# People and Planet

Supporting communities, our planet and each other.

Launched in 2021, our People & Planet Plan consists of five Group-wide goals that support the United Nations Sustainable Development Goals and accelerate action on issues that matter deeply to our business and society – from achieving net zero and creating the diverse and inclusive team we need to get there, to making a big difference in our local communities.

In 2025, we continued to make steady progress against most of our goals but are behind on others. This reflects the reality that transformation takes time and that we have had to adapt plans in line with the changing needs of customers during the energy crisis alongside evolving business priorities.

Looking ahead, we remain confident that we will achieve our goals. We look forward to working with our stakeholders to energise a greener, fairer future.

— **Read more** about our non-financial performance on pages 253 to 255

— **Read more** in our wider reports at **centrica.com/performanceandreports**

## *Our People & Planet Plan*

Supporting communities, our planet and each other

### People

Supporting every colleague to be themselves to better serve our customers and communities.

**We want to:**

GOAL 1 – Create an engaged team that reflects the full diversity of the communities we serve by 2030(1)

GOAL 2 – Recruit 3,500 apprentices and provide career development opportunities for under-represented groups by 2030 (2,000 apprentices by the end of 2025)

### Planet

Supporting every customer to live more sustainably.

**We want to:**

GOAL 4 – Help our customers be net zero by 2050 (28% greenhouse gas intensity reduction by the end of 2030)

GOAL 5 – Be a net zero business by 2040 (50% greenhouse gas reduction by the end of 2032)

GOAL 3 – Inspire colleagues to give 100,000 days to build inclusive communities by 2030 (35,000 days by the end of 2025)

**Doing business responsibly**
Underpinned by strong foundations to ensure we act fairly and ethically – from customer service to human rights

(1) All company and senior leaders to reflect latest 2021 Census data for working populations. This means 48% women, 18% ethnically diverse, 20% disability, 3% LGBTQ+ and 4% ex-service by 2030 (40% women, 16% ethnically diverse, 10% disability, 3% LGBTQ+ and 3% ex-service by the end of 2025).

# People

Supporting every colleague to be themselves to better serve our customers and communities.

## Goal 1

### By 2030, we want to:

Create an engaged team that reflects the full diversity of the communities we serve, with all company and senior leaders to be 48% women, 18% ethnically diverse, 20% disability, 3% LGBTQ+ and 4% ex-service (40% women, 16% ethnically diverse, 10% disability, 3% LGBTQ+ and 3% ex-service by the end of 2025)(1)

**2025 Progress against goal:**

On track | Behind

| | All company(2) | Senior leaders(2) |
|---|---|---|
| Women | 30% | 34% |
| – Excluding Field engineers | 43% | 34% |
| Ethnically diverse | 16% | 10% |
| Disability | 6% | 6% |
| LGBTQ+ | 4% | 2% |
| Ex-service | 2% | 3% |

(1) Aligns with latest 2021 Census data for working populations.
(2) Beyond gender, data is based on voluntary disclosure of 94% ethnically diverse, 53% disability, 61% LGBTQ+ and 4% ex-service. All company relates to everyone who works for Centrica. Senior leaders include colleagues above general management and spans senior leaders, the Centrica Leadership Team and the Board.

To get to net zero, we need the best team – a diverse mix of people and skills, where everyone feels welcome and able to succeed. Following the launch of our goals in 2021, leadership shared an open letter with colleagues outlining plans to attract, promote and retain more diverse talent. Progress has followed, with improvements of up to 6ppts since 2021 and 1ppt during 2025 (see page 253). Initial gains were driven by stronger recruitment and retention practices, whilst recent efforts have centred on building a more inclusive culture and strengthening succession planning –initiatives that take longer to show measurable impact. Like many in our sector, increasing women in engineering remains a  focus given our team reflects the male-dominated market, which impacts our overall gender representation that is otherwise on track. Diversifying senior levels and growing disability representation are also key areas we continue to work on.

In 2025, we strengthened inclusion by:

- Embedding our Every Colleague Counts Action Plan and associated inclusion campaign to drive progress and accountability;
- Running targeted campaigns to attract more women into engineering via our award-winning apprenticeship programme (see Goal 2), including a collaboration with social media influencer Holly Hobbs to break down barriers to entry;
- Creating an environment where colleagues can thrive – from expanding learning and development opportunities and introducing new preventative sexual harassment training, to launching more inclusive policies that support wellbeing and were enabled through collaboration with our diversity networks and trade unions. This includes in the UK, extending paternity leave from two to eight weeks fully paid and developing a sector-first Transgender Inclusion Policy for colleagues undergoing gender-affirming treatment.

In 2026, we will continue to embed our Action Plan to help every colleague feel they belong, are counted and included. We also hope to encourage more colleagues to disclose their diversity information so that we can better support our people and track progress more effectively. To grow momentum, 2025 milestones will be superseded with 2028 milestones for our team to be 45% women, 17% ethnically diverse, 15% disability, 3% LGBTQ+ and 3% ex-service.

## Top 50

Ranked in The Times Top 50 Employers for Gender Equality for the fourth consecutive year and the Glassdoor Top 50 Best Places to Work in the UK for the first time since 2017

### Wider gender breakdown(3)

| | 2025 | | 2024 | |
|---|---|---|---|---|
| | **Women** | **Men** | Women | Men |
| Board | **46% (6)** | **54% (7)** | 45% (5) | 55% (6) |
| Senior executives and direct reports | **29% (28)** | **71% (67)** | 32% (23) | 68% (49) |
| Senior leaders | **34% (142)** | **66% (277)** | 34% (149) | 66% (289) |
| All company | **30% (6,110)** | **70% (14,463)** | 31% (6,425) | 69% (14,613) |

(3) Relates to direct Centrica employees. Total headcount differs from elsewhere as Spirit Energy, Centrica Business Solutions Services International, ENSEK and Swyft Energy employees and contractors are not included above. See pages 82 to 83 for Board diversity.

## Goal 2

**By 2030, we want to:**
Recruit 3,500 apprentices and provide career development opportunities for under-represented groups (2,000 apprentices by the end of 2025)[1]

**2025 Progress against goal:**
On track Behind

| | |
|---|---|
| Apprentices | 1,947 |

(1) Base year 2021.

We want to harness talent from under-represented groups to build a future that is greener and fairer. That's why we will hire the equivalent of one apprentice every day over the course of this decade to achieve our 2030 goal.

In 2025, we welcomed 410 apprentices to our team which brings our total to 1,947 apprentices since 2021. Although intake increased by 21% during 2024–25, changes in business requirements and phasing alongside the need to provide operational stability during the energy crisis, reduced hiring opportunity in recent years and meant we fell slightly short of our 2025 milestone. Likewise, this affected the number of women in our Field-based engineering apprenticeships, with representation dipping from 19% to 15%. Performance remains, however, significantly better than the 0.3% national average for trained female gas engineers, demonstrating the positive progress being made to diversify engineering through our ambition for women to make up 50% of our engineering apprentices by 2030. Meanwhile, we continued to provide career development opportunities for wider under-represented groups (see Goal 1), alongside dedicated pathways for ex-forces personnel and athletes.

We expect to get back on track with our forward-facing plans, supported by targeted recruitment and marketing campaigns. As our 2025 milestone retires, we will now set our sights on achieving our new milestone of 3,000 apprentices by the end of 2028.

## Goal 3

**By 2030, we want to:**
Give 100,000 days to build inclusive communities (35,000 volunteering days by the end of 2025)[2]

**2025 Progress against goal:**
On track Behind

| | |
|---|---|
| Days | 42,104 |

(2) Base year 2019.

We channel the power of our people to create inclusive communities because stronger communities, are key to a more sustainable future.

