Group highlights

We reported another strong result in 2024 against a more normalised market backdrop. Further operational improvements are resulting in higher levels of customer satisfaction and helping to underpin delivery of more innovative propositions. Alongside this, we have continued to invest in assets aligned to the changing energy system, creating a range of long-term options ensuring we remain well-positioned to create value today and into the future.

Group operational metrics

British Gas Energy – Residential energy Touchpoint Net Promoter Score (NPS)[(1)]

2024	**+29**
2023	**+17**

British Gas Services & Solutions – Services Engineer NPS[(2)]

2024	**+73**
2023	**+71**

Total recordable injury frequency rate (per 200,000 hours worked)

2024	**0.63**
2023	**0.84**

Colleague engagement[(3)]

2024	**8.1**
2023	**7.7**

Total greenhouse gas emissions (tCO_2e)[(4)]

2024	**1,733,882**†
2023	**1,685,840**

Group financial metrics (Year ended 31 December 2024)

Group statutory operating profit/(loss) (£m)

2024	**1,703**
2023	**6,512**

Group adjusted operating profit (£m)

2024	**1,552**
2023	**2,752**

Group statutory basic EPS (pence)

2024	**25.7**
2023	**70.6**

Group adjusted basic EPS (pence)

2024	**19.0**
2023	**33.4**

Group statutory net cash flow from operating activities (£m)

2024	**1,149**
2023	**2,752**

Group free cash flow from continuing operations (£m)

2024	**989**
2023	**2,207**

Adjusted net cash (£m)

2024	**2,858**
2023	**2,744**

Full year dividend per share (pence)

2024	**4.5**
2023	**4.0**

† Included in DNV Business Assurance Services UK Limited (DNV)'s independent limited assurance engagement. See page 289 or centrica.com/assurance for more.
(1) Measured independently, through individual questionnaires, the customer's willingness to recommend British Gas Energy following contact. (2) Measured independently, through individual questionnaires, the customer's willingness to recommend British Gas following a gas engineer visit. (3) Engagement is based on an average score out of 10 and measures how colleagues feel about the Company. (4) Comprises Scope 1 and 2 emissions as defined by the Greenhouse Gas Protocol. 2023 restated due to availability of improved data.

Centrica at a glance

We are an integrated energy company operating across the energy value chain through our distinct, but complementary businesses. Our aim is to create value for all our stakeholders by delivering the energy needed today and the energy security, efficiency and decarbonisation needed for the future.

Key figures

21,000
Colleagues worldwide

6,800
Field service engineers

10m+
Customers

16.7GW
Renewable and flexible assets under management

9.5m
Gas & power trades in 2024

>50%
Of the UK's total gas storage capacity

20%
Share of the UK's nuclear portfolio

Our Purpose

At Centrica, we are **'energising a greener, fairer future'** because we believe in energy that works for our customers, communities and colleagues, today and into the future.

Our Values

Delivery
Courage
Collaboration
Agility
Care

Read more about our Purpose and Values on page 11

Our People & Planet Plan

Our People & Planet Plan aims to create a more sustainable future – from being a net zero business by 2040 and helping our customers be net zero by 2050, to creating the diverse and inclusive team we need to achieve this, whilst making a big difference in our local communities.

People ↔ **Supporting communities, our planet and each other** ↔ **Planet**

Read more about our People & Planet Plan on pages 58 to 77, with further information available at **centrica.com/peopleandplanet**

Business overview

Retail
Through our different retail brands, we provide energy supply and services to households and businesses across the UK and Ireland, helping them to decarbonise while ensuring reliable and affordable offerings.

Infrastructure
We produce and store gas and electricity every day through our stake in the UK's existing nuclear fleet, our portfolio of renewable and flexible assets, Spirit Energy and the Rough gas storage facility.

Optimisation
We are moving energy from source to use, supporting the responsible buying and selling of energy and managing risk across our portfolio.

Read more on page 14

Chair's statement

In the days and years ahead, you will see continued investment, more innovation, and further support for customers through the energy transition.

Kevin O'Byrne, Chair

It is a privilege to be writing to you for the first time as Chair of your Company. This is an exciting and demanding time for the sector, and for Centrica specifically, as we look to build on the momentum surrounding the energy transition. Because of our unique position in the sector, and our capabilities, Centrica can play a pivotal role in this transition while creating value for our stakeholders. We believe we have the right strategy to do this. Our integrated model of market-leading businesses in energy retail, optimisation and infrastructure, complement, de-risk, and add value to one another.

The last year has been a year of change across the world. We've seen elections in a number of markets including the UK and Ireland. We look forward to continuing to advocate for the things we know matter to our customers and working with the new governments to achieve these changes.

Sadly, geopolitical tensions remain high. We have stood through these crises, and we have been there for customers. That will continue, and we will do what we can to provide energy security in our key markets.

While being a stabilising force within a volatile energy landscape we also bring innovation, boldness and a strong desire to improve customer service.

Over the last year we've continued to support our colleagues, customers, and the countries we operate in. I'd like to touch on some of our achievements briefly now.

