works, materials and environmental cost is avoided. The continued installation of new infrastructure across new regions, ensures that we are considerate of the potential impact on local communities, with regards to the disruption of traffic and potential displacement of residents. It is important to consider and mitigate these impacts to ensure that the benefits of the network are shared by all stakeholders.

Aurora has three long term period contracts for civils and fibre works and colocation, all these contracts were recently tendered. The successful suppliers and contractors were obligated under the process to meet high criteria for Environmental and Sustainable requirements. In addition, these suppliers have also brought their best-in-class operations processes to our business.

Governance

We aim to deliver a safe, consistently excellent, efficient and cost-effective energy service that benefits all customers. We adhere to policies and practices which are sustainable, aligned with industry best practice, and promote economic growth.
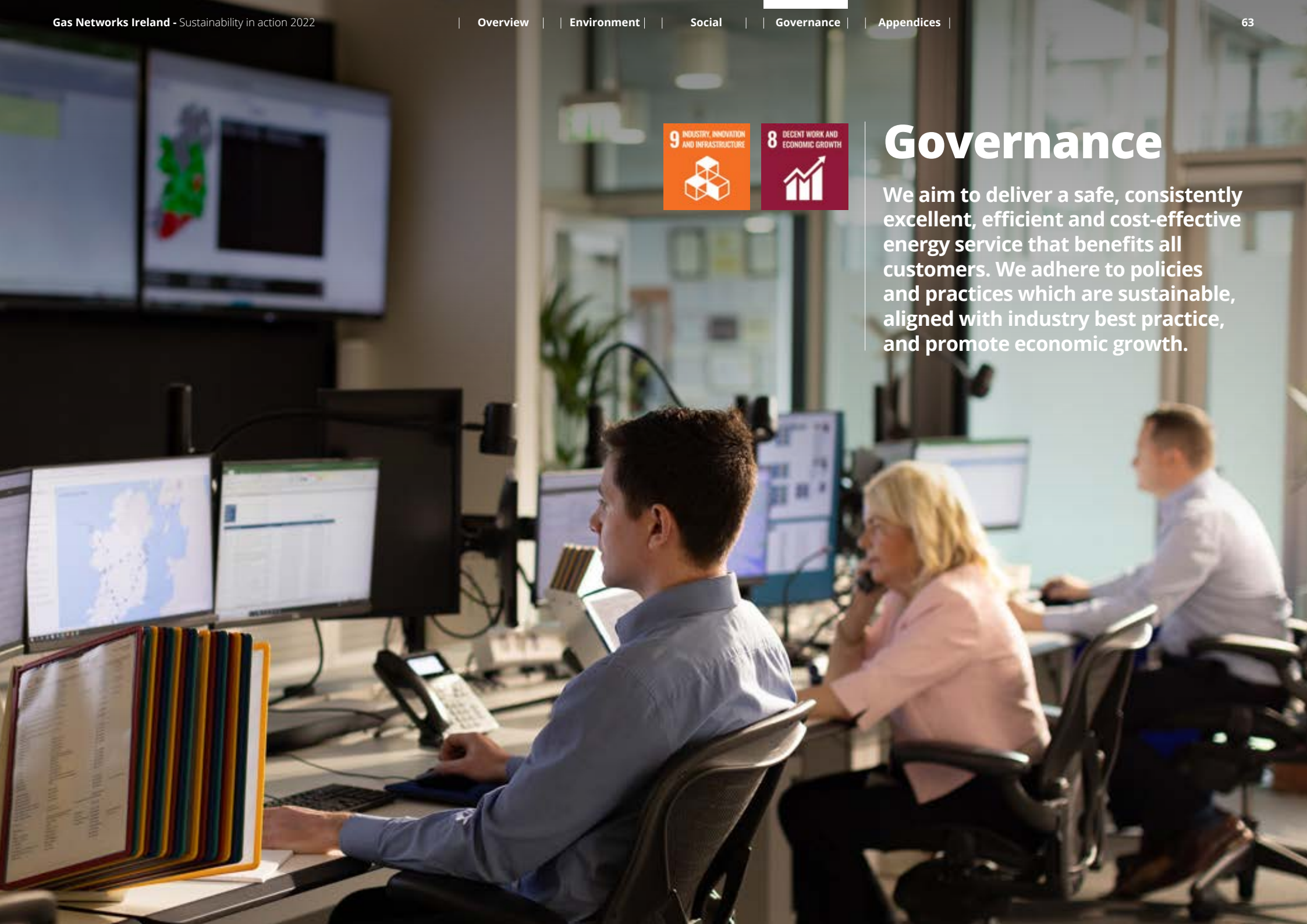
Introduction

Natural gas is of key strategic importance to the Irish economy, representing 32% of Ireland's primary energy mix and generating 48% of Ireland's electricity, peaking at 92% of electricity generation during 2022. Ireland's gas network is a valuable national asset which will play a major role in achieving a clean energy future in a least cost, safe and secure manner.

Natural gas is the ideal partner for renewable energy sources such as wind and solar and the gas network will continue to play a critical role in Ireland's energy sector. 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

With safety as a priority for our assets and operations, we invested €133m in our gas and telecoms network infrastructure with a strong focus on driving growth and on transitioning our gas supply to renewable technologies such as biomethane and hydrogen and delivering programmes to improve the safety and reliability of the network.

The Government has set an increased target of 5.7TWh/yr of biomethane on the national gas network by 2030. During 2022 there has been growth in renewable gas injected into our network, with circa 1% biomethane on our network. In late October we issued a Request for Information (RFI) from biomethane producers. This RFI will identify new and feasible biomethane production projects to supply biomethane to the Irish gas network. This information will be used to prepare plans for gas network developments to facilitate both the most economic delivery of biomethane to our customers and the most economic connections to producers.

Gas Networks Ireland is expected to begin construction of Ireland's first large-scale renewable gas injection facility next summer. Planning permission for the Central Grid Injection (CGI) facility has already been granted by An Bord

Pleanála and Cork County Council. This forms part of the €30 million Green Renewable Agricultural Zero Emissions (GRAZE) renewable gas project. Led by Gas Networks Ireland, the GRAZE project is supported by more than €8.4 million in funding from the Climate Action Fund, as part of the Government's National Energy Security Framework.

With an increased focus on the need for renewable gases, such as biomethane and hydrogen, to replace natural gas in Ireland's energy mix and enhance Ireland's security and diversity of supply in light of recent climate reports and the invasion of Ukraine, the establishment of a national Renewable Gas Registry is both timely and critical to the industry's success. In August 2022, Ireland took another significant step towards meeting its climate action targets, with a formal certification process now in place for renewable gases entering the national network.

Gas Networks Ireland has been appointed as the body responsible for issuing Guarantees of Origin for renewable gases in line with European Union (Renewable Energy) Regulations 2022, which has passed into Irish law. We will issue Guarantees of Origin in accordance with a supervisory framework to be established by the Commission for Regulation of Utilities, meaning that producers of renewable gas will be issued with a Guarantee of Origin for every megawatt hour of renewable gas injected into Ireland's national gas network.

