



Turlough Hill Power Station in Co. Wicklow, operated by ESB

NewERA

Through NewERA, the NTMA provides a dedicated centre of corporate finance expertise to Government, providing financial and commercial advice to Ministers regarding their shareholdings in a number of State-owned companies that operate across a range of sectors. NewERA's approach is to facilitate an enhanced level of active ownership by the State as shareholder in these companies.

NewERA's core role is to provide financial and commercial advice to Government Ministers and Departments in relation to their shareholdings in 24 State-owned companies¹² across a range of sectors. All 24 companies are "designated bodies" under Part 3 of the *National Treasury Management Agency (Amendment) Act 2014*. These companies are collectively referred to as the Portfolio or the Portfolio

Companies. NewERA also provides advice to the relevant Government Ministers and Departments in relation to other State-owned companies, as required.

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¹² Reference to companies includes statutory bodies and shareholdings includes any ownership interest.

NewERA Advisory Functions

- Financial performance, return on capital and dividend policy;
- Effective and efficient use of capital;
- Corporate strategy and governance;
- Capital and investment plans;
- Acquisitions, disposals, reorganisations, restructurings; and
- Board appointments and remuneration.

During 2024, two additional State-owned companies were designated to NewERA by the Minister for Finance. In January 2024, the Land Development Agency (LDA) was designated to NewERA, followed by the Housing Finance Agency (HFA), designated in October 2024. While NewERA was already providing certain financial and commercial advice to the relevant Ministers in relation to these two State bodies in recent years, their formal designation to NewERA's mandate has increased the scale and nature of NewERA's role in relation to these companies.

The total number of designated bodies under NewERA's remit at end-2024 was 24 (2023:22).

Growth in Number of Portfolio Companies



Advisory Assignments in 2024

In 2024, NewERA provided financial and commercial advice and, where appropriate, recommendations to relevant Government Ministers and Departments on 185 Portfolio Company assignments totalling €10.2bn.

Advisory Assignments Overview

The assignments by value (€bn) included:



Advisory Assignments Samples

NewERA provided analysis and advice to relevant Government Ministers and Departments on a range of assignments throughout 2024, including:

- Port of Cork's capital investment requirements to accelerate the development of infrastructure to support Offshore Renewable Energy (ORE) activities;
- Uisce Éireann's requests for consent to progress the Water Supply Project, the Greater Dublin Drainage Project and the Ringsend Wastewater Treatment Project;
- ESB's investments in thermal generation projects to support security of supply as well as onshore and offshore renewable energy projects, including a 299MW Open Cycle Gas Turbine (OCGT) at Poolbeg and investment in the Inch Cape development offshore wind farm in the UK - with a capacity of up to 1,080 MW;
- EirGrid's proposed financing strategy for ORE transmission assets and associated potential equity funding requirements;
- Gas Networks Ireland's raising of €300m of finance through the issuance of a corporate bond to help support the company's capital investment programme; and
- Pension advisory assignments, with a number of requests received in relation to proposed increases to pensions in light of the inflationary environment.



Port of Cork, Co. Cork

Combined Financial Highlights of the Portfolio Companies

The indicative combined financial information for the 2024¹³ period alongside the financial highlights from the 2023 Annual Financial Review¹⁴ is set out below.

Financial Highlights 2024 ¹⁵ (indicative)	Financial Highlights 2023 ¹⁶
€1.9bn Operating Profit There was a lower level of combined operating profit generated by the Portfolio Companies in 2024 (-10%), with the reduction mainly relating to companies operating in the energy sector.	€2.1bn Operating Profit Combined operating profits of the Portfolio Companies continued to increase (15% higher) during 2023. The increase was primarily due to Uisce Éireann and companies operating in the energy and aviation sectors.
€5.0bn Gross Capital Expenditure There was an increased level of capital investment in 2024 with gross capital expenditure increasing by 10% to €5.0bn. The increase relates to investment by the energy companies and the LDA.	€4.5bn Gross Capital Expenditure Significant levels of capital investment were undertaken by the Portfolio Companies in 2023 with gross capital expenditure increasing by 30% to €4.5bn relative to 2022. The increase in investment is primarily driven by investment by the energy companies, LDA and Uisce Éireann.
€337m Dividends €337m of total dividends paid by the Portfolio Companies in 2024, €321m of that to the Exchequer. The year on year reduction mainly reflects the enhanced dividend that was paid by ESB in 2023.	€433m Dividends €433m of total dividends paid by the Portfolio Companies in 2023, €416m of that paid to the Exchequer. The significant increase in 2023 relative to 2022 is primarily due to an enhanced dividend (€327m) paid by ESB.

¹³ Collectively, the latest reported annual financial year ends for the Portfolio Companies span 2024 and, in one case, to March 2025. For simplicity, the financial highlights refer to the reporting period covering 2024/25 as 2024.