Supporting our customers

A successful energy company has more capacity to provide additional support for customers. That is one of the reasons why our performance matters; a successful company can be there for customers when it matters most.

Our Centrica Purpose, energising a greener, fairer future, puts customers right at the heart of everything we do. Investing and making operational improvements to improve our customer service is a key focus, and this work is never finished.

While we strive to do more, and be better, for our customers I'm very happy to see our actions and investments have a material impact on customer outcomes.

Over the course of 2024, we've seen further progress in improving customer service in British Gas Services & Solutions – a key focus area. We're also delivering an improved NPS, a key metric of customer satisfaction, in British Gas Energy.

We've voluntarily committed £140m to support customers since the start of the energy crisis. This dedicated support is especially appreciated by those customers who we know are going through economic hardship. This funding has been put to good use, with a number of schemes and initiatives being funded. For example, we donated £20m to the British Gas Energy Trust in January 2024, giving the Trust a very necessary funding boost so that it can support those who need it now, and in the future. The British Gas Energy Trust is an independent charitable body that does fantastic work specialising in the support of vulnerable people. In 2023-24, their reporting period, they supported 64,500 people in total, through initiatives such as energy advice and grants, and by funding over 40 projects in the heart of communities. According to new analysis by Oxford Economics, the Trust has created £264m in societal impact over the past four years. Our colleagues and the Board are really proud that Centrica has been able to fund this work.

It is clear in 2023 that we got some things wrong and had some difficult lessons to learn around the practice of installing prepayment meters under warrant, a process which remains paused. This is clearly a very complex activity for all energy suppliers to manage and we recognised in 2023, following our own review, that we would need to make improvements. Since then, we've implemented a number of changes to our systems, processes, training oversight arrangements, and we remain committed to supporting our customers, particularly those that are vulnerable. This is important as there remains a material issue with affordability.

In 2024, hundreds of thousands of customers had trouble paying their bill in some way. This is a very serious issue. We have helped where we can. In addition to the support we offer through our charity partners, we launched our innovative and first-of-its-kind 'You Pay: We Pay' scheme. This scheme 100% matches payments that eligible British Gas customers who are struggling make into their account to reduce their debt. However, the sustainable solution to this challenge must involve government, the regulator, energy suppliers and charities. One such solution which we have called for might be a social tariff, underpinned by enhanced data sharing, that supports the most vulnerable in society. We must look at this holistically if we are to find a solution that works for customers.

Supporting our colleagues

Supporting our colleagues is the cornerstone of our strategy. If our colleagues are happy and engaged, then everything else follows. I'm hugely grateful for everything our colleagues have done over the course of 2024 to keep safe, look after our customers, and keep Centrica on track with our strategy. Thank you.

It makes good business sense then for Centrica to invest in its people and improve its leadership capabilities. In 2024 we hired 339 new apprentices, over 100 new interns joined Centrica in the summer of 2024, and 60 graduates came into the business in October as part of our graduate intake. We also increased hiring in our customer service teams, hiring hundreds of new agents to support our customers and bringing our total Customer Resolution Agents employed to around 3,500. These colleagues will all drive improvements in Centrica's overall customer service. We work hard to ensure all of our colleagues are trained and equipped with what they need in order to do their jobs well.

Our colleagues also give freely to their local communities too, and in total, colleagues have given 10,683 volunteering days to local causes during 2024. This is an increase of 37% compared to the previous year.

All of this is driving change in how satisfied our colleagues are to be working at Centrica. Engagement, a key metric your Board reviews to see how our colleagues are feeling, is at 8.1, compared to 7.7 at the end of 2023. This improvement is a testament to the work teams across Centrica are doing to make this a great place to work.

You will read in the Remuneration Report that the Remuneration Committee has recommended changes to the pay of our Group Chief Executive. This is a result of an extensive review carried out by the Committee, which will see Chris O'Shea's total remuneration package being brought into line with the competitive rates paid to other FTSE 100 chief executives. When Chris O'Shea was appointed Group Chief Executive on 14 April 2020, the Company was ranked 154th in the FTSE with a market capitalisation of £1.9bn. Since his appointment, Chris has led the Centrica Leadership Team to materially strengthen Centrica and create substantial value for stakeholders. On 31 December 2024, Centrica was ranked 62nd in the FTSE 100 with a market capitalisation of £6.8bn and we have consistently been a constituent of the FTSE 100 Index since 2022. It is important the Committee sets pay at a level that reflects the individual's contribution to the improvement in business performance, the value created for stakeholders, the size and complexity of running a business like Centrica, and the scale and scope of the opportunities ahead of us. Carol Arrowsmith, Chair of Centrica's Remuneration Committee, goes into more detail in her statement in the Remuneration Report.

I believe it is important that we pay all employees in the Company competitively based on their role, skills, experience, and performance. We need to do the same for the Chief Executive so that we can attract and retain high-performing executives with the right skillset to lead an organisation of 21,000 colleagues. I am also very clear that we will only pay for performance, and performance targets set for our management team will be demanding to ensure that is the case.