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:

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

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 9 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 Circle K's forecourt at Clonshaugh in Dublin and Ballysimon Road in Limerick City were completed in 2022 under the Causeway programme, bringing the country's total number of public stations to four.

- 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.

Innovation

Our network must be repurposed to transport renewable gases, biomethane and hydrogen, at scale and support Ireland's climate change agenda. In December 2022, Gas Networks Ireland submitted its technical and safety feasibility study report on injecting green hydrogen blends into Irelands gas network which indicated that it will be both safe and feasible to utilise the existing gas network to transport blended hydrogen. However, before injecting hydrogen into the network, further detailed research will be required.

Innovation case study
Network Innovation Centre

Leveraging innovation to operate our gas network in a more efficient and sustainable manner continues to be a priority for Gas Networks Ireland. In 2022 Gas Networks Ireland established a new Innovation Delivery team and invested in a Network Innovation Centre located in Citywest, Dublin.

The Networks Innovation Centre is playing a key role in supporting our hydrogen development initiatives, enabling research on the introduction of green hydrogen on to the gas network and testing end user appliance utilisation of hydrogen. Innovation on the existing gas network is also a core activity at the Network Innovation Centre, supporting initiatives that will improve how we operate and manage the gas network both now and into the future. Gas Networks Ireland has established a number of strategic research partnerships with academia including Ulster University, University College Dublin (UCD) Energy Institute and AMBER an SFI Centre for Advanced Materials and Bioengineering Research. Gas Networks Ireland is an industry co-funding partner of NexSys (Next Generation Energy Systems), an all-island multidisciplinary energy research programme and a member of GERG, the European Gas Research Group.

Gas Networks Ireland operate the CRU approved Gas Innovation Fund (GIF), through which over €4.1 million of innovation funding has been allocated over the price control period 2017 to 2022. The aim of the GIF is to provide support for research and demonstration projects in the gas industry, Over the period the fund was supported by the advice of the Gas Innovation Advisory Group (GIAG) comprising representatives from academia, industry and policy makers.

Ethics and Integrity

Our reputation and the trust and confidence that our customers, stakeholders and the general public place in us is fundamental to our success. Integrity is key to building that trust. We have created a programme called "Doing the Right Thing" to help all employees understand and recognise the importance of the "Integrity" value.

Employees are trained to ensure that any business decision made is:
1. Legal
2. In line with company values
3. In line with company policy
4. The right thing to do

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.

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.

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 continue to be 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 emails. We also have strong internal security controls around firewalls, patching, anti-virus protection etc, and align ourselves to ISO27001. All staff and contractors have undertaken online GDPR training.

The Gas Networks Ireland Data Protection Officer has not raised any areas of significant concern regarding non-compliance with regards to legislative requirements under GDPR during 2022.

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 the Ervia and Gas Networks Ireland boards, executive and extended senior leadership team. Nobody within Ervia or Gas Networks Ireland or acting on behalf of either company, 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 of excessive gifts or hospitality or receiving gifts or hospitality in exchange for information.

The Gas Networks Ireland Chief Legal Officer is responsible within Ervia and Gas Networks Ireland for overseeing all anti-bribery actions and the Gas Networks Ireland Director of People 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 / Gas Networks Ireland's "Doing The Right Thing" policy.

Ervia and Gas Networks Ireland'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 Gas Networks Ireland'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 outlined in Ervia / Gas Networks Ireland's Protected Disclosures Policy.

Protected Disclosures and raising concerns
The mechanism whereby Ervia and Gas Networks Ireland employees and management may raise concerns, or make disclosures in the public interest, in accordance with the Protected Disclosures Act 2014 (as amended), is outlined in the Ervia / Gas Networks Ireland Protected Disclosures Policy. Guidance on raising concerns for management and employees is outlined in the Code of Business Conduct, the Anti-Fraud Policy and the Anti-Bribery and Anti-Corruption Policy. Section 22 of the Protected Disclosures Act 2014 (as amended) requires Ervia to publish an Annual Report providing details of protected disclosures made under the Act during the preceding calendar year. Per this requirement, Ervia confirmed that, in the year ending 31 December 2022, no protected disclosures was made to either Ervia or Gas Networks Ireland.

Ethics and Integrity

Networks Ireland under the Act. Accordingly, no breach was reported and no investigation or proceeding was commenced in 2022.

Regulation of lobbying

Ervia and its subsidiary (Gas Networks Ireland) 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 2022 in accordance with the requirements of the Regulation of Lobbying Act 2015.

Prompt Payments

Appropriate internal financial controls are in place within Ervia and Gas Networks Ireland 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.

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 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 UK Modern Slavery Act 2015 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 behalf of Ervia or Gas Networks Ireland 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 a modern slavery assessment of third-party contractors and suppliers to assess any high risk of acts of slavery / human trafficking. The assessment included workshops with high priority suppliers and review of their modern slavery policies and procedures
- 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
- 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

Financial performance

We delivered a satisfactory financial performance during 2022, particularly in the context of significant inflationary cost pressures mainly as a result of energy uncertainty linked to the ongoing invasion of Ukraine. We recorded a Profit before Tax of €68m and had undrawn committed facilities of €312m and €149m of cash and cash equivalents at December 31st 2022.

This 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.

We maintained our investment grade credit ratings with Moody's and S&P in 2022. This strong credit rating enables Gas Networks Ireland to access a wide range of funding sources and ensures its continued access to competitively priced funding.

Return to the Shareholder:

In 2022 we supported Ireland's economy by making a dividend payment of €30m to the Exchequer

Investors:

We paid out €15.7m to investors in interest payments

State support:

We paid €11.7m to the Irish & UK governments and regulators in tax, rates and levies

Employees:

We paid €61.5m to employees in 2022

Financial assistance received

To support the development of our capital investment programme we apply for grant funding where applicable. The following grants were received in 2022:
- €681,000 to Gas Networks Ireland Group in relation to the Causeway Project from CINEA.
- €380,000 to Ervia Group in relation to Carbon Capture and Storage From CEF & CINEA.

Full financial statements can be found in the Gas Networks Ireland Annual Report and Financial Statement. https://www.gasnetworks.ie/corporate/freedom-of-information/foi-publication-scheme/financial-information/

Taxation policies

We are committed to complying fully with all applicable laws, rules and regulations in meeting our tax 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 the Gas Networks Ireland 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 and also assessing our ability to manage and mitigate risks that may occur through putting appropriate controls and actions in place and also reports the risk profile to the 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.

The internal control environment includes internal policies requiring all employees to act with integrity and maintain the highest ethical standards. These polices include the Code of Business Conduct, Anti- Fraud, Anti-Bribery and Anti-Corruption, Lobbying and Protected Disclosures policies. 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 will be 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 2022 can be found in Note 8 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.

Supply chain

Gas Networks Ireland ensures environmental and sustainability requirements are embedded in the procurement processes right through to delivery stage of the contract. For example, since 2011, our main/larger contractors are required to provide us with monthly reports on their sustainability performance against a range of sustainability KPIs which include, waste management, carbon management and energy use.