¹⁴ A detailed view on the aggregated financial performance of the Portfolio Companies in respect of the reporting periods spanning 2023 was presented in NewERA's Annual Financial Review 2023/24, published in December 2024.

¹⁵ The aggregate financial information is indicative as it includes financial information based on draft financial statements of the Portfolio Companies as at the date of publication of this document.

¹⁶ Collectively, for the Financial Highlights 2023 the reported annual financial year ends for the Portfolio Companies span 2023 and, in one case, to March 2024. For simplicity, the Financial Highlights 2023 refer to the reporting period covering 2023/24 as 2023. The 2023 financial highlights have been restated to include the Housing Finance Agency and Land Development Authority, which were designated to NewERA in 2024.

Board Appointments and Gender Representation

As at 31 March 2025

NewERA works closely with publicjobs¹⁷ and Government Departments in carrying out its advisory role with regard to appointments to the boards of the Portfolio Companies designated to it, with the process for appointments to these boards governed by the Guidelines on Appointments to State Boards. During 2024, NewERA completed a number of advisory assignments relating to board appointments including: the appointment of a Chairperson to the boards of An Post, CIÉ, Coillte and Uisce Éireann; and the appointment or reappointment of independent Non-Executive Directors to the boards of An Post, Bord na Móna, Bus Éireann, CIÉ, Coillte, Dublin Port, ESB, Gas Networks Ireland, RTÉ, and Uisce Éireann.

The Code of Practice for the Governance of State Bodies Annex on 'Gender Balance, Diversity and Inclusion' reiterates the Government policy target of a minimum of 40% representation of women and men on State boards. In addition, for board appointments it:

- requires that Ministers are to be informed of the gender balance on State boards at the time of making appointments; and
- provides that board terms should be varied to between three and five years to allow for an acceleration towards better gender balance with any period of renewal subject to a maximum of eight years in total.

Increasing female representation remains a key focus in the context of meeting the Government policy target of 40% representation of women and of men on all State Boards and NewERA will continue to work closely with relevant stakeholders to seek to deliver on this in relation to the Portfolio Companies. As at end-March 2025, the percentage of women on the boards of these Portfolio Companies was 43%, meeting the overall 40% target, with 15 of the boards having female representation of 40% or more.

In addition to these statistics, the following is noted in terms of board composition as at end-March 2025:

- The Chair of each board is appointed by the relevant Minister(s) via the publicjobs appointments process and the level of female representation within this grouping is 17%.
- Some boards have worker directors, employee representatives or trade union nominees. These individuals are appointed/nominated to boards outside of the publicjobs appointments process. This grouping has a level of female representation at 28%.
- The remaining non-executive directors are the largest grouping and are appointed by the relevant Minister(s) via the publicjobs process. This grouping has the highest level of female representation at 55%.
- Finally, in terms of executive board members, four of the Portfolio Companies currently have a female CEO, equating to 20% of the CEO grouping. The CEO is appointed outside of the publicjobs appointments process and their position on the board is generally on an ex officio basis.



40%

Government policy target for representation of women and men on State Boards.



43%

The percentage of women on the boards of the Portfolio Companies as at end-March 2025.



15/24

The number of Portfolio Company boards which meet/exceed the 40% target.



4/24

The number of Portfolio Company boards which have a female Chairperson.

¹⁷ publicjobs is the centralised provider of recruitment, assessment and selection services across the Irish civil and public service.

Climate Action Framework

In August 2022, the Government approved a Climate Action Framework developed by NewERA in conjunction with the Department of the Environment, Climate and Communications and the Department of Public Expenditure, National Development Plan (NDP) Delivery and Reform for the commercial State sector, reflecting the critical role it is to play in decarbonisation and supporting the objectives of the Climate Action Plan.

The Framework is being implemented by 26 commercial State-owned companies that currently fall within the scope of the Climate Action Framework including 23 of the Portfolio Companies¹⁸, as well as Greyhound Racing Ireland, Horse Racing Ireland and the Irish National Stud (the Commercial State Bodies (CSBs)). These companies are diverse in terms of their size, sectors, activities, and resources. Reflecting this diversity, these companies are undertaking a wide range of climate actions in almost every sector of the economy.

NewERA is monitoring the implementation status of the five climate action Commitments set out in the Framework and reports to the Department of the Environment, Climate and Communications as envisaged by the Climate Action Plan Annex of Actions. NewERA submitted Implementation Updates to the Department in Q1 and Q3 2024 and published these updates on the NTMA website.

