

# NewERA

## Climate Action Framework for the Commercial Semi-State Sector

### Q3-2023 Implementation Update

January 2024

# Introduction

## Purpose

NewERA has an action under the Climate Action Plan (CAP) 2021 to report to the Department of the Environment, Climate and Communications (DECC) on the implementation of the Climate Action Framework for the Commercial Semi State sector (the Framework), in Q1 and Q3 each year. This action has been carried forward and included in the CAP 2024: Action Number PS/24/5.

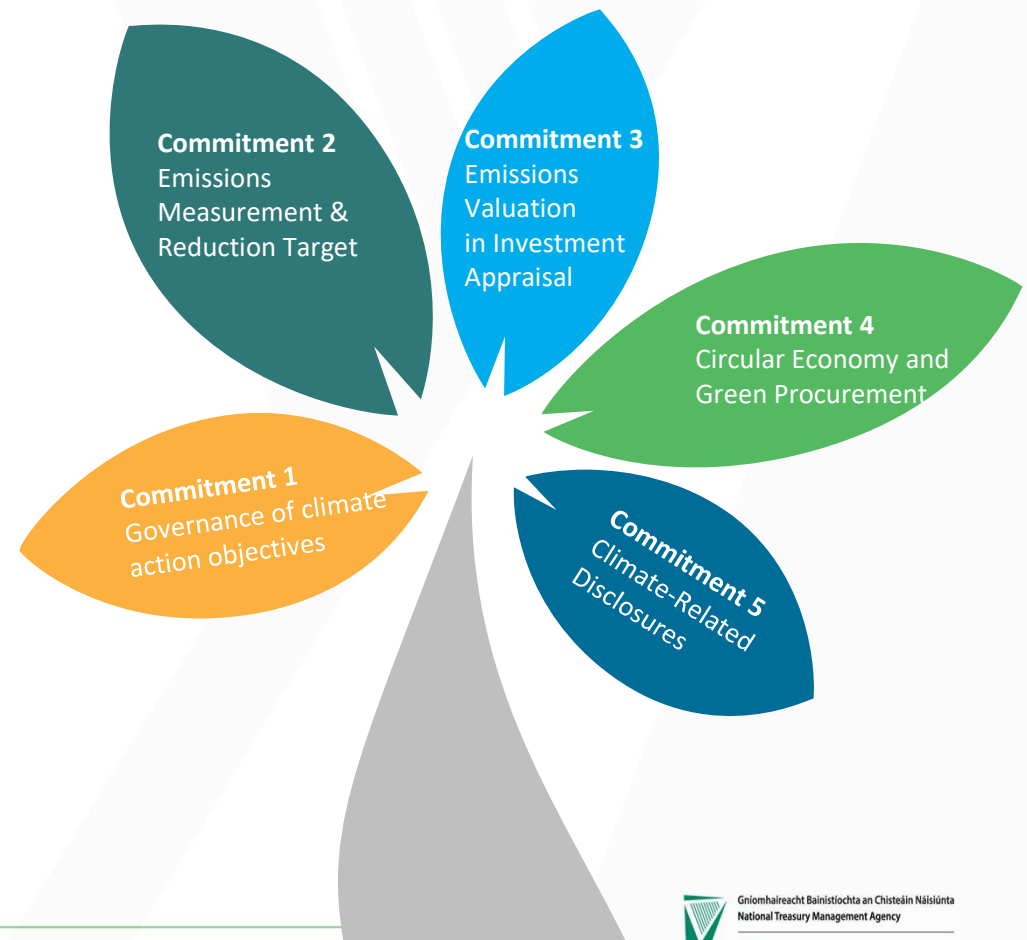
This document sets out an update for DECC on the implementation of the Climate Action Framework by the commercial semi-State sector, based on the submissions by the commercial State bodies (CSBs) to which the Framework applies. It compiles information from responses submitted during Q3 2023 and presents an aggregated view of Framework implementation across 26 CSBs.

## Context

The Framework was developed in consultation with CSBs and incorporates approaches to various aspects of corporate climate action objectives. The Framework reflects the exemplar role CSBs are expected to play in decarbonisation, while also recognising their separate nature and commercial mandate in their respective operating environments. The Framework was approved by Government in July 2022.

## Five Commitments under the Framework

The Framework sets out five commitments in relation to climate action objectives:



# Introduction

All Commercial semi-State Bodies that were listed in the Climate Action Framework approved by Government have adopted the Framework.

## Commercial semi-State Bodies (CSBs)

At the time of approval, the Framework applied to 22 CSBs. This has since increased to 26, noting the following:

- The Land Development Agency, incorporated in 2022, has adopted the Framework.
- The Irish Aviation Authority (IAA) has been restructured to separate air traffic management and air safety regulation. The Boards of both the IAA (State aviation regulator) and AirNAV Ireland (air traffic management, launched on 1 May 2023) have each adopted the Framework.
- The 3 subsidiaries of CIÉ (Bus Éireann, Bus Átha Cliath and Iarnród Éireann) have adopted the Framework individually in addition to their parent, CIÉ.
- Due to their proposed integration, Ervia has reported on the Framework through its subsidiary Gas Networks Ireland (GNI).

As a result 26 CSBs are included in this Q3-2023 Framework implementation update.