Our main third-party contracts have been designed to deliver sustainability and environmental best practice throughout project lifecycle. Where contractors outperform set KPIs, the financial terms of the contract contain provisions to allow for additional performance awards to be made. Similarly, KPI underperformance can result in the imposition of financial performance adjustments. As part of the tendering process in 2020/2021 when procuring our two new main contractors, we ensured our enhanced Sustainability Strategy objectives were key to the tender and contract requirements. In addition to waste data management, energy and carbon performance KPIs we have now also included new more challenging requirements around waste reduction targets, Biodiversity Enhancement Planning, Green Sustainable Procurement Planning, Sustainability Planning, Community Programmes, Carbon Emissions Management as part of our new contracts.

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

The three pillars of our supply chain objectives

Secure value-for-money

Ensure compliance with all legal and governance requirements

Build a resilient and sustainable Supply Chain

The key elements of our supply chain process

Procurement Strategy Setting
- Category Strategic Planning
- Performance Management
- Risk and Resilience Management
- Sustainable Procurement

Sourcing and category management
- Strategic sourcing
- Category policy and management
- Compliance monitoring

Supplier management
- Supplier relationship management
- Contract performance management
- Supplier Risk Management

Requisition to pay
- Transaction processing
- Category buying
- Master data management
- Fulfilment

Our supply chain in numbers

2022	GNI Suppliers
Republic of Ireland	644
Northern Ireland	51
Great Britain	31

Supply chain

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 the procurement processes right through to delivery stage of the contract. For example, since 2011, our main/larger contractors are required to provide us with monthly reports on their sustainability performance against a range of sustainability KPIs which included, waste management, carbon management and energy use.

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Our supply chain team are working to deliver a sustainable procurement strategy. The team developed a sustainability procurement policy which will be finalised in 2022. 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.

Appendices

Who we are

Gas Networks Ireland owns, operates builds, and maintains Ireland's €2.77bn national gas network, one of the safest and most modern gas networks in the world and comprises 14,669 km of gas pipelines including two sub-sea interconnectors. We also provide wholesale telecom fibre services under the business name Aurora Telecom.

The safe, reliable transportation of natural gas and the delivery of a consistently excellent, cost-effective service that benefits all our customers is at the core of what we do.

Currently over 720,000 homes and businesses avail of a safe, efficient and secure supply of natural gas every day. As an energy source, natural gas is of strategic importance to Ireland and facilitates job creation and economic growth. The gas network is a vital national asset and plays a critical role in Ireland's economy, delivering 32% of the country's primary energy needs. On average 48% of Ireland's annual electricity is produced using natural gas.

Gas Networks Ireland has continued to deliver a safe, efficient and reliable gas network by focusing on security of supply and safe operations while also pursuing opportunities to optimise the network as part of Ireland's transition to a net zero carbon economy.

Ireland's national gas network

Scotland

Corrib Gas Field

Bellanaboy

Derry City

Coleraine
Ballymoney
Limavady
Ballymena
Strabane
Magherafelt
Cookstown
Antrim
Carrickfergus
Omagh
Dungannon
Coalisland
Lurgan
Belfast
Portadown
Craigavon
Enniskillen
Armagh
Banbridge
Tullykenney
Newry
Derrylin
Lough Egish
Cootehill
Dundalk
Carrickmacross
Bailieborough
Kingscourt
Virginia
Kells
Navan
Drogheda
Gormanston
Ballymahon
Mullingar
Trim
Athlone
Loughshinny
Enfield
Kilcock
Ballinasloe
Dublin
Tullamore
Prosperous
Naas
Bray
Galway
Craughwell
Kildare
Blessington
Loughrea
Tynagh
Portarlington
Ballymore Eustace
Gort
Monasterevin
Kilcullen
Wicklow
Portlaoise
Cush
Rathdrum
Ennis
Sixmilebridge
Athy
Carlow
Arklow
Nenagh
Shannon
Ballina
Ballyragget
Kilkenny
Limerick
Aughinish
Askeaton
Tipperary Town
Cashel
Great Island
Listowel
Charleville
Cahir
Carrick-on-Suir
Wexford
Mitchelstown
Clonmel
Waterford
Mallow
Ardfinnan
Tramore
Belview Port
Fermoy
Cork
Macroom
Bandon
Whitegate
Ballineen
Kinsale
Inch Terminal

Moffat
Beattock
Terregles
Twynholm AGI
Brighouse Bay
Kirkcudbright

Interconnector 2
Interconnector 1
Isle of Man

Ballina
Crossmolina
Castlebar
Westport
Claremorris
Ballinrobe
Headford
Tuam

Kinsale Head Gas Field
Seven Heads Gas Field — *Decommissioned May 2020*

Legend

Symbol	Description
━━━	Existing Pipelines
━━━	Pipelines Owned by Others
●	Interconnection Points
●	Entry Point
●	Renewable Gas Entry Point
⊘	Decommissioned Entry Point

Key business projects 2022

Capacity upgrade of Collinstown and Diswell AGIs completed and commissioned.

Capacity upgrade of Drumgill AGI commenced construction.

Upgrade of the heating system at Gormanston AGI, a landfall station.

Commenced project to replace air intakes on seven turbines in Scotland compressor stations – commissioning completed on one unit at Beattock Compressor Station.

Project ongoing to replace the turbine control system on the units at Brighouse Bay Compressor Station with replacement completed on two out of three units in 2022.

Commenced construction on project to replace Insulation Joint at Brownsbarn AGI.

Design and build contract to carry out major security upgrades of the Compressor Stations in Scotland mobilised in November 2022.

Distribution network key asset replacements covering domestic meters, multi occupancy building pipework replacement, network reinforcement projects and large number of similar programs to a value of €20m.

Our strategic framework

Our Strategic Framework comprises our Purpose, Vision, Values and Strategic Ambitions. Together, these guide our decision making, provide a sense of direction to our people and clarify our role and contribution for our key stakeholders.

Our Purpose
Keeping Ireland's energy moving.

Our Vision
To be at the heart of Ireland's energy future.