Energy security

Energy security continues to be a vital consideration in a number of countries, and Centrica plays a vital role in this space.

Centrica Energy is the conduit for this work, and you can see that in practice in the Liquefied Natural Gas supply deal with Repsol announced in February 2024, and two natural gas sale and purchase agreements with Coterra Energy announced in October 2024. These deals show the breadth of Centrica Energy's capabilities in energy trading.

At the same time as securing this valuable transition fuel, we've made investments in proven renewable generation technology through power purchase agreements for wind farms and long-term solar power agreements. And we've also innovated, investing in new technologies such as the completion of the 20MW hydrogen-ready peaker in Redditch and we've showcased forward-thinking infrastructure investment such as our £70m investment in Highview Power's Liquid Air Energy Storage in June.

As I note below, we believe that our Rough asset can play an important role in increasing the UK's energy and price security.

We know this work is valuable not only for our business, but also on a macro level. Energy security will continue to be a focus area for Centrica in 2025 and beyond.

Performance

Centrica performed well in 2024. We delivered Adjusted Basic EPS of 19.0p and free cash flow of £989m. We have a strong balance sheet and a robust asset base. Throughout this report you will find a detailed summary of the performance of the business.

We extended the Company's share buyback programme by £200m in July 2024, by a further £300m in December 2024, and by £500m in February 2025. When this is completed, it will bring our equity repurchased to £2bn since November 2022 (representing approximately 25% of our issued share capital). Our capital allocation framework remains unchanged. While we look to invest shareholder funds in a disciplined way, when we consider we have surplus capital we will decide how best to return that capital to shareholders. Additionally, we returned capital to shareholders in the form of dividends, which came to 4.5p at the end of 2024, inclusive of a 1.5p interim dividend outlined in July.

As laid out in July 2023, Centrica aims to invest £600m-£800m a year in projects across our key priorities up to 2028, and we're making progress against this aim. In 2024 Centrica capital expenditure was £564m (up from £415m in 2023). This target is challenging to meet given our strict investment criteria. The Board works closely with the executive on the investment plans so decisions made result in Centrica being a resilient and more valuable investment for you well into the future.

Taken together with the underlying performance of the business, I believe the investment case for Centrica is compelling.

We also make material tax contributions in the countries in which we operate in. In total, including the Electricity Generator Levy, National Insurance and other similar contributions, we paid £1bn to governments during 2024.

Delivering net zero

We have a strong commitment to net zero which we make clear in our Purpose: energising a greener, fairer future. Your Board is intimately involved in ensuring we make meaningful progress and as part of this, they have been fully involved in developing and approving our updated Climate Transition Plan launched in January 2025.

This builds on our People & Planet Plan launched in 2021, which includes five Group-wide goals that accelerate action on achieving net zero and building a more inclusive future. It outlines the team we need to build in order to get to net zero, the targets we want to meet, and how we could make a difference in our local communities on this journey. With the progress we've made and the insights and experience we've gained since then, we have a better understanding of the risks and opportunities as well as the dependencies relating to net zero. This has enabled us to strengthen our commitments in our updated Climate Transition Plan and provide greater transparency around the dependencies and challenges, and exactly how Centrica will drive forward the energy transition.

We are committed to holding ourselves to account through a new suite of improved climate ambitions. For example, all Centrica customers in the UK and Ireland will be supplied by renewable or zero carbon power by 2030, and we will significantly expand our Hive platform to help customers save money and carbon. We have also set bold ambitions to decarbonise our key operations within the 2030s through our green-focused investment programme, such as our plan to transform depleted gas reservoirs in Spirit Energy's Morecambe site into one of the UK's biggest carbon storage hubs.

I am mindful that we need to balance many dependencies here; energy security, employment, pricing for customers, returns for investors, and, of course, the environment. There are few easy answers to this, but the Board and management team are committed to the goals and will endeavour to make the best decisions out of the options available to us.

Future plans

At Centrica we have a strong governance framework and a strategic focus on key issues.

I want to offer you my assurance as your new Chair that Centrica remains committed to disciplined decision-making. Our stewardship of your investment is paramount, and Centrica's investment committee is focused on getting shareholders a suitable return. While we are confident in the investments we've made in 2024, we've also turned down many opportunities. We will not invest unless the relevant criteria are met.

We'll also continue to make the case for projects that could benefit all stakeholders – such as the redevelopment and expansion of the Rough gas storage facility. We expect Rough to make a loss of between £50m and £100m in 2025. We have completed all of the preparatory work to enable a £2bn investment to be taken to redevelop Rough for gas and hydrogen storage over the next 45 years, but without a regulatory model to underpin the investment, we cannot make this investment. While the site plays an important role in the UK's energy and price security, and can be a crucial part of the future hydrogen economy, making material losses is not sustainable on an open-ended basis and we will update on the future of Rough in the coming months.

Board

My transition from Senior Independent Director to Chair has been straightforward.