## Framework adoption & implementation

The Boards of all 26 CSBs that the Framework applies to, have confirmed adoption of the Framework. These 26 CSBs are included in this Q3-2023 Framework implementation update:



## Key Findings

The level of adoption of each of the elements of Commitment 1 and Commitment 2 has increased. Commitment 3 remains a challenge for the majority of CSBs.

### Q3 Implementation Update

**Commitment 1:** 18 CSBs are undertaking each of the governance elements outlined under commitment 1.

**Commitment 2:** 20 CSBs have now modelled, in conjunction with the Sustainable Energy Authority of Ireland (SEAI), an emissions pathway towards the 2030 targets and identified the key investment required. The graphic on page 6 sets out energy performance and emissions data as reported by the CSBs to SEAI.

**Commitment 3:** 11 CSBs plan to monetise GHG emission impacts in their investment appraisals using the shadow price of carbon from the Public Spending Code, while 2 other CSBs plan to use the EU-ETS market price of carbon in investment appraisals.

### CSBs reporting implementation

Q3 - 2023

#### Commitment 1 - Governance of climate action objectives

Climate Action Framework adopted by the Board	26
Climate action objectives approved at Board level	23
Climate action objectives incorporated in investment strategy	22
Progress against its climate action objectives reported to the Board	22
Published progress against its climate action objectives	25
Climate Risks included in risk management processes	24

#### Commitment 2 - Emissions measurement & reduction target

SEAI M&R reporting in place	25
2030 targets adopted	23
Emissions pathway modelled	20
Processes in place to monitor progress towards emissions targets	22

#### Commitment 3 - Emissions valuation in investment appraisal

Measured GHG impact in investment appraisals	10
Monetised GHG impact in investment appraisals using the shadow price of carbon from the PSC	6
Plans to monetise GHG impact in investment appraisals using the shadow price of carbon from the PSC	11
Monetised GHG impact has influenced investment decisions	5



## Key Findings

The level of progress on Commitment 4 has increased across both circular economy and green procurement practices. With regard to Commitment 5, 8 CSBs are already reporting under existing climate-related disclosure frameworks and 13 CSBs have either completed or started to prepare for a double materiality (or similar) assessment, which is an important early step in terms of readiness for the CSRD.

### Q3 Implementation Update

**Commitment 4:** 15 CSBs have developed a circular economy strategy and initiatives, and 23 CSBs now intend to provide information on their green procurement practices in one of their publications.

**Commitment 5:** Preparations for the Corporate Sustainability Reporting Directive (CSRD) are commencing amongst the CSBs; one CSB has completed a double materiality assessment in preparation for CSRD, and 12 more of the CSBs have this or similar assessments already underway. A number of the CSBs are already reporting climate-related disclosures under various frameworks including:

- CDP - 7 CSBs,
- Taskforce on Climate-related Financial Disclosures (TCFD) - 5 CSBs and
- Global Reporting Initiative (GRI) - 3 CSBs.

CSBs reporting implementation		Q3 - 2023
<b>Commitment 4 - Circular economy and green procurement</b>		
Circular economy strategy in place		15
Green procurement strategy in place		19
Plans to disclose green procurement policy and / or practices		23
<b>Commitment 5 - Climate-related disclosures in financial reporting</b>		
Double materiality (or similar) assessment completed/in progress in preparation for CSRD		13
Reporting under GRI		3
Reporting under TCFD		5
Reporting under CDP		7
<b>Total - Number of CSBs reporting</b>		<b>26</b>

## Commitment 2 | Emissions measurement & reduction target

Energy performance data for 24\* CSBs that reported M&R data to SEAI in 2022

SEAI's data indicates that by the end of 2022, across 24\* CSBs, energy performance has improved by 29% since the 2009 baseline; non-electricity greenhouse gas emissions have decreased by 7% relative to the baseline, and total emissions have decreased by 17%.

2022 Energy Consumption

4,054 GWh



Energy performance improved since 2009 by



29%



2030 Target:

50%

Non-electricity GHG emissions

369,311 tCO<sub>2</sub>



A reduction since 2016-2018 of



7%



2030 Target:

51%

Total GHG Emissions

661,072 tCO<sub>2</sub>



A reduction since 2016-2018 of



17%



2030 Target:

284,224 tCO<sub>2</sub>

Source: SEAI

The annual energy data is based on data reported by CSBs for 2022 through SEAI's public sector energy monitoring & reporting (M&R) system.

A 51% reduction in energy-related greenhouse gas (GHG) emissions and a 50% improvement in energy efficiency is to be achieved by all Irish Public Bodies by 2030.

\*The data above is based on the results of 24 CSBs, the remaining two entities were not included as one CSB reports through their subsidiaries and one CSB was not yet established in 2022.

## Appendix | Important information

---

### Important information

---

- This document (the “Document”) has been prepared by the New Economy and Recovery Authority (“NewERA”) for DECC in relation to the Framework, for the purpose of providing an update on the implementation of the Framework within the commercial semi-State sector, as reported to NewERA by the individual CSBs in Q3 2023.
- This Document is based on information provided by the CSBs. NewERA has not audited, tested or verified, the accuracy or completeness of such information.
- This Document is issued by NewERA for information purposes only. The contents of this Document do not constitute investment, legal, business or tax advice and should not be read as such. No undertaking, representation or warranty is given as to, and no liability, whether in negligence or otherwise howsoever, is accepted in respect of, the fairness, reasonableness, adequacy, accuracy, completeness, fitness for use or use of the contents of this Document.