In 2025, colleagues donated 10,465 days which was broadly similar to 2024. With cumulative progress totalling 42,104 days since 2019, we have surpassed our 2025 milestone and are on track to deliver our 2030 goal. Gains have been made possible by making volunteering a big part of our culture. This was achieved through The Big Difference, our local community programme that inspires colleagues to get involved in local causes they care passionately about – whether that's running energy support pop-ups with partners like the British Gas Energy Trust, or inspiring the next generation to be greener via the Get Set for Positive Energy schools programme delivered in partnership with Team GB and ParalympicsGB.

To deliver the step up needed out to 2030, our 2025 milestone will be replaced with a new 2028 milestone of 75,000 volunteering days. We will endeavour to achieve this by continuing to expand volunteering opportunities and embed annual targets in team plans to drive take-up.

In addition to volunteering in 2025, we supported communities with donations, fundraising and wider contributions totalling around £500m[3]. A substantial part of this spend goes towards helping customers and communities with their energy bills through industry initiatives.

Alongside the hundreds of millions of pounds spent each year on industry initiatives like the Warm Home Discount, our £140m voluntary energy support package established during the peak of the energy crisis in 2022–23, continued to be utilised. This is the largest voluntary support package provided by an energy company in the UK and Ireland, and is mainly distributed via British Gas for households and businesses through initiatives including 'You Pay: We Pay' (see page 46), alongside dedicated funds via charity partners like the British Gas Energy Trust in the UK as well as Focus Ireland and the Money Advice and Budgeting Service in Ireland.

Organisations like these are at the heart of our communities and are effective in reaching people with the greatest social need. We therefore maintained our wider investment in the British Gas Energy Trust to ensure customers and non-customers alike could receive extra help with their energy bills. This allowed the Trust to not only provide direct energy advice and grants, but enabled dedicated support at over 40 funded community projects including via Citizens Advice.

(3) Comprises £505.4m in mandatory and £42.8k in voluntary contributions to support vulnerable customers and communities with their energy through schemes like the Warm Home Discount and Energy Company Obligation, alongside £4.8m in charitable contributions. See more on page 255.

**>400**
Apprentices welcomed to our team during the year

**30%**
Proportion of colleagues who volunteered

**>£230m**
Cumulative invested in the British Gas Energy Trust, helping over 830,000 people with their energy bills since 2004

# Planet

Supporting every customer to live more sustainably.

## Goal 4

### By 2050, we want to:

Help our customers be net zero (28% greenhouse gas intensity reduction by the end of 2030)[(1)]

**2025 Progress against goal:**

On track Behind

| | |
|---|---|
| Reduction | 18% |

(1) Net zero goal measures the greenhouse gas (GHG) intensity of our customers' energy use including electricity and gas with a 2019 base year of 182g$CO_2$e/kWh. Target is normalised to reflect acquisitions and divestments in line with changes in Group customer base. It's also aligned to the Paris Agreement and based on science to limit global warming, corresponding to a well below 2°C pathway initially and 1.5°C by mid-century.

The biggest thing we can do to tackle climate change, is to help our customers transition to lower carbon and sustainable energy use. This is because around 90% of our total GHG emissions (Scope 1, 2 and 3) comes from gas and electricity consumed by customers (Scope 3).

Towards this in 2025, our energy, services and solutions helped reduce the GHG intensity of our customers' energy use by 18% against the 2019 base year – equivalent to the annual emissions of 1.5m homes. Savings since 2019 have predominantly been driven by the continued decarbonisation of the energy we sell alongside energy efficiency and optimisation solutions like Hive smart thermostats and electric vehicle (EV) chargers. Savings were up from the 10%[(2)] reduction achieved in 2024, mainly as a result of the zero carbon content of our reported electricity fuel mix increasing from 77% to 90% against the UK national average of 58%. We are currently ahead of our goal glidepath and remain on track to achieve our mid-and long-term goals.

(2) Restated due to availability of improved data.

During the year, we helped customers decarbonise power, heat and transport by:

- Enabling a route-to-market for renewable and flexible capacity under management which totalled 19.5GW (81% renewable);
- Expanding market-leading capability to make low carbon technology more affordable and accessible – whether through initiatives like heat pump performance guarantees that supported the sale of 2,400 heat pumps last year, or enabling third-party eco-tech to be managed alongside our own solutions which resulted in 3m devices being connected via the Hive app; and
- Empowering over 1.3m customers to shift energy use away from peak demand with PeakSave, helping cut carbon, costs and pressure on the grid.

As set out in our Climate Transition Plan (see page 55), we remain committed to helping customers reduce emissions, including via 2030 climate ambitions to connect 5m devices to the Hive platform and supply 100% renewable or zero carbon power in the UK and Ireland.

## Goal 5

### By 2040, we want to:

Be a net zero business (50% GHG reduction by the end of 2032)[(3)]

**2025 Progress against goal:**

On track Behind

| | |
|---|---|
| Reduction | 25%† |

† Included in DNV's independent limited assurance report. See page 253 or centrica.com/assurance for more.

(3) The net zero goal measures Scope 1 (direct) and 2 (indirect) GHG emissions based on operator boundary. Comprises emissions from all operated assets and activities including the shipping of Liquefied Natural Gas (LNG) alongside the retained Spirit Energy assets in the UK and the Netherlands. Non-operated nuclear emissions are excluded. Target is normalised to reflect acquisitions and divestments in line with changes in Group structure against a 2019 base year of 2,120,446t$CO_2$e. It's also aligned to the Paris Agreement and based on science to limit global warming, corresponding to a well below 2°C pathway initially and 1.5°C by 2040.

In early 2025, we published our updated Climate Transition Plan which accelerated our net zero target from 2045 to 2040 — putting us a decade ahead of global expectations for delivering net zero. Good progress has been made with a 25% emissions reduction against our 2019 base year. This was up on the 18% reduction achieved in 2024 following lower emissions from LNG shipping, power generation and gas production including an unplanned outage at Barrow Terminal. Sustainable savings were also delivered from rolling out EVs across our road fleet and optimising property energy use, supported by our flexible approach to working which lets colleagues work from home or the office.

Although we are ahead of our glidepath and broadly on track to meet our mid- and long-term goals, our path to net zero won't be linear. This is because we must balance reducing emissions with ensuring a reliable and affordable energy supply to guard against geopolitical risk and intermittency as renewables scale. In 2025, we therefore continued to invest in renewable and low carbon capacity alongside gas and LNG supplies whilst constructing four peaking power plants that will initially run on gas until hydrogen is ready. With gas expected to remain a key part of the energy transition in the near-to-mid-term, these actions are necessary but mean our emissions are likely to rise from 2026 before falling again from 2029.

Further emission reductions will be driven by climate ambitions in our Climate Transition Plan (see page 55) – from net zero gas production by 2035, to net zero baseload power generation by 2034–39.

# Our foundations

Our People & Planet Plan is underpinned by strong foundations to ensure we act fairly and ethically.

### Customers

Positive progress has been made in delivering stronger customer service. Continued investment in training for engineers and contact centre colleagues alongside customer service systems, resulted in lower complaints and higher Net Promoter Scores across our Retail businesses (see pages 25 and 31). In recognition that energy bills remained a real worry for customers, we prioritised ongoing support during 2025. This included 'You Pay: We Pay', a first-of-its-kind initiative which commits us to match energy payments from struggling customers and is funded by our £140m energy support package created during 2022–23 (see page 44). In just over a year since launching 'You Pay: We Pay', over 16,000 customers are benefitting from the initiative with a commitment of nearly £13m to be matched in payments.