Our 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.
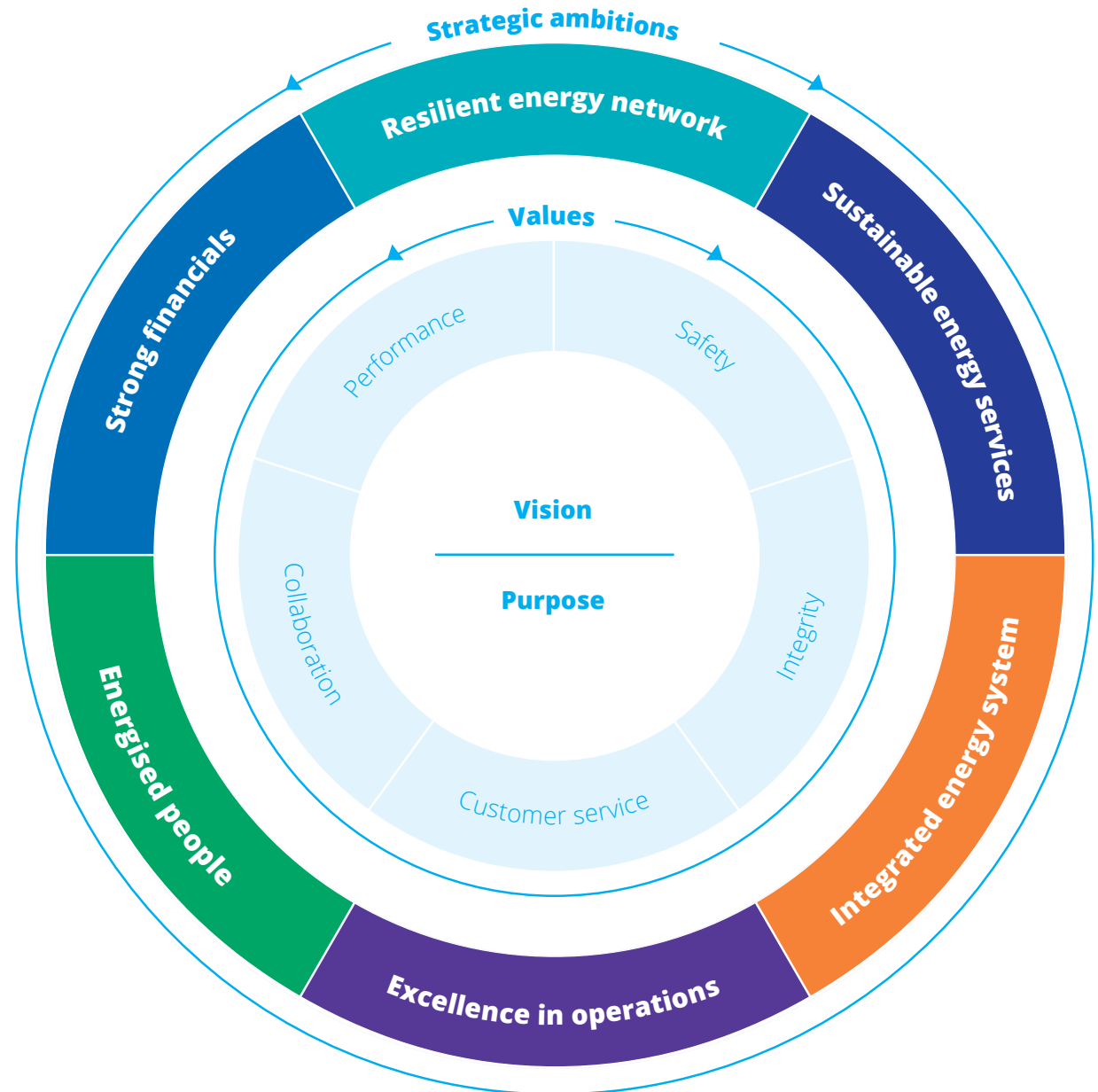
Our strategic ambitions

Our strategy is that of a business focused on performing while transforming. Our new strategy sets out how we will continue to operate, maintain and invest in our gas network to ensure safe, reliable and secure supplies while preparing for a future in which networked gas enables an integrated energy system to achieve net-zero carbon.

Gas Networks Ireland has identified six strategic ambitions that will set the foundation for our future success and provide a clear roadmap to deliver on our purpose and vision.

1. Resilient energy network
Transport energy safely and securely today and enable the transition to a decarbonised future.

2. Sustainable energy services
Deliver reliable and affordable energy solutions for our customers, transitioning together to transport networked renewable gases at scale.

3. Integrated energy system
Collaborate with key stakeholders for a future in which networked gas enables an integrated energy system.

4. Excellence in operations
Operate in an innovative, efficient and sustainable manner.

5. Energised people
Leverage our past and energise our people to deliver the future of our network.

6. Strong financials
Maintain financial strength to facilitate future development of a resilient and sustainable network

Governance structure

Established under the Gas Act 1976 (amended), Ervia is a holding company with two principal operating subsidiaries. With effect from 1st January 2022 Irish Water is operationally separate from Ervia and Gas Networks Ireland.

The overall governance structure of the group remained unchanged during 2022. The existing Ervia sub-committees continued to support the Ervia and subsidiary boards until the legal separation of Uisce Éireann from the Ervia Group, on 01 January 2023.

Gas Networks Ireland has a governance structure in place which includes a comprehensive risk management process to identify, manage, monitor, report and challenge the principal risks and uncertainties that could impact our ability to deliver our strategic objectives. The risk management framework and policy support a consistent risk management approach across the organisation including assessing the impact on the business and likelihood of the risk occurring.

The Ervia Board has ultimate responsibility for risk management, supported by the Ervia Audit and Risk Committee. The risk appetite is set by the Board to determine the nature and extent of the risks we are willing to accept in pursuit of our strategic objectives. The Board supported a deep dive on the top organisational risks during 2022.

Risk management activities also take place at all levels across the organisation to ensure the proactive and effective day-to-day management of existing, emerging and high impact low probability risks.

Gas Networks Ireland
Established under the Gas Regulation Act 2013, Gas Networks Ireland is responsible for owning and operating 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.

Information relating to Gas Networks Ireland's performance in 2022 can be found in our Annual Report and Financial Statements available at www.gasnetworks.ie.

Risk management

Risk management supports Gas Networks Ireland to navigate challenges and seize opportunities in order to develop and implement our strategy. Proactive risk management allows us to create added value for our shareholders, customers and the wider community. The risk management landscape for the organisation is ever evolving. Risk management including the effective identification, management and mitigation of risks is an integral part of all our activities.

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 and/or likelihood changes in response to internal and external developments. At the same time new risks continue to emerge. Managing safety risk continues to be a priority for Gas Networks Ireland with proactive identification and mitigation occurring.

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 Principle Risks and Uncertainties in our Annual Report.

Our risk management activities

Day to Day

Operational areas
Identify, manage, challenge and report risks.

Integrating with strategy & process

Operational areas
Risk assessment is integral to strategic planning, investment prioritisation and project appraisal.

Governance

Operational areas
Functional and Executive Risk Committees support the Audit and Risk Committee.

Risk management

The principal risks and uncertainties and key mitigations

Risk	**Context**	**Mitigation**
Resilient energy network		
Health, safety, environment		
A major health and safety or environmental incident resulting in significant impact and harm to an employee, contractor or the 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.	• The Board oversees Health and Safety performance. • Certified to ISO45001 Safety Management System and ISO14001 Environmental Management System. • Internal and external assurance activity, audits, training, emergency exercises and reviews.
Security of supply		
The security of Ireland's natural gas supply is dependent on its ability to access imports and the capacity and integrity of the supply infrastructure. A significant disruption to energy supply or to Gas Network Ireland's physical infrastructure could have a serious impact on Gas Network Ireland's business and operations and on Ireland's economy.	Ireland's economy depends on continued secure supplies of natural gas as it meets circa 32% of Ireland's primary energy needs. The invasion of Ukraine has led to wholesale gas price instability and has put increased focus on the resilience of Europe's supply of natural gas. The UK remains the principal supply source for Ireland. Any disruption to the UK's energy supply, or any failure or disruption to the operation of our gas infrastructure, could have a serious impact on Gas Networks Ireland's business and operations.	• Twinned onshore gas pipeline in Scotland reinforces security of supply for Ireland. • Corrib gas field provides an indigenous supply of gas. • Regular modelling of future demand and supply scenarios (ROI and All Island). • Established Gas Emergency Management plan that is regularly tested. • Member of DECC Energy Security Emergency Group. • GNI (UK) and National Gas (formally National Grid) have a voluntary protocol in place which provides for the occurrence of a Gas Supply Emergency. An inter-governmental gas treaty in place since 1993 between Ireland and the UK provides for the development of a framework between the Irish and the UK governments to deal with any disruptions to gas supplies. • Support the government's review of Security of Supply including the development of mitigating measures. • Comprehensive asset inspection and maintenance programmes. • Network Development Plan and Network Capacity Management Plan. • Capital investment plan and projects. • The National Risk Assessment (NRA) is required under Article 7 of Regulation (EU) 2017 / 1938 (Gas Security of Supply). Gas Networks Ireland worked with the CRU to complete this risk assessment in 2022.