Framework Implementation Update

Based on information received by NewERA from the relevant CSBs, and as set out in its Q3 2024 Implementation Update issued to the Department of the Environment, Climate and Communications, there is varied progress reported in relation to the implementation status of the five climate action Commitments set out in the Framework that are being implemented by the CSBs:

- Commitment 1 - Governance of Climate Action Objectives:** All 26 CSBs have climate action objectives in place that have been approved at board level. All 26 CSBs have targets in relation to energy efficiency and greenhouse gas (GHG) emissions, and more than half of the CSBs have targets in relation to waste reduction, biodiversity and/or sustainable procurement.
- Commitment 2 - Emissions measurement and reduction target:** All 26 CSBs are reporting to the Sustainable Energy Authority of Ireland (SEAI) via its Monitoring & Reporting (M&R) system and 24 CSBs have adopted SEAI assigned emissions reduction and energy efficiency targets for 2030. Based on the latest data published by SEAI, which relates to 2023, the CSBs' performance in relation to their 2030 targets is as follows:
 - Fossil CO2 target (a 51% reduction in fossil CO2 emissions by 2030, compared to a GHG baseline): Seven CSBs are on a general trajectory to meeting their 2030 fossil CO2 targets but 19 CSBs are not yet on a trajectory that is consistent with meeting these targets.
 - Total CO2 target: 13 CSBs are on a general trajectory to meeting their 2030 total CO2 targets but 13 CSBs are not yet on a trajectory that is consistent with meeting these targets.
 - 2030 energy efficiency target (a 50% improvement in energy efficiency required by 2030, compared to an energy efficiency baseline): Seven CSBs have achieved the 2030 target (0% gap to target), 11 CSBs are on a general trajectory to meeting their 2030 energy efficiency targets, but eight CSBs are not yet on a trajectory that is consistent with meeting their targets.

¹⁸ The HFA was designated to NewERA in October 2024 and has not, to date, been within the scope of the CSB Climate Action Framework.

- **Commitment 3 – Measuring and valuing emissions in investment appraisals:** It is not currently common practice amongst CSBs to incorporate emissions valuation, as many rely on financial appraisals in investment decision making. This is beginning to change as CSBs consider the capital expenditure needed to meet their emission reduction targets; as set out in our Q3 2024 Implementation Update, 12 CSBs have measured the net change in tonnes of CO2 equivalent GHG emissions associated with an investment. As regards monetisation, five CSBs have monetised GHG emission impacts in an investment appraisal and a further six CSBs plan to do so in the future. Further focus by CSBs on emission impacts in investment decision making will be required going forward.
- **Commitment 4 - Circular economy and green procurement:** 14 CSBs have developed a circular economy strategy and 23 CSBs have adopted circular economy initiatives, such as waste minimisation and/or enhancing the efficient use of resources. 21 CSBs have incorporated green procurement principles into their procurement policies and 11 CSBs are tracking the number and value of signed contracts that incorporate green procurement criteria.
- **Commitment 5 - Disclosures in financial reporting:** A number of the CSBs are already reporting under existing climate-related disclosure frameworks:
 - CDP (formerly Carbon Disclosure Project) – eight CSBs
 - Taskforce on Climate-related Financial Disclosures (TCFD) – eight CSBs
 - Global Reporting Initiative (GRI) – three CSBs.

During 2024, 15 CSBs were preparing to meet, from 2026 onwards, new reporting requirements introduced under the Corporate Sustainability Reporting Directive as implemented by the Corporate Sustainability Reporting Regulations 2024 (CSRD). In February 2025, the European Commission released an Omnibus package of proposals to simplify EU rules relating

to sustainability reporting, including amendments to the CSRD, the Corporate Sustainability Reporting Due Diligence Directive and the EU Taxonomy that would reduce the complexity of the disclosures required and significantly reduce the number of companies in scope. The Omnibus proposals also include a two year postponement (until 2028) of the reporting requirements for companies that would have been required under the original CSRD, to first report in 2026. As the proposals progress through the European Parliament, NewERA will consider the implications for CSBs and for Commitment 5 of the Climate Action Framework as greater clarity emerges.

NewERA Climate Forums

In the context of the Climate Action Framework commitments, and to facilitate discussion around developments of interest in relation to climate action and sustainability topics more generally, NewERA hosted the following forums for the CSBs in 2024:

- **Double Materiality Assessments & SEAI Reporting updates:** In March 2024, in collaboration with the SEAI, and in light of the CSBs' commitments in this regard under the Climate Action Framework, NewERA hosted a webinar which focused on updates to the SEAI M&R 2030 system and sharing learnings on double materiality assessments, a key step in preparing for the CSRD. Vhi and SustainabilityWorks outlined a roadmap for undertaking a double materiality assessment and Coillte presented on the approach it has taken to materiality in the context of developing its sustainability framework over the last number of years.
- **Climate Adaptation:** In September 2024, NewERA hosted an event for the CSBs focusing on climate adaptation. At the event, attendees heard from speakers from the Climate Change Advisory Council, Maynooth University, Department of the Environment, Climate and Communications and EirGrid. The presentations outlined the need for companies to engage in climate adaptation planning, to enhance the resilience of critical infrastructure and operating assets against climate change impacts that are already being observed and which are likely to intensify.



Attendees at the event hosted by NewERA in September 2024, focusing on climate adaptation.