### Colleagues

We want every colleague to feel safe, valued and engaged. In 2025 we kept safety front of mind, achieving zero workforce fatalities alongside improvements in our total recordable injury frequency rate which fell by 3% to 0.61 per 200,000 hours worked (see page 31). We did, however, experience a Tier 1 process safety event at the Rivers Terminal operated by Spirit Energy. The event related to hydrocarbon containment loss and fortunately resulted in no injuries. In 2026, we will continue to strengthen safety culture among colleagues and contractors by focusing on preventing containment losses, mitigating gas and electrical risks, as well as enhancing contractor management and road safety practices.

Alongside physical health, we prioritised mental health and wellbeing. Throughout 2025, we encouraged colleagues to speak openly about how they were feeling and promoted both proactive and reactive support – from our company-funded healthcare plan and 24/7 emotional helpline and GP access, to our wellbeing app and 180-strong network of colleague Mental Health First Aiders (see page 102). This commitment to accessible and in-the-moment support, led to over 100,000 mental health and wellbeing interactions during the year.

Focus was maintained on fair reward practices – whether that's paying at least the Real Living Wage in the UK or upholding equal pay and reducing pay gaps (see pages 102 to 103). Our UK gender pay gap remains largely driven by more men working in higher paid jobs like engineering, and more women working in valued but lower paid roles like customer service. Our median gender pay gap increased slightly from 13% to 16% during 2024–25. Our ethnicity pay gap which we publish voluntarily remained at 7% median, and is due to similar factors as the gender pay gap. We remain committed to reducing our pay gaps over time as we work to transform our business, sector and society to make it more inclusive (see pages 43 to 44 and 47).

Proactive action like this is crucial for positive colleague engagement and productivity. We are encouraged that despite significant organisational changes underway to simplify our business and improve customer outcomes, we saw only minor changes in colleague engagement. We maintained our top quartile performance for the majority of the year, with our year-end position landing at 7.9 out of 10. This is 0.1 points below top quartile for our sector and 0.2 points lower than our 2024 score. In 2026, we will continue to support our colleagues as we focus on delivering our strategy whilst ensuring everyone feels valued, included and motivated to energise a greener, fairer future. Understanding Company performance is a key element of this, so we will share our financial results and strategic updates with colleagues throughout the year at townhalls and via other channels, just as we did in 2025.

**Mental health leader**

Investor group CCLA, ranked us as a UK leader for our approach and disclosure on mental health for the fourth year running

Underpinning our approach to colleagues, is our commitment to equality. Our policies lay the foundation in helping us uphold equal opportunities across the full employment cycle – from recruitment and development, to performance reviews and career progression. These policies and associated processes and training, enable us to strive towards the elimination of discrimination, harassment and victimisation, whilst promoting fair and objective decision-making based on work-related criteria and individual merit.

As part of our commitment to equality, we recognise the particular need for greater national and global progress to ensure equal access to employment, development and progression for people with disabilities. That is why our People & Planet Plan (see page 42), is actively focused on increasing disability representation across the Company.

Positive progress has been made to support people with disabilities. This includes providing inclusive recruitment, reasonable adjustments and access to wider support and wellbeing initiatives – all whilst building a more inclusive culture across the Company to ensure every colleague feels counted and included. Our approach is continually strengthened through active engagement. For example, we engage forums such as our 10+ colleague networks and specifically our Neurodiversity and Diverse-ability networks who support and celebrate the physiological and neurological diversity of colleagues, alongside our external membership with the Business Disability Forum. Although there is more progress to be made, these activities have helped us maintain our Level 2 Disability Confident Employer status and increased disability representation by 5ppts at an all company and senior leadership level since our People & Planet Plan was launched in 2021.

## Ethics

Our Code and Values set out the standards we expect for anyone who works for us or with us. This enables us to operate in a mutually beneficial way for colleagues and our communities.

At the heart of Our Code, is our commitment to uphold and contribute positively to advancing internationally recognised human rights standards, which include but are not limited to the United Nations (UN) Global Compact and UN Guiding Principles on Business and Human Rights. Consequently, we take action to ensure colleagues and supply chain workers never knowingly cause or contribute to human rights abuses and are protected themselves through activities such as employment checks, risk-based training, ongoing due diligence, and monitoring of supplier selection and renewal.

Like many other companies, our greatest risk to human rights is within our supply chain. If suppliers receive a high-risk rating relating to the country where they operate and/or the products or services provided via our due diligence checks, we consider appropriate action which may include undertaking a third-party audit to better understand the level of risk and collaborating to raise standards. If suppliers cannot or will not improve, we reserve the right to report the abuse and end the relationship.

In 2025, we conducted 35 on-the-ground site inspections alongside remote worker surveys. The audits spanned workwear as well as the manufacturing of solar panels, battery systems, smart meters and wider electrical products across Cambodia, China, India, Malaysia, Thailand, Tunisia, Turkey and the UK. We did not identify instances of human rights abuses such as modern slavery but found 249 non-compliances across labour as well as health and safety practices. None of the non-compliances were 'business critical'. Improvement plans have been agreed with suppliers and remediation activity identified for 72% of non-compliances, with the remainder subject to ongoing monitoring to ensure remediation during 2026.

Due diligence and monitoring across supplier selection and contract renewal, also ensured compliance with sanctions on Russia during 2025.

Clear guidance on bribery and corruption is additionally provided via Our Code as well as our Anti-Fraud and Anti-Bribery and Corruption (ABC) Statement. As part of our approach, we prohibit any improper payments such as facilitation payments, regardless of value or jurisdiction, and exchange gifts and hospitality responsibly which includes declaring them on a register. Following the introduction of the Economic Crime and Corporate Transparency Act 2023, we also delivered briefings on beneficiary fraud and associated mitigation responsibilities for senior managers during the year, which complemented wider ABC training. A register is additionally used to help record and manage potential or actual conflicts of interest.

In 2025, 97% of colleagues completed annual training on Our Code and confirmed they would uphold its principles. If anyone suspects contravention across matters such as safety, equality, human rights or ABC, an independent and confidential 24/7 Speak Up phone and online helpline is available. During 2025, 236 reports were received via Speak Up which is in line with the external benchmark for a company our size. An additional 226 grievances were raised directly with HR which likewise reflects a culture where colleagues feel able to raise concerns without fear of retaliation. The majority of reports raised across Speak Up and grievance channels, related to interpersonal relations, with each report thoroughly investigated. Periodic monitoring is undertaken quarterly by the Board's Audit and Risk Committee to ensure process and controls remain effective.

## Environment

Alongside GHG emissions, we monitor and manage our wider environmental impact (see page 255). During 2025, our water consumption remained relatively consistent with 2024, decreasing by 2% to 348,958$m^3$. Meanwhile, our waste increased by 39% to 23,109 tonnes. The rise was mainly due to construction of the 30MW Dyce battery storage plant in Aberdeen which is due to be fully operational in 2026.

— **Read more** about our Modern Slavery Statement at **centrica.com/modernslavery**

— **Read more** in our wider reports at **centrica.com/performanceandreports**

# Non-Financial and Sustainability Information Statement

In line with the Non-Financial Reporting Directive and Section 414CB of the Companies Act 2006, as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 Companies Act 2006, we have set out where the relevant information we need to report against can be located.