Risk management

Risk	Context	Mitigation
Network capacity		
Failure to get regulatory approval and to develop adequate future network capacity could impact on Gas Networks Ireland's reputation and impact on the ability of the network to meet future energy needs.	In 2022, Gas Networks Ireland published a gas forecast statement. A key input in this is EirGrid's electricity demand projection. EirGrid projects significantly increased electricity demand resulting in a requirement for new gas-powered generation to meet this demand. In addition, a large increase in new gas connections in the industrial and commercial sector has also emerged. Network analysis has been completed based on the best available information which indicates that additional investment will be required to provide additional infrastructure to meet this demand at peak times.	• Demand side management measures – interruptible capacity products being explored. • Ongoing engagement with EirGrid in relation to its demand forecasts. • Detailed study completed to determine what operational and physical measures can be put in place to increase the technical capacity at the Moffat Entry Point to meet the demand increase in the short and medium term. • Ongoing engagement with the CRU in relation to the forecasted information. • Ongoing support of the Government's review of security of supply including providing options and solutions for security of supply and resilience of the network. • Ensure that the preventative action plan arising from the National Risk Assessment, which may include strategic storage and/or additional gas entry points, are considered as a solution for future capacity requirements. • Network Development Plan and Network Capacity Management Plan.
Capital delivery		
Failure to meet capital delivery requirements including capital works associated with new power station connections.	EirGrid and CRU have highlighted the shortfall in thermal power generation in Ireland in the short, medium and long term for electricity security of supply. The volume of work required to support the delivery of these critical projects will be significant. This coincides with increased demand from other sectors which may require prioritisation of projects leading to potential financial and reputational damage for Gas Networks Ireland.	• Tri-party meetings between Gas Networks Ireland, EirGrid and CRU and strong collaboration on projects. Early engagement with contractor and other key stakeholders consenting process: Early and ongoing engagement with key stakeholders. • Construction: Resource and supply chain planning to expedite delivery of projects.
Renewable gases - network readiness		
Risk that Gas Networks Ireland is not network ready for the transport of renewable gases.	Developing hydrogen and biomethane are identified as a key priority to achieve the EU Green Deal and clean energy transition. To ensure long-term business viability, Gas Networks Ireland needs to ensure it has the network capability and competency to be a key enabler of energy transition.	• Ensure sufficient innovation allowances for testing and development of hydrogen and biomethane capacity. • Hydrogen research and testing at our Research and Innovation Centre in Citywest, Dublin. • Enhance training and technical competency. • Build strategic partnerships within academia and other gas industry stakeholders. • Develop safety cases for each stage of hydrogen development.
Climate change – impact on infrastructure		
Physical risk that extreme or unusual weather events could impact on our infrastructure.	Increase in the severity of extreme weather events e.g. flooding, storms because of climate change could cause malfunctions or unexpected interruptions to services. A prolonged interruption during extreme weather events such as a period of extreme cold weather has the potential to cause significant social and economic disruption where businesses and households cannot access power or heat.	• Development of robust emergency response plans and procedures. • Identification of future areas of vulnerability and relocation of assets where appropriate. • Winter preparedness planning and storm hardening. • Tools for monitoring/controlling infrastructure. • Address identified risks to network infrastructure via regulatory submissions.

Risk management

Risk	Context	Mitigation

Sustainable energy services

Affordability

| A loss of competitiveness, risk that networked gas becomes uncompetitive/unaffordable for customers. | The impact of continuing high gas prices risks natural gas becoming uncompetitive versus other energy sources leading to customers and policy makers looking to alternative energy solutions. | • Continue to focus on reducing network costs through innovation, supply chain optimisation and best practice cost management.
• Continue to advocate for measures to enhance Ireland's security of supply reducing the risk of supply shocks including the increased deployment of renewable gases.
• Vulnerable customer supports.
• Customer supports including availability of Pay as You Go (PAYG) meters, facilitating switching of energy suppliers. |

Future of gas

| Failure to successfully implement and deliver Gas Networks Ireland's long-term growth strategy for natural and renewable gas in an integrated energy system. | Gas Networks Ireland fails to provide solutions for networked gas to be a viable energy source in a decarbonised Irish energy future. An inability to decarbonise the network risks a decrease in future utilisation of that network and could lead to tariff increases and potentially stranded assets. | • Support development of a pathway towards the full decarbonisation of the gas network and support innovation activities related to the gas network assets.
• Work with Government to support it meeting its 2023 Climate Action Plan target to deliver up to 5.7 TWh of indigenously produced biomethane by 2030.
• Work with customers and large users to provide solutions with a pathway to decarbonisation.
• Continue the development and rollout of the CNG network and support the development of BioCNG as it becomes available.
• Support transformation of the gas network to facilitate green hydrogen injection and future blended hydrogen. |

Integrated energy system

Energy policy

| Failure to secure a role for natural gas and renewable gases in Ireland's energy transition. | Decarbonisation of energy remains one of the biggest challenges facing the world. EU and Irish energy climate action policies are targeting the long-term reduction in fossil fuels, including natural gas (which is the cleanest burning fossil fuel). An inability to secure supportive policy for renewable gases risks a decrease in future utilisation of the network and could lead to tariff increases and potentially stranded assets. | • Ensure that the role a decarbonised gas network can play in Ireland's future energy system is recognised, understood and appreciated by key stakeholders.
• Dedicated policy team who focuses on continued engagement with all stakeholders on the development of energy policy.
• Build close collaborative relationships with parties across the entire value chain.
• Convey Gas Network Ireland's message in public discussions of the energy transition. |