I want to thank Scott Wheway for his tenure at Centrica and personal guidance. It was a privilege to work closely with Scott since I joined the Board. I hope you will all join me in thanking Scott for his very valuable contribution to Centrica at a critical time in the Company's history.

I am delighted that Jo Harlow has agreed to become Senior Independent Director. Jo has extensive board and executive experience which the Board and I will benefit from.

I am committed to leading an effective Board that works in a constructive way with the executive to build a stronger Centrica that creates value for our stakeholders.

This year we performed an independent external review of the Board's effectiveness. I'm pleased that the review concluded that the Board is operating effectively. There were a number of potential actions identified that would help to further strengthen the Board's effectiveness, which we intend to progress in 2025.

Closing

Finally, I want to say thank you to Centrica's customers, colleagues, and stakeholders for their continued support and trust. I will work tirelessly to ensure that support and trust is well placed.

In the days and years ahead, you will see continued investment, more innovation, and further support for customers through the energy transition. While challenges remain, Centrica's capabilities, infrastructure, and dedicated team position it well for continued growth and success.

Kevin O'Byrne, Chair
19 February 2025

Group Chief Executive's statement

> I believe, as I always do, that Centrica's most exciting, impactful, and successful days lie ahead. Together, we can energise a greener, fairer future.
>
> **Chris O'Shea, Group Chief Executive**

The main job of a Chief Executive is to create value for the owners of a company. I know that may be obvious, but too many companies can appear to lose focus on the job at hand with the ever-increasing environment, social and governance (ESG) requirements. So, I wanted to reassure you, our owners, that I never forget that I work for you, our shareholders; and I am focused on creating value every single day of the year. This means focusing on operational improvements to our businesses, giving customers what they want and not what is easiest for us to offer, and investing in assets that create value aligned to the changing energy system.

That's not to say we don't take our broader responsibilities seriously at Centrica – how we do what we do is as important as delivering results, because the way we go about our job will determine whether what we do is ultimately sustainable. We are energising a greener, fairer future every day, but we never lose sight of the job at hand – value creation. For Centrica, we don't see a conflict between these aims – the energy transition is a huge opportunity for your Company.

The opportunities to create value for your Company are truly huge. Electricity demand is growing and we're seeing some of that growth come from new areas entirely. For example, around 90% of all data in existence has been created this decade. That may tell you that we are poised to unleash unbelievable advances based on data; alternatively, it may tell you that we're creating a lot of "stuff" that we'll never use. As with everything, the truth is probably somewhere in between. For your Company, however, what this means is huge growth opportunities. All of the data being created needs to be stored, and for it to be useful, it needs to be processed by ever more powerful computers. This storage and processing of data requires energy; lots and lots of energy.

Energy has driven progress for the past 200+ years; from the energy used to create the steam which drove the industrial revolution, to the energy required today to drive the technology revolution which is in full swing. And those companies who can offer the best, most cost-efficient service to increasingly energy-intensive customers will benefit most; companies like Centrica.

That's not to say it will be easy – whilst we've made huge improvements in our performance over the past few years, we can push ourselves to go further. In 2025 we plan to increase the pace of change in our organisation to become even more entrepreneurial and less bureaucratic; even more focused on operations serving the commercial outcome; even more purposeful than hesitant; even more focused on how to make a good decision rather than how to avoid making a bad decision; even more focused on what is good for Centrica as a whole (what I call "good for the house") than good for individual businesses. Whilst we are so much better than we were, the pleasing thing is that there is still so much to go for – despite progress, our opportunities today are greater than I've ever seen them.

We owe it to you, our shareholders; we owe it to our 21,000 hard-working colleagues; we owe it to our 10m loyal customers. We will not stop in our pursuit of excellence.

Change

Last year I said that change was the only constant in our sector. Whilst it is an overused phrase, it is undeniably true. In 2024 we've seen significant change to the external environment in our core markets. In particular, the UK, Ireland, and the USA have all had major elections. We now know that the UK has a Labour Government, President Trump is back in the White House, and Ireland has continued with a Fianna Fáil and Fine Gael led coalition. As governments across the countries we call home focus on their ambitious targets for growth and net zero, I want to take this opportunity to acknowledge those targets. We will do our utmost to help those countries we serve achieve their goals. We are ready for the transition, and we welcome any ambition to go further, faster. And whilst we don't have major operations in the USA, we buy a lot of gas from the USA (in the form of Liquefied Natural Gas) which makes it a key country for us.

Centrica has always been, and will always be, at the forefront of change. The Company I am so privileged to lead for you will play a leading role in the energy transition, regardless of the technologies that win out. We are well placed to be there for our customers, as we were through the energy crisis of the last few years. We will rise to the challenge in front of us, all while we are driven by our Purpose to energise a greener, fairer future.