This includes an explanation of the relevant Group policies which relate to the stated matters below, together with an overall summary of their effectiveness, including specific examples of how the policies are implemented alongside due diligence processes conducted and associated outcomes.

| Reporting requirement | Section |
|---|---|
| **Business model** | • Business overview and Our strategic drivers – Pages 14 to 17 |
| **Reporting requirement and policy position**<br>Our Code sets out our position on key issues by providing a high-level summary of key policies that form the foundation for how we do business.<br>— **Read more** at **centrica.com/ourcode** | **Due diligence and outcome** |
| **Colleagues**<br>Our policy states that we work collaboratively to create a workplace that has a respectful and inclusive culture whilst offering fair reward and recognition. We're also committed to working safely and provide proactive support to ensure colleagues' health and wellbeing. | • Chair's statement – Page 5<br>• Group Chief Executive's statement – Pages 8 to 9<br>• Our stakeholders – Page 12<br>• Our Principal Risks and uncertainties: External, regulatory, geopolitical and conduct, People culture and workforce, Safety and asset integrity, and Cyber, technology and resilience – Pages 37 to 39<br>• People and Planet – Pages 43 to 44, 46 to 47 and 51 to 52<br>• Key performance indicators (KPIs) – Pages 31, 43 to 44, 46 to 47, 56 and 253 to 255 |
| **Environmental matters**<br>This policy sets out that we endeavour to understand, manage and reduce our environmental impact. Towards this, we will play our part in the transition to net zero. | • Chair's statement – Page 5<br>• Group Chief Executive's statement – Pages 8 and 10<br>• Our stakeholders – Pages 12 to 13<br>• Our business structure, Our market trends and Our strategic drivers – Pages 15 to 17<br>• Business review – Pages 26 to 28<br>• Our Principal Risks and uncertainties: Weather risk, External, regulatory, geopolitical and conduct, Customer, People culture and workforce, Climate change, and Safety and asset integrity – Pages 36 to 39<br>• People and Planet including TCFD – Pages 45, 47 and 49 to 57<br>• KPIs – Pages 26 to 28, 31, 45, 47, 54 to 56, 253 and 255 |
| **Social matters**<br>Our policy states that we will treat all of our customers fairly. As part of this, we strive to provide services and solutions that meet their needs as well as care for customers who need extra support. We also want to make a big difference by helping to create more inclusive and sustainable communities. We partner with community and charity organisations on key issues and inspire colleagues to volunteer and fundraise. | • Chair's statement – Pages 4 and 6<br>• Group Chief Executive's statement – Pages 7 and 9 to 10<br>• Our stakeholders – Pages 12 to 13<br>• Our business overview, Our market trends and Our value drivers – Pages 15 to 17<br>• Business review – Page 25<br>• Our Principal Risks and uncertainties: External, regulatory, geopolitical and conduct, Customer, Safety and asset integrity, Cyber, technology and resilience and Third-party and supply chain resilience – Pages 37 to 39<br>• People and Planet – Pages 44 to 47<br>• KPIs – Pages 25, 31, 44 to 47, 56 and 253 to 255 |
| **Human rights**<br>Our commitment to human rights ensures that wherever we work in the world, we respect and uphold the fundamental human rights and freedoms of everyone who works for us or with us, or is a customer of ours. | • Our stakeholders – Pages 12 and 13<br>• Our Principal Risks and uncertainties: External, regulatory, geopolitical and conduct, People culture and workforce, Safety and asset integrity, Cyber, technology and resilience, and Third party and supply chain resilience – Pages 37 to 39<br>• People and Planet – Pages 43 and 46 to 47<br>• KPIs – Pages 43, 46 to 47 and 254 to 255 |
| **Anti-bribery and corruption**<br>Our policy commits us to working with integrity, within the laws and regulations of all the countries in which we operate and in accordance with recognised international standards. This includes not offering or accepting bribes or other corrupt practices. We will not tolerate any form of bribery or corruption from suppliers or others. | • Our Principal Risks and uncertainties: External, regulatory, geopolitical and conduct – Page 37<br>• People and Planet – Page 47<br>• Based on materiality, KPIs specific to anti-bribery and corruption are not reported externally |

# *Task Force on Climate-related Financial Disclosures*

Our strategy drives the energy transition forward, helping our customers, communities and our business journey to net zero.

We play a key role in tackling climate change by focusing on providing lower carbon energy, services and solutions. This transition alongside physical climate change, brings risks and opportunities for our business. We follow the Task Force on Climate-related Financial Disclosures (TCFD) framework (see page 57) to effectively disclose our approach to governance, risk management and strategy alongside metrics and targets, in relation to our business' climate-related risks and opportunities. We have achieved full compliance with TCFD since mandatory reporting was introduced in 2022.

## Governance

Tackling climate change is core to our Purpose and strategy, which is why governance over climate matters is fully embedded across the business. The Board is supported in its duty to oversee climate-related matters via a series of Board-level and executive-level committees (see page 50). In 2025, climate matters were reviewed by the Board and its Committees at a number of meetings, including all three meetings of the Safety, Environment and Sustainability Committee (SESC), as well as via the Board Strategy Review and Strategic Financial Plan process.

The Board's ability to oversee climate matters relies on strong collective capability. Capability is reviewed annually by the Nominations Committee and supported by an annual Board performance review process to identify strengths alongside improvement areas (see pages 81 to 82). 'Climate change and sustainability' is a key criterion in the Skills Matrix employed, covering climate science, risk, mitigation and stakeholder expectations.

In 2025, over 60% of the Board had climate-related competencies, enabling effective governance (see pages 62 to 66).

To build expertise, climate change continued to be integrated into Board training with deep dives run on the impact of US politics on sustainability, progress of key net zero policies and emerging sustainability regulation. Regular management updates on performance, risks and opportunities, supplemented training for the Board and wider leadership team. As the transition deepens, climate expertise will continue to be strengthened.

Effectiveness in tackling climate change is embedded in remuneration for Executive Directors and colleagues (see pages 86 to 115). We assess performance in tackling climate change or issues arising via two reward schemes:

- **The Annual Incentive Plan** has targets and weightings set annually by the Remuneration Committee and considers progress against our Climate Transition Plan which forms one of 18 metrics, with a total combined weighting of 37.5%; and
- **The Restricted Share Plan** has a three-year vesting and two-year holding period, with the Committee making decisions on targets and performance subject to a performance underpin for the consideration of sanctions, fines, major incidents, poor financial performance, and lack of progress against our Climate Transition Plan or wider sustainability performance.

### Listing rule compliance

We have complied with the requirements of UKLR 6.6.6R, by including climate-related financial disclosures that are consistent with the four TCFD pillars and the 11 recommended disclosures that are set out on page 57. Our climate-related financial disclosures additionally comply with the requirements of the Companies Act 2006, as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.

TCFD TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Our governance and disclosure approach is guided by our materiality assessment over sustainability topics and the impact this has on our business and stakeholders. The assessment identifies material issues and relevant regulations, enabling management to measure, manage and disclose effectively.

## *Our climate governance framework*

***The Board***

Has ultimate responsibility for climate change and delegates authority to its Committees

Sets People and Planet strategy and integrates climate considerations into business planning whilst overseeing progress on climate targets and risk management. Approves annual reporting. Chaired by Kevin O'Byrne, Company Chair, with attendance including the Group Chief Executive who has overall accountability for climate change (see pages 59 to 71).

**Challenge** ↓ **Report** ↑

***Board Committees***

Provides challenge and reviews updates from senior leaders, with outputs shared with the Board

**Audit and Risk Committee (ARC)**
Meets quarterly to review mitigations for Principal Risks like climate change. Oversees process of audits as well as financial statements and non-financial disclosures. Chaired by Nathan Bostock, Independent Non-Executive Director (INED), with a successor to be announced during 2026 (see pages 72 to 80).

**Nominations Committee**
Meets three times a year to ensure the Board and its Committees maintain the right balance of skills, knowledge and experience including climate-related expertise. Chaired by Kevin O'Byrne (see pages 81 to 82).

**Safety, Environment and Sustainability Committee (SESC)**
Meets three times a year to support the Board on climate oversight. Responsibilities include approving net zero proposals, monitoring progress, risks and opportunities, reviewing climate-related reporting such as TCFD whilst considering stakeholder views. Chaired by Heidi Mottram, INED, who will be succeeded in 2026 by Amber Rudd, INED (see pages 84 to 85).

**Remuneration Committee**
Meets four times a year to ensure Executive Directors are appropriately rewarded, factoring progress against the Climate Transition Plan. Chaired by Carol Arrowsmith, INED, and is due to be succeeded by Sue Whalley, INED, in May 2026 (see pages 86 to 115).