Risk management

Risk	Context	Mitigation
Excellence in operations		
Supply chain		
An inability to fully deliver current or future Capital Investment Plans, due to supply chain challenges including cost increases, capacity within the construction industry, delays in receipt of materials or a failure of a key supplier, could result in failure to meet network capacity or sustain asset health through planned maintenance activities.	Volatility in world economies and changes in the geo-political environment globally is accelerating the need for Gas Networks Ireland to proactively develop plans to manage the supply chain risk. This risk is arising from cost increases of services and materials, material shortages, longer lead times on projects and viability of key suppliers.	• Engagement with CRU on future spend and targets. • Relationship management model in place. • Internal supply chain expertise and proactive supply chain interactions. • New construction and engineering contracts will ensure partners are right sized for Gas Networks Ireland's workload. • Co-ordination across the teams to build awareness and ownership. • Suppliers of key contracts monitored.
Sustainable operations		
Failure of Gas Networks Ireland to become a leading sustainable Irish business.	To meet societal and stakeholder expectations, Gas Networks Ireland needs to minimise its own emissions and waste, enhance biodiversity and support its people and communities.	• Sustainability performance and strategy with clear governance and monitoring. • Transparent Environmental Social and Governance (ESG) performance. • Committed to 50% reduction in greenhouse gas emissions intensity by 2030. • Biodiversity Action Plan. • Maintaining certification to the Business Working Responsibly Mark standard. • Commit to methane emissions reduction plan. • Reduce-Your-Use Campaign rolled out across Gas Networks Ireland.
Cyber security		
A risk of a cyber-attack to our Information Technology resulting in the potential for a significant loss of systems and services, major impact to business operations, data leakage, financial loss and reputational damage	The volume and complexity of cyber security threats are increasing and are constantly evolving. An incident could result in potential business delivery suspension, disruption, safety issues, reputational damage or potential regulatory fines. This could have a potential impact on gas and electricity customers and on the Irish economy.	• Policies, strategy and operational model in place. • On-going cyber awareness and user training programmes. • Collaboration with the National Cyber Security Centre. • Ongoing monitoring against National Institute of Standards and Technology (NIST) standards. • Ongoing investment in prevention and pro-active controls across all critical systems. • Business continuity contingency arrangements. • Security Operations Centre in place (24*7 monitoring). • Ongoing risk assessments. • Operational scenarios and stress tests on critical processes.

Risk management

Risk	Context	Mitigation
Pandemics		
Significant employee health risk or business disruption due to potential impact of a pandemic.	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.	• Pandemic response plan in place. • Business continuity contingency arrangements developed. • Engagement with key stakeholders (HSE, HSA, CRU, government departments etc.) and peer utility benchmarking.
Legal		
Failure to comply with legal obligations imposed by law, regulation or licence.	The business activities carried on by Gas Networks Ireland are subject to a broad range of laws and regulations. Legal obligations and regulations are greatly increasing the complexity of doing business in Gas Networks Ireland. Policies and training may fail to keep up with the pace of change. A failure by Gas Networks Ireland to comply with relevant Irish, United Kingdom and European Union laws and regulations could result in penalties and/or sanctions being imposed that could have a material adverse effect on its business, operational results, prospects, and/or financial condition	• Compliance review completed annually and ongoing in respect of the Code of Practice obligations for the Governance of State Bodies and any failures to comply are identified and addressed as appropriate • Comprehensive policies and procedures in place to ensure compliance with key legal obligations • Ongoing monitoring of legislative developments • Bi-annual review of Directors' Compliance Policy Statement • Ongoing engagement with relevant external stakeholders.
Fraud		
Catastrophic fraud event impacting organisation viability and reputation.	If there is a breakdown in the control environment, a fraud can occur which could result in reputational damage, financial loss as well as tax implications for Gas Networks Ireland.	• Policy awareness and fraud training. • Strong control and speak up culture. • Fraud awareness programmes including Doing the Right Thing. • Cyber security awareness training. • Segregation of duties.

Risk management

Risk	Context	Mitigation

Energised people

People

Failure to develop, retain or attract people with the right skills and capabilities to deliver our strategy.	Our ability to implement our strategy depends on the capabilities, values, behaviours and performance of our employees. It also depends on the agility and ability of our people to adapt to the changing external environment and the ongoing expectations from our stakeholders. The failure to have a sufficient skilled workforce at the right time and in the right place could negatively impact the organisation's ability to deliver our strategy.	• Strategic headcount planning and organisational design and development. • Engagement and culture initiatives including regular surveys and continuous improvement processes in place. • Health and wellbeing programme in place to support staff. • Human Resource Initiatives such as an ibelong diversity, equity and inclusion programme, hybrid working and development programmes. • Developing and empowering employees through Learning and Development and Performance Management. • Identifying and nurturing future leaders and key successors through Talent Management and Talent Development programmes. • Continued monitoring of key workforce metrics including attrition and turnover, employee and workforce stability indices.

Strong financials

Financial risk

Failure to deliver adequate financial performance due to global macroeconomic and financial risks – inflation, commodity price volatility, credit risk, liquidity risk, currency and interest rate risks.	Our ability to successfully implement our business plans is dependent on our ability to manage financial and macroeconomic risks. Rising cost of doing business. Risk of divergence between costs incurred and costs allowed under the regulatory model.	• Highly rated regulatory model with a record of stable and transparent cost recovery. • Strict framework of controls and procedures. Defined risk limits, delegations of authority and exposure monitoring in place. • Minimum level of debt at fixed rates, foreign currency exposure management, maintaining minimum liquidity. • Close monitoring and impact assessment for any macroeconomic events e.g., COVID-19, the invasion of Ukraine. • Continue to engage with key suppliers to understand and help mitigate key cost pressures • Continuous engagement with regulator to ensure they are aware of the costs Gas Networks Ireland is incurring and to seek to ensure that efficiently incurred costs are recovered in a timely manner.

Risk management

Risk	Context	Mitigation
Financial strength		
Failure to preserve financial strength to facilitate future development of a resilient and sustainable network.	The successful implementation of Gas Network Ireland's strategy is dependent upon its ability to source and maintain appropriate funding. Gas Networks Ireland will need to maintain a strong balance sheet to manage the potential rise in decarbonisation investments over a relatively short period of time.	• Strong investment grade rating. • Ongoing dialogue and strong relationships with key stakeholders including Government, funding providers and potential investors. • Linking of financing and sustainability Strategy.
Regulatory settlements		
Failure to achieve an adequate and/or timely regulatory decision and settlement.	The Commission for the Regulation of Utilities (CRU) regulates relevant revenues of Gas Networks Ireland under a revenue cap framework. A failure to agree an adequate allowance for operational and capital expenditure and for a return on capital invested, which includes support for biomethane and hydrogen could impact the businesses' ability to deliver on its strategic objectives and impact its operations, prospects, and/or financial condition.	• Active engagement with regulatory authorities and other stakeholders to ensure business requirements are recognised and understood.

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 , to deliver our projects in partnership, and respond to their interests as we progress our plans.