Business performance

Our CFO, Russell, has a detailed commentary on how your Company has performed in 2024 (see page 26), but I wanted to touch on the highlights here. I'm pleased to say your business has performed very well against a backdrop of more normalised market conditions. The Group is working better together, and that's making a difference for all of our customers. Our Group adjusted operating profit was £1.6bn compared to £2.8bn at year-end in 2023, with Adjusted Basic EPS of 19.0p in 2024 compared to 33.4p in 2023, and free cash flow of £989m. Our net cash position remains strong at £2.9bn, much of which we plan to invest to ensure we can continue to perform just as strongly in the future.

Given some one-offs in the 2023 results, we can now see a more 'normal' result from the Group – and it's a strong result.

The updated strategy we unveiled in 2023 remains sound, and it is bearing fruit for colleagues, customers and shareholders. We will continue our programme to re-invest around £4bn in the years leading up to 2028, but only for projects with the right balance between risk and reward, and only if the regulatory frameworks support investment. There is much that is outside of our control, but when we see an opportunity that works for Centrica, that delivers value for our shareholders, we will go for it.

How we do what we do at Centrica

We keep things simple at Centrica. We have a purpose (energising a greener, fairer future); we have five core values (Care, Collaboration, Courage, Agility and Delivery); and we have a belief in a flat structure with as little management as possible (no more than six layers from the Centrica Leadership Team, essentially my direct reports, to the front line). Our culture is what sets us apart.

While we have materially improved our operational delivery over the past few years, we must be even more agile and even more courageous. We have allowed some of the bureaucracy we eliminated to come back in, slowing us down by spending too much time doing business with ourselves. We will fix this in 2025 by introducing more focus into our organisation – during COVID-19, we were very focused and we achieved amazing things. We need to recreate an environment where we're never comfortable, where we're willing to try new things, where we're positively dissatisfied; a culture of innovation and invention. The answers to the issues facing our Company could come from any of our colleagues, whether they are on the phones, in the vans, in the plants, on the offshore platforms, or the power stations. Part of my job is to ensure we

Our Senior Leadership Team (SLT) is made up of my direct reports and their direct reports – around 100 people. We get together each quarter to ensure cohesion and alignment. We have three key themes to help drive the cultural change we need to see to become more agile, more courageous, more collaborative and to deliver even more:

1

One team

First and foremost, we work for Centrica. So, the question every leader must ask themselves is 'is this good for the house' when faced with making a decision.

2

Ownership

We must own the outcome of our actions, not assuming that someone else will fix something we see which needs fixing, and asking ourselves whether what we are doing will improve things for our customers.

3

Growth mindset

We must innovate and try new things; asking ourselves 'why not' rather than 'why' when someone suggests a new idea; asking ourselves 'what needs to be true' to make something work rather than state why something won't work.

If we can continually live by these three themes and demonstrate our five core values, we will continue the evolution of our culture, delivering a step change in our performance and creating material value for you, our shareholders.

get to hear to those views. Whilst we hear from our colleagues regularly, conducting colleague engagement surveys four times a year, I think we can be much bolder with the actions we take as a result of hearing those views. And I'm delighted that despite this being the fourth year of quarterly engagement surveys, we still see around 80% of colleagues participate in every survey – I'm truly grateful to colleagues for sharing their views, and we will do better to implement their ideas.

Commitment to our customers

Nobody can deny that the energy transition is now in full flow. But what the energy transition will ultimately look like, nobody can say. We know the destination (an energy system which has minimal, if any, carbon emissions) but what we don't know is the precise route nor the time of arrival. Go too fast, and countries could lose economic competitiveness and suffer a huge reduction in living standards; go too slow, and the planet could be irrevocably damaged. The stakes are high.

At Centrica, we are agnostic about the technology that will get us to net zero. We believe that pragmatism should win out over ideology, and we are always thinking of how we navigate the energy transition in a way which is best for our customers, delivering a future where energy is affordable, secure and clean. In some circles this is referred to, rather grandly, as the 'energy trilemma', but to me this means that we have to be careful we don't go down the path of the ideologue, creating clean but unaffordable energy which is **not** available on demand.

Over 2024 we invested significantly in our customer service and we're seeing big improvements as a result. Customers are happier with our service, and complaints are falling. This is achieved by very simple things like answering customers calls in seconds rather than minutes and improving the experience when customers contact us. We have even further to go, but I'm really happy to see these improvements.

Beyond investing in our customers, during 2024 we have invested in liquid air energy storage in our partnership with Highview Power; we have invested in pursuing the opportunity to build a new nuclear power station (Sizewell C) in Suffolk in the UK; we have invested in batteries and solar; we have invested in technology which gives better customer service and helps customers reduce energy bills and carbon emissions; we have invested in our plans to store CO_2 in the Morecambe Bay gas fields; we have invested in plans for clean hydrogen production and storage. But we have also invested in gas fired power stations; we have invested in the plans to extend the Rough gas storage facility; we have signed new LNG deals. We will need a mix of technologies to deliver net zero and we will need natural gas as part of the energy mix for decades to come to enable full use of renewable power. What drives us is giving our customers what they want and need, and generating a good return for our shareholders whilst doing so.