**Challenge** ↓ **Report** ↑

***Centrica Leadership Team (CLT)***

Ensures ongoing oversight and challenge on climate strategy

Meets as needed across 11 annual meetings chaired by the Group Chief Executive. Monitors progress on net zero targets, ambitions and Principal Risks. Its sub-committee, the Centrica Investment Committee, reviews investment opportunities for their impact on delivering net zero.

**Challenge** ↓ **Report** ↑

***Sub-groups***

Supports leadership on integrating climate change into strategy

**TCFD working group**(1)
Ongoing engagement led by Group Sustainability with engagement across Group Strategy, Risk, Finance and Reward, to ensure reporting requirements and climate strategy is embedded Group-wide.

**Group Risk, Control and Compliance Forum (GRCCF)**
Meets quarterly to monitor Group risks, including Principal Risks and controls. Chaired by the Group General Counsel with the Group Chief Financial Officer, Group Chief Risk Officer and business representatives in attendance (see page 33).

(1) Group Head of Sustainability develops and socialises the Company's Climate Transition Plan and related progress, whilst co-ordinating and influencing related activities. Director of Corporate Business Strategy embeds climate change into our strategic planning and investment frameworks. Group Head of Enterprise Risk Management (ERM) integrates climate risk into the ERM Framework. The Group Head of Accounting, Reporting and Tax supports the business to understand the financial impacts of net zero. The Group Head of Reward integrates sustainability targets into remuneration frameworks.

### Risk management

Climate change became a Principal Risk in 2021 and remained so in 2025. Climate and other risks are managed through our Enterprise Risk Management (ERM) Framework, ensuring consistent identification, assessment and response. Principal Risks are assessed over 0-5 years, with Emerging Risks feeding into the operational risk identification process and Board strategic planning. A double materiality assessment is undertaken by the Group Sustainability team to help establish what impacts, risks and opportunities (IROs) to test. Key functions across the business input into this process to inform IRO identification, including Group Enterprise Risk to integrate financial impacts.

Climate-related risks are discussed within business unit risk and control meetings, with risks formally considered at the quarterly GRCCF, before being reported up to the CLT and the Board's ARC. This is supported by more detailed climate reports spanning strategy and performance alongside risks and opportunities, shared with the SESC. The Board Strategy Review and Strategic Financial Plan process, further examines external factors such as market, competition, technology and policy alongside strategic plans, enabling the Board to review robustness of strategic proposals and transition plans.

— **Read more** about Risk on pages 32 to 39 and 50

### Strategy

Following the initial scenario analysis conducted in 2022, we refreshed our assessment during 2025 in line with best practice to undertake a full update every three years.

The 2025 disclosure is categorised by risk and opportunity type: transition and physical. Given the Group's diversified nature and the resulting uniqueness of transition risks, we have aligned the transition section with our business model, encompassing Retail, Optimisation and Infrastructure, including assets such as Rough which is now in scope due to its potential life extension.

Findings indicate that whilst Centrica faces both transition and physical climate-related risks and opportunities across the Group, we remain well-positioned to manage the transition to a low carbon economy, with an overall net positive outlook across all material risks and opportunities across assessed scenarios (see pages 53 to 54). The outcome is contingent on the successful execution of our strategic plans alongside broader global progress towards net zero.

**Net financial benefit**

Our modelling suggests an overall net financial benefit for Centrica across material risks and opportunities

#### Transition risks and opportunities

***Retail***

To evaluate risks and opportunities for our Retail business, we applied our established in-house model to assess potential positive and negative impacts across key areas. The analysis uses the National Energy System Operator's (NESO's) 2025 Future Energy Scenarios (FES), which contain pathways both above and below 2°C of global warming ('Falling Behind' and 'Holistic Transition' pathways), allowing us to test the resilience of the business under differing rates of decarbonisation. FES provide key assumptions on energy demand, production and use cases, which vary by scenario and timeframe. This allows detailed modelling of potential impacts in the UK and Ireland at the product and commodity level, considering factors such as hydrogen adoption and technology scale-up like EVs. For Ireland, we adapt scenarios to reflect differences – such as a higher proportion of off-grid consumers – whilst keeping the pace of decarbonisation to align with national ambition.

The model covers core business activities included in five-year financial plans, maintaining constant market share and unit margins beyond our plans. This approach enables us to estimate potential gross margin (GM) growth or decline through to 2050, based on the assumption that we deliver our plans and sustain performance levels.

The outcome of our scenario analysis (see page 53) shows an overall net financial benefit across all scenarios assessed, meaning we are well-positioned to respond to transition risks and opportunities as well as physical ones. If warming is limited to 1.5°C, we project a net positive financial impact of 5–10% by 2050 compared to our 2024 Group GM. Meanwhile, in a scenario which leads to 2°C warming, potential gains exceed 10% by 2050. This is because as an integrated energy company, resilience is built into our business model which enables us to adapt to the energy transition at any pace. In any given scenario, the potential for risks to manifest is subject to uncertainty, as are the opportunities and our ability to pivot and capitalise on them.

The key transition risks and opportunities for Retail remain broadly consistent with our 2022 assessment, although there is some variation in scale. The primary transition risk continues to be the gradual phase-out of natural gas for heating which will remain essential until the mid-2030s with an accelerated decline thereafter, affecting British Gas and Bord Gáis Energy. Current scenarios indicate a slower phase-out than previously modelled, which reduces short-term risk.

Since the last analysis, the opportunity from electrification has grown significantly, driven by sectors such as transport and heating. We are confident in our ability to harness these opportunities, supported by systems and capabilities that enable us to transition towards supplying energy, services and solutions for a cleaner future.

For example, we have:

- Restructured around the customer to ensure we deliver tailored and innovative offerings – from our Hive smart thermostat and competitive heat pump performance guarantees to help residential customers save time and money, to our bespoke multi-technology packages that empower commercial customers be more competitive, resilient and advance their net zero ambitions; and
- Equipped our engineers with green skills to meet growing demand for low carbon services and solutions. Against our ambition for 3,000 engineers in the UK and Ireland to have green skills by 2030, we have already cross-skilled 1,900 engineers to deploy technologies like EVs, heat pumps and smart meters via our award-winning training academies.

**£35m**

Investment in our new state-of-the-art academy and energy transition research lab in Leicestershire – due to open in 2026, the site will strengthen productivity as well as our operational capability and infrastructure needed for net zero

***Optimisation***

We used our ERM methodology to assess the materiality of risks and opportunities identified through the double materiality process, validating results with high-level quantitative modelling based on NESO's FES view of UK and European markets. Assumptions include delivering our five-year financial plans and maintaining market share.

The analysis indicated that our gas trading and LNG business in aggregate, are inherently resilient across all scenarios, with no material risks identified. Whilst a risk of gas market contraction exists, it is immaterial at the Group level given the relatively limited exposure of our activities in the Optimisation business. The analysis did, however, reveal a material opportunity both in the medium and longer term related to our investment in enabling services such as Power Purchase Agreements (PPAs) alongside energy balancing and storage services as renewable and low carbon generation and production technologies scale-up. In particular, our trading business is well-placed to capitalise on Europe's expanding renewables and storage market, especially under a 1.5°C scenario with projected gains exceeding 10% of GM by 2040. For example, we have 19.5GW of renewable and flexible capacity under management and want to increase this to 30GW by 2030.

***Infrastructure***

Our Power business strategy is to build a diversified portfolio of power generation, flexibility and storage assets, focusing on contracted and regulated revenues which provide significant resilience to climate-related transition risks and opportunities. We conducted price curve analysis using Aurora's latest 2025 net zero scenario, incorporating commodity and carbon prices across assets with merchant revenue exposure. We reviewed our current portfolio and our future strategy for our power business. The assessment included our battery energy storage systems, gas peakers, Whitegate power station and Nuclear interests, as well as wind and solar beyond contracted periods, which identified no material risks.