		Representative bodies include	Priorities	Response	Surveys	Face to face	Roundtables	Information events	Working groups	Website	Social media	Multi-stakeholder meetings
General public and communities	Individuals, communities, environmental groups, consumer groups, business interest groups, farming bodies etc.	Ensure safe, secure and reliable supplies of natural gas. Maintain competitiveness. Support social and economic growth.	• Focus on engagement at local and community level for both existing natural gas supplies and emerging renewable gas supplies. • Maintain our excellent performance in responding promptly to reports of escaped gas. • Enhance public engagement on safety through safety messaging and advertising. • Engagement in industry safety fora such as construction safety week and contractor safety events. • Responsible road opening operation with minimum public disruption. • Provide infrastructure to facilitate economic growth							✓	✓	✓
Partners	Partners, shippers, suppliers, and third-party service providers.	Work effectively together to deliver quality services.	• Close collaboration with shippers and suppliers in addressing the evolving needs of gas users. • Work in partnership with key industry parties to increase the percentage of renewable gases on our network. • Hold frequent performance reviews and forward-looking planning discussions with our service partners to ensure alignment on delivery of integrated energy strategy	✓	✓	✓	✓	✓	✓	✓	✓	✓
Regulators	Commission for Regulation of Utilities, Utility Regulator (Northern Ireland), Office of Gas and Electricity Markets.	Deliver initiatives to implement energy and climate policies. Operate efficiently.	• Deliver on Gas Networks Ireland's Climate Action Plan commitments in cooperation with key industry participants. • Invest in biomethane, hydrogen and compressed natural gas projects. • Work with all relevant bodies on gas security of supply and emergency planning		✓			✓				
Shareholders	Department of Housing, Local Government and Heritage, Department of Environment, Climate and Communications, Department of Public Expenditure and Reform.	Implement Government policy. Aid the achievement of Government decarbonisation targets by increasing the percentage of renewable gases on the network. Communicate accurately and transparently and demonstrate progress against plans.	• Operate, maintain, develop and decarbonise a safe, reliable and efficient network. • Develop and deliver business plans that are aligned with Government decarbonisation targets. • Work with our Shareholder and other key industry participants on security of energy supply to give confidence in gas network on foot of the energy crisis arising from the war in Ukraine. • Issue regular performance reports and updates a to monitoring and oversight bodies	✓	✓	✓	✓	✓	✓	✓	✓	✓

Materiality assessment

We conducted a Materiality Assessment in 2021 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 and is repeated every two years.

Our materiality analysis largely confirmed results from previous years, with our employees rating Network Safety, Security of Supply and Decarbonisation of the Gas Network as the top priorities, while external stakeholders rated Network Safety, Decarbonisation of the gas network and Occupational health, safety and well-being as the top priorities.


Social – Marketplace
1. Anti-bribery and ethical business
2. Accessibility
3. Stakeholder Engagement
4. Affordable and Clean Energy Advocacy
5. Cyber Security
6. Network Safety
7. Public Awareness

Social – Workplace
1. Occupational Health, Safety and Well Being
2. Talent attraction and retention
3. Diversity and inclusion
4. Organisational change management

Social – Community
1. Environmental Awareness
2. Community Engagement
3. Charitable Partnership
4. Social Inclusion

Environment
1. Waste Management
2. Protecting Biodiversity
3. Decarbonisation of Gas Network
4. Energy Management
5. Methane Emission Management
6. Pollution Prevention
7. Carbon Footprint Management

Economic
1. Renewable Gas
2. CNG Fast Fill Stations
3. Security of Supply
4. Risk Management
5. Supply Chain Management
6. Other Innovation
7. Hydrogen
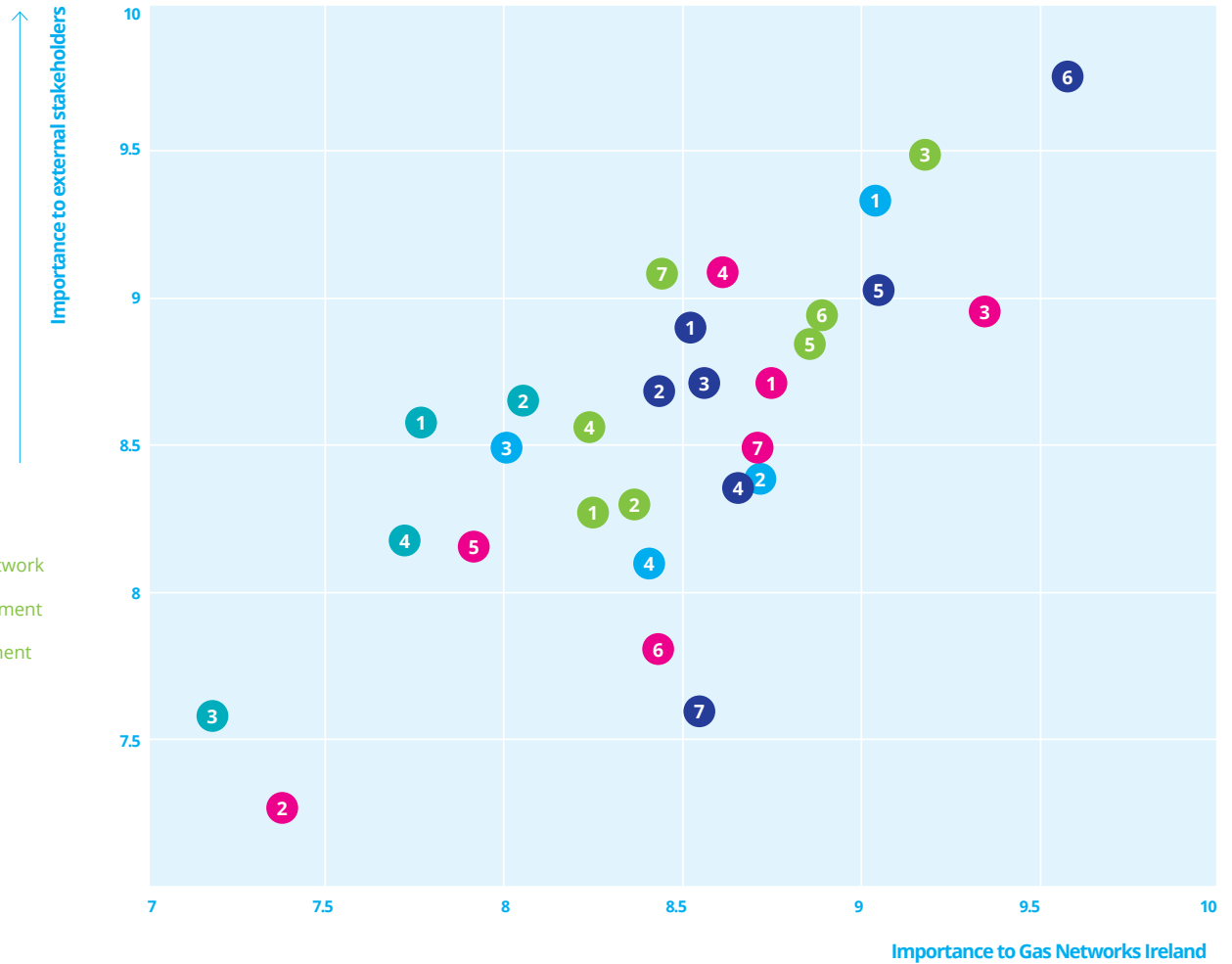
Sustainability context
The context in which we operate as a national semi-state utility was considered when determining the list of relevant topics. We used the ISO26000 Business Working Responsibly Mark standard as the framework for considering material areas, including topics under workplace, marketplace, 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. 37 external stakeholders and 134 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.