Commitment to our new Purpose

A little over a year ago we announced our new Purpose; energising a greener, fairer future. Everything we do is a step towards living this Purpose fully for our customers, for the environment, and the countries we operate in. This will make the value we create sustainable in the truest sense of the word – it will be repeatable and will deliver consistently over a long period of time.

To seize this opportunity, we outlined our green focused investment strategy in 2023. This will see us ramp up our total investment into green activities to more than 50% between 2023-28 in energy security of supply and flexibility, renewable and low carbon generation, as well as customer offerings that advance the transition to net zero.

We're making good progress having reached over 30% green investment already – a big step up from less than 5% back in 2019. This reflects our commitment to move at pace in aligning our business model to net zero. Our in-house green classification system is built on the foundations of the EU's Sustainable Taxonomy. However, its 'by-inclusion' format can today be restrictive, so we justify our own independent classifications where appropriate. We want to be active in shaping official taxonomies and plan to engage with both EU and UK policy makers to ensure they capture all activities in the right way. We will publish any deviations from official taxonomy reporting.

One example of our investment that I'm really proud of is our new Meter Asset Provider (MAP) business. This investment, combined with advances in Demand Side Response (DSR), will mean that customers reduce their carbon footprint at the same time as saving money. In 2024 we installed a million smart meters for customers, half of these were through our MAP business, providing the Group with a steady source of income for years to come while still helping customers decarbonise.

Building on all of this work, we published an updated Climate Transition Plan in early 2025. This plan is our clear, actionable roadmap for net zero, and it outlines the detailed goals we will meet in order to drive change. We now believe that committing to faster decarbonisation is achievable and will drive value creation in your company as we place Centrica at the heart of the energy transition. Again, this is not blind ideology, it is a hard-nosed business decision – but the fact that it has positive implications for the environment is particularly pleasing.

Most notably, we've brought forward our target to become a net zero business to 2040, five years ahead of the 2045 timeline set by the original plan and 10 years ahead of 2050. We've also maintained our commitment to get customers to net zero emissions by 2050. There's much more detail in the full plan and I'd encourage you to take some time to read through it – we're very proud of it. And we're doing this because it's good for Centrica and we can create value from doing it – it's not an ideologically driven pursuit, rather it's grounded in pragmatism.

We will play our part in creating a robust energy system that meets today's demands and anticipates future needs.

Our Climate Transition Plan

- Centrica to be a net zero business by 2040
- Customers to net zero emissions by 2050
- LNG shipping will be net zero by 2035
- Upskill 3,000 engineers with green skills by 2030
- Gas production and gas storage to be net zero by 2035
- Zero emissions vehicle fleet – cars by 2026 and vans by 2030

Read more about our wider Climate Transition Plan on page 73

Commitment to our colleagues

Our performance also means we can support our colleagues. Our innovative profit share scheme continues, which means our people share in the success they've helped create – we take 2% of the Group's pre-tax profits, divide it by the number of colleagues we have, and everyone gets the same allocation of shares. We started this in 2022 and someone who has been with us since we started this will have £5,886 of Profit Share payments with another £1,400 of profit share to come for 2024, making total Profit Share payments so far of £7,286 - plus any share price growth on the awards. This allows colleagues to share directly in the success of the entire Group and encourages colleagues to think like shareholders. We're exploring additional ways that colleagues can invest in the value they create at Centrica, and I hope to be able to share more information on this in 2025.

We're also committed to investing in the next generation of Centrica colleagues. We want to create one new apprenticeship for every day of this decade, and in 2024 we hired 339 new apprentices, creating new skilled green jobs with colleagues training at our award-winning in-house academies. Our internship programme saw unprecedented success this year, with over 100 interns joining Centrica in the summer of 2024, and we welcomed 60 new colleagues in October as part of our graduate intake. We have developed pathways for ex-military service people and their spouses, for ex-Olympic and Paralympic athletes, in an effort to increase our diversity and change how we think.

I am particularly committed to these early career initiatives for two reasons: getting my first trainee job changed my life and I want to be able to do that for others; and our new colleagues bring different perspectives and experiences to our teams, making us think and act differently, changing our culture for the better.

Commitment to society

I believe companies have a responsibility to contribute to the society in which they operate, and a big part of this is the way our colleagues interact with the world around them through volunteering. I'm always impressed by the dedication and commitment of our people, but this year their effort has been astounding, and as a result we reached our stretch volunteering target early. Our aim was to hit 8,000 volunteering days by the end of 2024, but we met that goal in October and went on to hit 10,683 days for the year. This allows us to put back into the community, but it also allows us to build our team spirit and strengthen our bonds.

Beyond volunteering, we've made £3.6m in charitable donations over the course of 2024, and contributed £1bn of corporation tax and other payments in the year.

The partnerships I outlined last year – with Team GB, ParalympicsGB, Scottish Rugby, and the Scottish Football Association – have all been dialled up in 2024. For example, our partnership with the Scottish Football Association saw us launch 120 new week-long Scottish Gas Football Camps to provide 6,000 children from all socio-economic backgrounds the opportunity to play football during the school holidays – and we provided hot meals to every child at those camps, helping alleviate the hunger which vulnerable children can experience during school holidays. And alongside Team GB and ParalympicsGB we launched Get Set for Positive Energy, our bespoke schools programme which aims to reach up to one million families and children. These partnerships are so much more than simple brand sponsorship deals.