Within our Centrica Energy Storage+ (CES+) portfolio, such as the Rough gas storage facility, Easington Gas Terminal and the Isle of Grain LNG Terminal acquired in partnership with Energy Capital Partners during 2025, we assessed potential risks and opportunities through the ERM process whilst working with subject matter experts to determine potential scale. Given the early-stage nature of some technologies and regulatory frameworks, we mapped internal scenarios to temperature pathways, supported by NESO's assumptions. In a <2°C scenario (High Hydrogen), we identified a significant long-term opportunity to convert Rough and Easington for large-scale hydrogen storage and production, with a positive impact of 5–10% in operating profit by 2050 compared to a baseline natural gas storage extension scenario. This redevelopment depends on government support, without which this opportunity would not transpire, but we remain ready to invest and enhance the UK's low carbon energy security.

Additional opportunities exist within our Infrastructure business, such as converting Morecambe gas fields into a world-class carbon storage facility. As this is contingent on government decisions regarding carbon capture and storage development in the UK, current uncertainty means it is too early to model.

We have taken steps to safeguard our infrastructure business from transition risks. This includes streamlining the portfolio in recent years and divesting Spirit Energy's interests in the Cygnus gas field and other producing assets in the Greater Markham Area and Southern North Sea, which is expected to complete in 2026. These actions reduce potential transition risks for the Group and allow us to focus on opportunities.

**Physical risks and opportunities**

Across the Group, physical risks and opportunities were assessed and largely considered 'low' in impact over the near and long term. We reviewed acute risks related to short-term events such as wave height and flooding, as well as chronic risks arising from long-term climate shifts like sea level rise or sustained heatwaves. These assessments utilised recognised external tools, like the WRI Aqueduct platform, to model different timeframes and temperature scenarios. Assessment focused on assets more exposed to physical risks across Infrastructure, spanning CES+, Spirit Energy and Power.

Low risk was confirmed using UK Met Office scenarios from 2024 which predict minimal sea level rise where we operate, reducing the likelihood of production disruption at our offshore and coastal assets, even under extreme conditions. The Isle of Grain LNG Terminal was found to be exposed to flooding although its comprehensive flood defences are designed to offer resilience until at least 2070. As with our previous assessment, the only potential material risk identified was reduced heating demand under an extreme >4°C warming scenario by 2050. This is, however, partly offset by higher cooling demand which creates a natural hedge against many transition risks.

Supply chain risk was reassessed and remained 'low' in significance, effectively managed through supplier engagement, hedging strategies and collaboration. In 2025, 47% of our strategic suppliers completed our assessment. As with our previous analysis, over 90% of responders had resilience plans in place to mitigate risk, reporting storms and extreme weather as the most likely disruptive events. Additional analysis was undertaken to confirm the resilience of our Services business against severe climate-related disruption events that could delay the supply of critical product components, concluding that the overall risk to the Group remains low.

Our asset impairment analysis was refreshed using price forecasts aligned to a <2°C scenario. Some assets were identified as exposed and therefore subject to testing. The Nuclear analysis (excluding Sizewell C) indicated a possible positive impact with an impairment write-back of £157m as net zero forecasts exceeded the impairment base-case baseload power prices. For gas peaking power stations, solar and battery assets, impact was considered relatively low, with potential impairment to rise by £50m due to lower forecast profit capture in the net zero forecasts. With announced Spirit Energy Exploration & Production gas field disposal, the assets are no longer materially sensitive to net zero scenarios. See Notes 3 and 7 for climate-related impacts on financial reporting judgements.

# *Summary of our most material risks and opportunities*

***Materiality*** ● 0-5% (low) | ● 5-10% (medium) | ● >10% (high)

↑ Potential positive financial impact | ↓ Potential negative financial impact

In the analysis which spans over 95% of the Group, the following Retail, Optimisation and Infrastructure tables include our most material risks and opportunities. Whilst less material than all other key risks in the long term, we have also included our material Physical risk which is in our Retail business as it's important to transparently show the impact of Physical risk on GM. Materiality is based on Group GM which has been used for the analysis of all opportunities and risks, aside from the opportunity to convert Rough which uses operating profit to better reflect the nature of the asset (see page 54). 2024 values have been employed for both GM and operating profit, given this was the most recent period available when undertaking the assessment in 2025. Both well-below and well-above 2°C scenarios for global warming have been used to demonstrate the spectrum of rapid and slow progress on climate change in our key markets, and the impact this may have on our business. All listed 'opportunities' result in a potential positive impact on our financials whilst all listed 'risks' correlate to a potential negative impact on the Group. For example, Retail concludes with an overall positive net financial benefit for that part of the Group across all climate scenarios and time periods assessed, whilst significant positive financial impacts are also reported via opportunities in both Optimisation and Infrastructure.

## *Retail*

| Climate-related trend | Potential impact | | Materiality (versus 2024 GM) 2030 | 2040 | 2050 | Strategic response |
|---|---|---|---|---|---|---|
| **Transition away from fossil fuelled heating** (TCFD category: Transition – Policy, Markets and Technology) | **Risk:** Reduced GM from the sale and servicing of natural gas residential boilers and commercial combined heat and power (CHP) units | >2°C | ↓ | ↓ | ↓ | Strengthen market share in heating installations and sustain our position as the leading provider of heating solutions across the UK and Ireland. |
| | | 1.5°C | ↓ | ↓ | ↓ | |
| **Growth in low carbon heating market** (TCFD category: Transition – Policy, Markets and Technology) | **Opportunity:** Increased sales and servicing of electric and hydrogen fuelled heating systems, alongside associated opportunities in fabric upgrade including insulation | >2°C | ↑ | ↑ | ↑ | Continue to focus on delivering our ambition for 20,000 heat pump sales per year by 2030, whilst building bespoke propositions for electric heating. |
| | | 1.5°C | ↑ | ↑ | ↑ | |
| **Transition away from natural gas and energy efficiency** (TCFD category: Transition – Policy, Markets and Technology) | **Risk:** Reduced GM from the sale of natural gas and growth in energy efficiency | >2°C | ↓ | ↓ | ↓ | Aim to grow customer numbers in the UK and Ireland energy supply by introducing innovative tariffs and add-ons that enable the transition to low carbon energy. |
| | | 1.5°C | ↓ | ↓ | ↓ | |
| **Growth in low carbon heating market** (TCFD category: Transition – Policy, Markets and Technology) | **Opportunity:** Increased sales of electricity and clean gas for heating | >2°C | ↑ | ↑ | ↑ | Positioned with systems and capabilities to capture rising demand and deliver tailored energy propositions, with ambition to have 33% of customers engaged in green or flexible energy in the UK by 2030. |
| | | 1.5°C | ↑ | ↑ | ↑ | |
| **Growth of EV transport market** (TCFD category: Transition – Markets) | **Opportunity:** Access to new and growing value pools related to EV charging installations, operation and maintenance, as well as energy supply | >2°C | ↑ | ↑ | ↑ | Strategy to capture growing electricity demand from EVs, offer bespoke solutions including demand-side response via Hive, and achieve our ambition to connect 5m devices to the Hive platform by 2030. |
| | | 1.5°C | ↑ | ↑ | ↑ | |
| **Growth in demand for renewable energy** (TCFD category: Transition – Energy Source) | **Opportunity:** Growth in behind-the-meter solar and battery markets, driven by decarbonisation and flexible services | >2°C | ↑ | ↑ | ↑ | Positioned to support home generation solutions like solar and battery storage via the Hive platform and Bord Gáis Energy in Ireland, whilst serving the commercial sector with multi-tech solutions to help reduce energy costs and achieve energy independence. |
| | | 1.5°C | ↑ | ↑ | ↑ | |
| | **Retail net position across material risks and opportunities** | >2°C | ↑ | ↑ | ↑ | Analysis indicates a net financial benefit for the Group across all scenarios, supported by our strategic plans, portfolio and capabilities. |
| | | 1.5°C | ↑ | ↑ | ↑ | |
| **Rising mean temperatures** (TCFD category: Physical Chronic) | **Risk:** Reduced sales of natural gas and electricity for heat (less material than all other key risks but included for transparency as our only material Physical risk) | >4°C | ↓ | ↓ | ↓ | Strategic aim to grow UK and Ireland energy supply and home services, including selling cooling technology. |
| | | <2°C | ↓ | ↓ | ↓ | |