Global Reporting Initiative (GRI) content list

GRI standard	Disclosure required of GRI	Disclosure or section where disclosure is provided
GRI 101: Foundation 2016 – General Disclosures		
1. Reporting principles	Organisational 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.	CEO's Introduction, 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, Stakeholder Engagement, 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.	Business Highlights, Materiality Assessment, Environment, Social, Governance
	1.5: Accuracy - The reported information shall be sufficiently accurate and detailed for stakeholders to assess the reporting organization's performance	Our Sustainability Achievements, Key Performance Indicators
	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.	Our History, Environment, Social, Governance, 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, Navigation Elements, Report Structure
	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, Navigation Elements, Environment, Social, Governance
	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, Our Sustainability Achievements, Key Performance Indicators, Materiality Assessment
	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.	Our sustainability report is published annually

Global Reporting Initiative (GRI) content list

GRI standard	Disclosure required of GRI	Disclosure or section where disclosure is provided
GRI 102: General disclosures 2016	102-1 Name of the organization	Gas Networks Ireland
	102-2 Activities, brands, products, and services	Who we are
	102-3 Location of headquarters	Our headquarters are based in Gasworks Road, Cork, T12 RX96
	102-4 Location of operations	Who we are
	102-5 Ownership and legal form	Governance Structure
	102-6 Markets served	Who we are
	102-7 Scale of the organization	Who we are, Employee Statistics, Customer
	102-8 Information on employees and other workers	Who we are, Employee Statistics
	102-9 Supply chain	Supply chain
	102-10 Significant changes to the organization and its supply chain	Who we are, Supply chain
	102-11 Precautionary principle or approach	Risk Management, Supply chain
	102-12 External initiatives	Energy Management
	102-13 Membership of associations	GHG Emissions Management, Social, National policy and European affairs, Innovation, Risk Management
Strategy	102-14 Statement from senior decision-maker	CEO's Introduction
	102-15 Key impacts, risks, and opportunities	Our Sustainability Strategy
Ethics and integrity	102-16 Values, principles, standards, and norms of behaviour	Our Strategic Framework, Ethics and Integrity
	102-17 Mechanisms for advice and concerns about ethics	Ethics and Integrity
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 engagement
Stakeholder Engagement	102-40 List of stakeholder groups	Stakeholder Engagement
	102-41 Collective bargaining agreements	Collective bargaining agreements and labour management relations
	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

Global Reporting Initiative (GRI) content list

GRI standard	Disclosure required of GRI	Disclosure or section where disclosure is provided
Reporting practice	102-45 Entities included in the consolidated financial statements	Refer to Annual Report, Financial Performance
	102-46 Defining report content and topic Boundaries	Materiality assessment
	102-47 List of material topics	Materiality assessment
	102-48 Restatements of information	No restatement of the 2021 report was made.
	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	The reporting period covered in this report is January 2022 to December 2022.
	102-51 Date of most recent report	Our most recent sustainability report covered the 2021 period. This report covers our 2022 performance.
	102-52 Reporting cycle	Our sustainability report is published annually.
	102-53 Contact point for questions regarding the report	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	This report has been prepared in accordance with GRI Standards: Core option.
	102-55 GRI content index	Appendices
	102-56 External assurance	Our 2022 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	CEO's Introduction, Our Sustainability Priorities, Sustainability Achievements, Governance, Key business projects
	103-2 The management approach and its components	Governance, Ethics and Integrity
	103-3 Evaluation of the management approach	Governance, Ethics and Integrity, Key performance indicators
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	Governance, Local communities, Our financial performance

Global Reporting Initiative (GRI) content list

GRI standard	Disclosure required of GRI	Disclosure or section where disclosure is provided
Indirect economic impacts		
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	CEO's Introduction, Our Sustainability Priorities, Sustainability Achievements, Governance, Key business projects
	103-2 The management approach and its components	Governance, Ethics and Integrity
	103-3 Evaluation of the management approach	Governance, Ethics and Integrity, Key performance indicators
GRI 203: Indirect economic impacts 2016	203-1 Infrastructure investments and services supported	CEO's Introduction, Our Sustainability Priorities, Highlights, Innovation, Key business projects
	203-2 Significant indirect economic impacts	CEO's Introduction, Key business projects
Tax		
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	Taxation policies
	103-2 The management approach and its components	Taxation policies
	103-3 Evaluation of the management approach	Taxation policies
GRI 207: Tax 2019	207-1 Approach to tax	Taxation policies
	207-2 Tax governance, control, and risk management	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	Energy management
	103-3 Evaluation of the management approach	Energy management, Key performance indicators
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

Global Reporting Initiative (GRI) content list

GRI standard	Disclosure required of GRI	Disclosure or section where disclosure is provided
Biodiversity		
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	Biodiversity Action Plan
	103-2 The management approach and its components	Biodiversity Action Plan
	103-3 Evaluation of the management approach	Biodiversity Action Plan, Key performance indicators
GRI 304: Biodiversity 2016	304-3 Habitats protected or restored	Biodiversity Action Plan
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, Key performance indicators
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 Management
	103-2 The management approach and its components	Waste Reduction and Management
	103-3 Evaluation of the management approach	Waste Reduction and Management
GRI 306: Waste and effluents 2016	306-2 Management of significant waste-related impacts	Waste Reduction and Management
Environmental Compliance		
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	Environmental management systems
	103-2 The management approach and its components	Environmental management systems, Key performance indicators
	103-3 Evaluation of the management approach	Environmental management systems
GRI 307: Environmental compliance 2016	307-1 Non-compliance with environmental laws and regulations	Environmental performance

Global Reporting Initiative (GRI) content list

GRI standard	Disclosure required of GRI	Disclosure or section where disclosure is provided
400 series (social topics)		
Employment		
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 401: Employment 2016	401-1 New employee hires and employee turnover	Employee statistics
Labour/ management relations		
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 402: Labour/ management relations 2016	402-1 Minimum notice periods regarding operational changes	Collective bargaining agreements and labour management relations
Occupational health and safety		
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its boundary	Occupational Health and Safety
	103-2 The management approach and its components	Occupational Health and Safety
	103-3 Evaluation of the management approach	Occupational Health and Safety, Key performance indicators
GRI 403: Occupational health and safety 2018	403-1 Occupational health and safety management system	Safety management system
	403-2 Hazard identification, risk assessment, and incident investigation	Hazard Identification, Risk Assessment and Incident Investigation
	403-3 Occupational health services	Occupational Health and Safety
	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
	403-6 Promotion of worker health	Occupational Health and Safety
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Risk management, Occupational Health and Safety
	403-8 Workers covered by an occupational health and safety management system	Safety Management System
	403-9 Work-related injuries	Safety Performance Metrics

Global Reporting Initiative (GRI) content list

GRI standard	Disclosure required of GRI	Disclosure or section where disclosure is provided
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	Learning and Development, Key performance indicators
	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, Key performance indicators
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, Key performance indicators
GRI 413: Local communities 2016	413-2 Operations with significant actual and potential negative impacts on local communities	Supporting 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

Gas Networks Ireland

The main contact details for
Gas Networks Ireland are:

General enquiries
1800 464 464
Lines open Monday to Friday 8am – 8pm
and Saturday 9am – 5.30pm

24 Hour emergency service
1800 20 50 50

networksinfo@gasnetworks.ie

@GasNetIRL
gasnetworks.ie