The future for Centrica

Looking ahead to 2025, I believe we're on the right path. We'll continue to up the pace and our expectations continue to rise every single year. We have the capability, the market positions, and the drive to deliver material value for all of our stakeholders.

I would like to take a moment to thank our former Chair, Scott Wheway, for the contribution he has made to Centrica, chairing the Board through a period of significant volatility and change for the Company. On a personal level, Scott has been a huge support to me, and I have learned a lot from working with him. Centrica is a very different company to the one Scott asked me to lead in early 2020, and Scott leaves with the business in a great position.

And I'd like to welcome Kevin O'Byrne to the role of Chair, having started at the end of 2024. Kevin brings a wealth of experience and a deep familiarity with Centrica to the role having joined the Board in May 2019 and assuming the role of Senior Independent Director in June 2022. Kevin is uniquely equipped to help Centrica deliver on the work ahead, and I'm excited to continue to work with Kevin and the Board to drive your Company forward.

As always I want to finish by extending my heartfelt gratitude toward Centrica's colleagues, customers, and partners for their collective efforts in making 2024 another year of progress, and to you, our shareholders, for placing your trust in me to lead this great company.

I'm optimistic about the year ahead. We're ready to lead our business through this time of transition, doing the right thing for all stakeholders. I believe, as I always do, that Centrica's most exciting, impactful, and successful days lie ahead. Together, we can energise a greener, fairer future.

Chris O'Shea, Group Chief Executive
19 February 2025

Our Purpose and Values

Our Purpose is 'energising a greener, fairer future' because we believe in energy that works for our customers, colleagues and communities, today and in the future. As we evolve to meet tomorrow's challenges and prepare for a net zero future, we are always guided by our Values, which remain firmly embedded in our company culture and honour our proud heritage.

Our Values...	*...in action*
Care: We do the right thing for our customers, colleagues, communities and planet. We recognise the impact we can have on others, do all we can to keep each other safe and always do the right thing for all our stakeholders.	**We provide support to customers who have been impacted by the cost of living crisis through targeted and meaningful schemes such as 'You Pay: We Pay' and the British Gas Energy Trust, which was established in 2004 to alleviate fuel poverty.**
Collaboration: We bring in diverse perspectives to create a better future together. We trust each other, work across boundaries and welcome different views and perspectives.	**Through our investments in nuclear, battery and solar assets, we generate zero carbon power and we work across our business units, with government, with regulators and with investors to provide green, affordable energy to our residential and business customers.**
Courage: We are bold and push ourselves to find better solutions to every challenge. We continuously challenge the way we do things, explore new possibilities and take responsible risks that help the business to change and progress.	**Through Spirit Energy, we are aiming to repurpose the Morecambe gas fields for carbon capture and storage, leading the way for this technology to be deployed at scale in the UK. The Morecambe Net Zero Cluster has the potential to be the UK's biggest carbon storage hub, able to store the equivalent of three years' worth of the UK's CO_2 emissions.**
Agility: We make progress at pace by focusing on what matters and learning from setbacks. We continuously improve the way we do things, prioritise those activities that will deliver the best results and adapt quickly when things go wrong.	**In December 2023, we installed our first smart meter through our in-house Meter Asset Provider (MAP). Our initial pilot installations provided us with key learnings, allowing us to adapt quickly and refine our approach. We are continuing to accelerate the MAP business, with 447k Centrica-owned meters installed.**
Delivery: We do what we promise, on time, every time, to move forward every day. We ensure we take personal responsibility for getting things done and delivering great outcomes that make things better for our customers and the business.	**We value delivering great service and customer outcomes. This year we have invested significantly in customer service, leading to reduced complaints, faster call answer speeds and positive improvement in Net Promoter Scores (NPS) across our retail businesses.**

Our stakeholders

Engaging our key stakeholders enables us to serve them better, creating stronger outcomes for people, planet and our business.

Energy is central to everyday life – from how we run our homes and businesses, to the way we travel around. Effective stakeholder engagement is therefore key because the choices we make and the action we take, can impact a diverse range of stakeholders. That's why we carefully listen to and consider stakeholder views so that we can understand their concerns or needs and evolve our strategy accordingly. In doing so, we can drive meaningful change by tackling challenges and harnessing opportunities to energise a greener, fairer future.

Engagement is often led by senior leaders who regularly update the Board. This equips the Board with the knowledge to make informed decisions, that fully consider the long-term consequences of its decisions, from the perspective of our different stakeholders.

Section 172(1) Companies Act 2006 Statement

The Directors consider that they have performed their duty as required under Section 172(1)(a) to (f) of the Companies Act 2006 by promoting the success of the Company for the benefit of our members and stakeholders through their decision-making.