***Materiality*** 0-5% (low) | 5-10% (medium) | >10% (high)

↑ Potential positive financial impact | ↓ Potential negative financial impact

## *Optimisation*

| Climate-related trend | Potential impact | | Materiality (versus 2024 GM) 2030 | 2040 | 2050 | Strategic response |
|---|---|---|---|---|---|---|
| **Growth in demand for renewable energy** (TCFD category: Transition – Energy Source) | **Opportunity:** Growth in renewable and low carbon generation and production technologies, alongside the need for enabling services such as PPAs, balancing services and battery storage | >2°C | ↑ | ↑ | ↑ | Established renewable energy trading and optimisation capability with PPAs across Europe, managing 15.7GW of renewables and 3.8GW of flexible assets across 13 markets, with the ambition for 30GW of third-party assets under management by 2030. |
| | | 1.5°C | ↑ | ↑ | ↑ | |

## *Infrastructure*

| Climate-related trend | Potential impact | | Materiality (indexed against 2024 operating profit) 2030 | 2040 | 2050 | Strategic response |
|---|---|---|---|---|---|---|
| **Growth in demand for renewable energy** (TCFD category: Transition – Energy Source) | **Opportunity:** To convert Rough gas storage facility to store hydrogen and produce hydrogen at scale[1] | <2°C | ↓ | ↑ | ↑ | Depending on government support, we are ready to invest in transforming Rough to store hydrogen and advancing plans to deliver 3GW of hydrogen production capacity at Easington Terminal, enabled via Humber Hydrogen Hub partnerships. |

(1) An operated joint venture structure has been assumed for the conversion of Rough. Materiality is indexed against operating profit instead of GM to better reflect investment levels required for redevelopment and depreciation over the asset's lifetime. Materiality illustrates the within year difference between a natural gas storage scenario which serves as the baseline, with a hydrogen storage scenario which represents the <2°C scenario.

All scenarios showed significant market disruption as the energy transition progresses, requiring adaptability. We note, however, that long-term scenarios involve significant uncertainties and dependencies, particularly relating to the development of supportive government policy as well as the development and take-up of new and existing technologies, which should be considered when reviewing insights from the analysis.

To seize the opportunities presented by the energy transition, our investment strategy is targeting £4bn in total from 2023–28, with over 50% for green projects. This is a big rise from less than 9% in 2022. To align investment with our net zero targets, we have a net zero guardrail in our Board-approved investment framework. This involves the Group Head of Sustainability being a member of the Centrica Investment Committee, and the Group Sustainability team reviewing all investment proposals for impact as well as attributing 'green' classification.

Meanwhile, our internal carbon price is used as relevant, to guide commercial decisions aligned with our Climate Transition Plan (see page 55) – from bidding in the energy market auction for new assets and PPAs, to hedging in a way that supports fuel mix decarbonisation.

### Metrics and targets

We have a best practice approach to GHG reporting and setting climate targets. In line with TCFD, we disclose metrics, targets and ambitions relevant to our business and stakeholders, enabling effective management and mitigation.

**Our metrics** cover global GHG Scope 1, 2 and 3 emissions alongside energy consumption (see page 55). Following a decrease in emissions from LNG shipping, power generation and gas production in 2025, our Scope 1 and GHG intensity reduced. Scope 2 emissions rose mainly as a result of higher electricity demand from new battery storage systems becoming operational and increased EV fleet activity. Scope 3 emissions reduced largely due to the zero carbon content of our electricity fuel mix increasing. Total GHG emissions and energy use KPIs have undergone annual limited external assurance since 2012.

**Our targets** introduced in our People & Planet Plan are focused on being a net zero business by 2040 and helping our customers be net zero by 2050 (see page 45). Based on science[1] and aligned with the Paris Agreement, they support UK and EU net zero targets. Our business target achieves net zero ahead of a 1.5°C pathway whilst our customer target aligns with a well-below 2°C pathway in the short term and 1.5°C in the long term. Within the trajectory of our customer target, we have needed to reflect the slower than expected pace of heating decarbonisation. Across our targets, we will responsibly manage hard-to-remove residual emissions which are expected to be significantly less than 10% of our emissions in the 2040s, with our carbon trading team executing high-quality removal projects like tree planting.

(1) We cannot progress Science Based Target initiative (SBTi) validation due to ongoing delays in Oil and Gas guidance, which the SBTi believes applies to us.

Our targets receive limited external assurance on a rotational basis every three years and in 2025, we remained on track with both our customer and business net zero targets (see page 45).

**Our ambitions** set out in our Climate Transition Plan (see right) advance progress towards our People & Planet net zero targets, addressing key risks and opportunities. They are embedded into budgets, business plans and accounting assumptions. Most of our climate ambitions are on track (see page 56). We have, however, revised our ambition for a zero emission van fleet by 2030 due to continued slow growth in public EV rapid charging infrastructure and the risk charging delays pose to customer service. From 2026, we will instead work towards a zero emission van order book by 2030 which remains aligned with best practice and national targets.

Although our metrics, targets and ambitions relate to our most material climate-related risks and opportunities, we also track less material environmental metrics such as water and waste (see pages 47 and 255). Our reporting will evolve in line with best practice.

## *Climate Transition Plan*

**We published our updated Climate Transition Plan at the start of 2025 to go further and faster towards net zero, whilst increasing transparency around the steps we intend to take.**

In line with best practice, we provide a full update on our Climate Transition Plan every three years. In our latest Plan, we accelerated our target to be a net zero business by 2040 (five years earlier than planned) and maintained our target to help our customers be net zero by 2050. We also created a new suite of expanded climate ambitions to drive meaningful progress towards our targets over the next five-to-ten years – from connecting 5m devices to the Hive platform by 2030, to supplying 100% renewable or zero carbon power in the UK and Ireland by 2030 (see page 56 for a full list of our ambitions).

We continue to engage government, partners, investors, customers and others, to ensure we maintain an open dialogue on the considerations needed for net zero. This approach will ensure we don't leave anyone behind as we journey to net zero.

***93.44%***

Shareholder advisory approval rate achieved at the Annual General Meeting in 2025

— **Read more** about our Plan at **centrica.com/climatetransition**

| ***Our energy use and GHG emissions*** | 2025 | 2024 |
|---|---|---|
| Total GHG emissions (Scope 1 and 2)(1) | **1,580,933t$CO_2$e(2) †** | 1,732,328t$CO_2$e(3), (4) |
| Scope 1 GHG emissions | **1,571,517t$CO_2$e(5) †** | 1,725,987t$CO_2$e(3), (6) |
| Scope 2 GHG emissions | **9,415t$CO_2$e(7) †** | 6,341t$CO_2$e(3), (8) |
| Scope 3 GHG emissions(9) | **18,294,835t$CO_2$e** | 21,860,510t$CO_2$e |
| Total GHG intensity by revenue(10) | **81t$CO_2$e/£m(11)** | 87t$CO_2$e/£m(12) |
| Total energy use | **7,177,638,803kWh(13) †** | 7,925,163,679kWh(14) |

Read more about our performance on pages 45 and 54. Reporting practices for environmental metrics are drawn from the WRI/WBCSD Greenhouse Gas Protocol and Defra's Environmental Reporting Guidelines. Reporting is additionally based on operator boundary which is the more commonly used approach for reporting environmental matters, and includes all emissions from our shipping activities relating to LNG alongside the retained Spirit Energy assets in the UK and Netherlands. Non-operated nuclear emissions are excluded.

† Included in DNV's independent limited assurance report. See page 253 or centrica.com/assurance for more.
(1) Comprises Scope 1 and Scope 2 emissions as defined by the Greenhouse Gas Protocol.
(2) Comprises UK 604,640t$CO_2$e and non-UK 976,293t$CO_2$e.
(3) Restated due to availability of improved data.
(4) Comprises UK 579,094t$CO_2$e and non-UK 1,153,234t$CO_2$e.
(5) Comprises UK 595,709t$CO_2$e and non-UK 975,808t$CO_2$e.
(6) Comprises UK 572,985t$CO_2$e and non-UK 1,153,002t$CO_2$e.
(7) Market-based, comprises UK 8,931t$CO_2$e and non-UK 485t$CO_2$e. Sum of constituent parts does not align with total due to rounding. Location-based is 16,492t$CO_2$e.
(8) Market-based, comprises 6,109t$CO_2$e and non-UK 232t$CO_2$e. Location-based is 17,347t$CO_2$e.
(9) Includes emissions from the following Scope 3 categories defined by the Greenhouse Gas Protocol: purchased goods and services, capital goods, fuel and energy related activities, waste generated in operations, business travel, employee commuting, upstream and downstream transportation and distribution, use of sold product and investments. All emissions are calculated in line with the methodologies set out by the Greenhouse Gas Protocol's technical guidance, apart from working from home emissions which are based on methodology set out in EcoAct's homeworking emissions whitepaper. Other categories spanning upstream leased assets, processing of sold products, end-of-life treatment of sold product, downstream leased assets and franchises, are not included because they are not relevant to our business.
(10) Carbon intensity of revenue is employed as our intensity measure because it is the most meaningful intensity measure for our diverse business and is the most widely used and understood measure for climate-related stakeholders such as CDP. Based on statutory revenue.
(11) Comprises UK 38t$CO_2$e/£m and non-UK 266t$CO_2$e/£m.
(12) Comprises UK 36t$CO_2$e/£m and non-UK 314t$CO_2$e/£m. Non-UK value has been restated due to availability of improved data.
(13) Comprises UK & Offshore 2,006,825,467kWh and non-UK energy use 5,170,813,337kWh.
(14) Comprises UK & Offshore 1,812,987,689kWh and non-UK energy use 6,112,175,991kWh. Sum of constituent parts does not align with total due to rounding.

# Our climate transition dashboard – progress against our Climate Transition Plan

Includes our net zero targets, supported by our climate ambitions

**2025 Progress against targets and ambitions:**
● On track | ● Behind

| Targets and ambitions(1) | 2025 Progress |
|---|---|
| **Help our customers be net zero by 2050 (28% GHG intensity reduction by 2030)** | **18% reduction** |
| 5m devices connected to the Hive platform by 2030 | 3.0m |
| 20,000 heat pumps sold to customers per annum by 2030 | 2.4k |
| 80% of electricity customers with access to smart services in the UK by 2030(2) | 69% |
| 33% of customers engaged in green or flexible energy in the UK by 2030 | 19% |
| 100% supply of renewable or zero carbon power in the UK and Ireland by 2030 | 90% |
| 3,000 engineers with green skills in the UK and Ireland by 2030 | 1.9k |
| **Be a net zero business by 2040 (50% GHG reduction by 2032)** | **25% reduction†** |
| Net zero baseload power generation by 2034–39 | –(3) |
| Net zero gas production by 2035 | |
| Net zero gas storage by 2035 | |
| Net zero LNG shipping by 2035 | |
| Zero emissions vehicle fleet – Cars: 100% by 2026 | 91% |
| Zero emissions vehicle fleet – Vans: 100% by 2030(4) | 33% |
| Over 50% green investment from 2023-28 | 49% |

† Included in DNV's independent limited assurance report. See page 253 or centrica.com/assurance for more.
(1) Climate ambitions listed were introduced via our updated Climate Transition Plan published in 2025 (see page 55). They replace the previously reported ambitions set out in our first Climate Transition Plan published in 2021, which were reported against for the last time in our Annual Report and Accounts 2024. As this is the first year of reporting against our new ambitions, prior year 2024 performance is not available across the full suite. 2024 performance where available and where previously reported includes: Customer net zero target GHG intensity: 10% reduction, heat pumps sold: 3.2k, business net zero target GHG reduction: 18%, zero emission car fleet: 83%, zero emission van fleet: 32%, and green investment: 37%. With the introduction of our new ambitions, it's worth noting that our previous heat pump ambition has been extended from 2025 to 2030 - this better reflects the pace of heat decarbonisation and heat pump adoption as we seek to grow our share of the addressable heat pump market whilst building in appropriate stretch. The glidepath trajectory for ambitions is not linear as they were modelled around the expectation that demand would increasingly grow, resulting in accelerated delivery as we near the target date.
(2) Working electricity smart meter.
(3) Progress is not measured quantitatively. Progress is instead measured through a range of factors including operational efficiencies as well as the development of policies, permits, licences, technology and partnerships needed to achieve net zero by the ambition date. A summary of 2025 progress is as follows. Power generation ambition: We are evaluating emerging decarbonisation technologies at Whitegate power station including the role of ammonia and hydrogen production. Gas production ambition: Spirit Energy has met milestones for emissions reduction. Gas storage ambition: Engagement with government on Rough redevelopment for hydrogen storage and production continues. LNG shipping ambition: Efficiency upgrades of long-term chartered vessels has resulted in exceeding the efficiency improvement milestone for 2025.
(4) The ambition for our van fleet will be revised in 2026 to focus on having a zero emission van order book by 2030. Progress will be reported against the revised ambition in our Annual Report and Accounts 2026 (see page 55).

# *Task Force on Climate-related Financial Disclosures*

The table below sets out the 11 TCFD recommendations and where the related information can be found.
— **Read more** about each of these areas in our Climate Transition Plan at **centrica.com/climatetransition**

| ***Recommendation*** | ***Recommended disclosure*** | ***Pages*** |
|---|---|---|
| **Governance** | a) Describe the Board's oversight of climate-related risks and opportunities | • Pages 5, 8, 12, 49 to 50 and 59 to 71 |
| | b) Describe management's role in assessing and managing climate-related risks and opportunities | • Pages 49 to 51, 54 to 55, 71 to 82 and 84 to 107 |
| **Risk management** | a) Describe the organisation's processes for identifying and assessing climate-related risks | • Pages 32 to 34 and 50 to 54 |
| | b) Describe the organisation's processes for managing climate-related risks | • Pages 32 to 34, 36 to 39 and 51 |
| | c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management | • Pages 32 to 34, 36 to 39 and 51 |
| **Strategy** | a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term | • Pages 51 to 55, 144 to 148 and 155 to 159 |
| | b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning | • Pages 51 to 55, 144 to 148 and 155 to 159<br>• CDP 2025 submission centrica.com/CDP25 |
| | c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario | • Pages 51 to 55 |
| **Metrics and targets** | a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process | • Pages 51 to 56<br>• Data centre at centrica.com/datacentre |
| | b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks | • Pages 51 to 55 |
| | c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets | • Pages 45 and 54 to 56 |

The Strategic Report has been approved by the Board and signed on its behalf by:

**Raj Roy**
Group General Counsel
& Company Secretary
18 February 2026