These pages set out our key stakeholders. Further detail on how the Board engaged and balanced the needs of different stakeholders during 2024, together with principal decisions made as a result, are disclosed on pages 94 to 97.

Our key stakeholders

Customers

Why they're important

Our ability to attract and retain customers is fundamental to our survival as a company. By actively listening to their needs and feedback, we can provide services and solutions that meet their expectations and earn their trust.

What they care about

Customer service, competitive energy prices, bill support and affordable energy management as well as low carbon services and solutions.

How we engage

We connect with customers through surveys and focus groups alongside proposition and usability testing. Using this output, we can help customers save time, money and energy. Dedicated channels are also provided to ensure support for those who need extra help with their energy bills.

Outcome example

In response to customer feedback, we focused on driving strong operational performance across our customer-facing teams and customer service systems. The Directors monitored performance and continued to invest in empowering colleagues to deliver a great service whilst migrating most of our residential British Gas Energy customers to the new, flexible customer platform. As a result of a better service provided to customers, we experienced lower complaints and higher Net Promoter Scores.

Colleagues

Why they're important

Positive engagement empowers our team to live by our Purpose and Values, whilst creating a culture where every colleague counts. In turn, this helps us attract, promote and retain the diverse and talented team we need to deliver our strategy, leading to better customer outcomes.

What they care about

Health, safety, wellbeing, reward, development, inclusion, engagement and communication.

How we engage

Colleague voices are heard through a range of channels including our colleague networks, Shadow Board, townhalls, focus groups, surveys and engagement with trade unions. These interactions help create a safer and fairer workplace with competitive rewards, alongside inclusive training and action plans.

Outcome example

Following feedback from colleagues which identified an opportunity to enhance colleague connection with the Company, a new Purpose was developed with their help. With Board consideration, 'energising a greener, fairer future', was launched and every team had sessions to understand how they contribute to it. We also introduced our Employee Value Proposition, #MoreThanACareer, to reinforce what it means to work for us. Achieving a stronger connection to our Company and its Purpose, helped contribute to our top quartile engagement score.

Investors

Why they're important
Shareholders and debt holders provide vital funds that support the running of our business and long-term growth. With a shared commitment to our success, we can focus on delivering sustainable investments and progress alongside growth and returns.

What they care about
Financial and operational performance, shareholder returns and dividend, strategy and growth, alongside Environmental, Social and Governance (ESG) matters including net zero.

How we engage
We primarily utilise post-financial result investor roadshows, the Annual General Meeting (AGM) and ad-hoc meetings to engage investors. We also respond to information requests and assessments from ESG ratings agencies. Engagement helps us consider and reflect the views of different investors.

Outcome example
We held dedicated meetings, workshops and webinars with investors to understand their expectations and secure their support for our updated Climate Transition Plan. The Board has been intimately involved in the development and approval of the Plan, which took into account the full range of investor views. At the AGM in 2025, the Plan goes for a non-binding shareholder advisory vote.

Governments and regulators

Why they're important
Governments and regulators determine the framework in which we operate. Working together in a constructive way helps to create a stable regulatory environment where policy is developed in the interests of consumers, whilst ensuring a sustainable and investable market.

What they care about
Market design and operation, customer service, skills, inclusion, net zero, energy security and affordability.

How we engage
To exchange expertise, we participate in consultation processes, attend meetings and host technology teach-ins as well as roundtables and site visits. This enables us to inform policy and reforms that support a more secure, affordable and investable energy market whilst advancing the energy transition.

Outcome example
Alongside the British Gas Energy Trust, we held roundtable events with stakeholders across the UK to discuss solutions for alleviating fuel poverty in the long-term. Clear recommendations arose from the sessions which were shared with policymakers and included the introduction of social tariffs and increased access to energy efficiency programmes. The Trust alongside Directors and members of Public Affairs, are working with the Government to explore co-ordinated action.

Suppliers

Why they're important
Our suppliers are essential partners in ensuring the reliable supply of services and solutions for customers and our operations alike. To reduce supply chain risk, we engage suppliers to foster a deeper connection and ensure they uphold the same high standards as us.

What they care about
Payment practices and long-term partnerships alongside ESG compliance and transparency on important matters like human rights.

How we engage
We engage suppliers through various methods including tendering, onboarding surveys, site audits and remote worker surveys. These interactions ensure fair payment and enforcement of our Responsible Sourcing Policy, aligning with standards that benefit people and planet including compliance with anti-modern slavery laws.

Outcome example
Members of the Board reviewed the effectiveness of our Responsible Sourcing strategy, focusing on areas that have a higher risk to human rights such as the manufacturing of solar panels and garments. Outcomes of supplier audits alongside the views of supply chain experts, were considered by the Directors when reviewing and approving action plans. No instances of forced or compulsory labour were found in our supply chain but we remain vigilant.

Communities and NGO's

Why they're important
Charities, non-governmental organisations (NGOs) and community groups, help us understand the causes that local communities care passionately about. Using our money and expertise, we work together to build a fairer, more sustainable future.

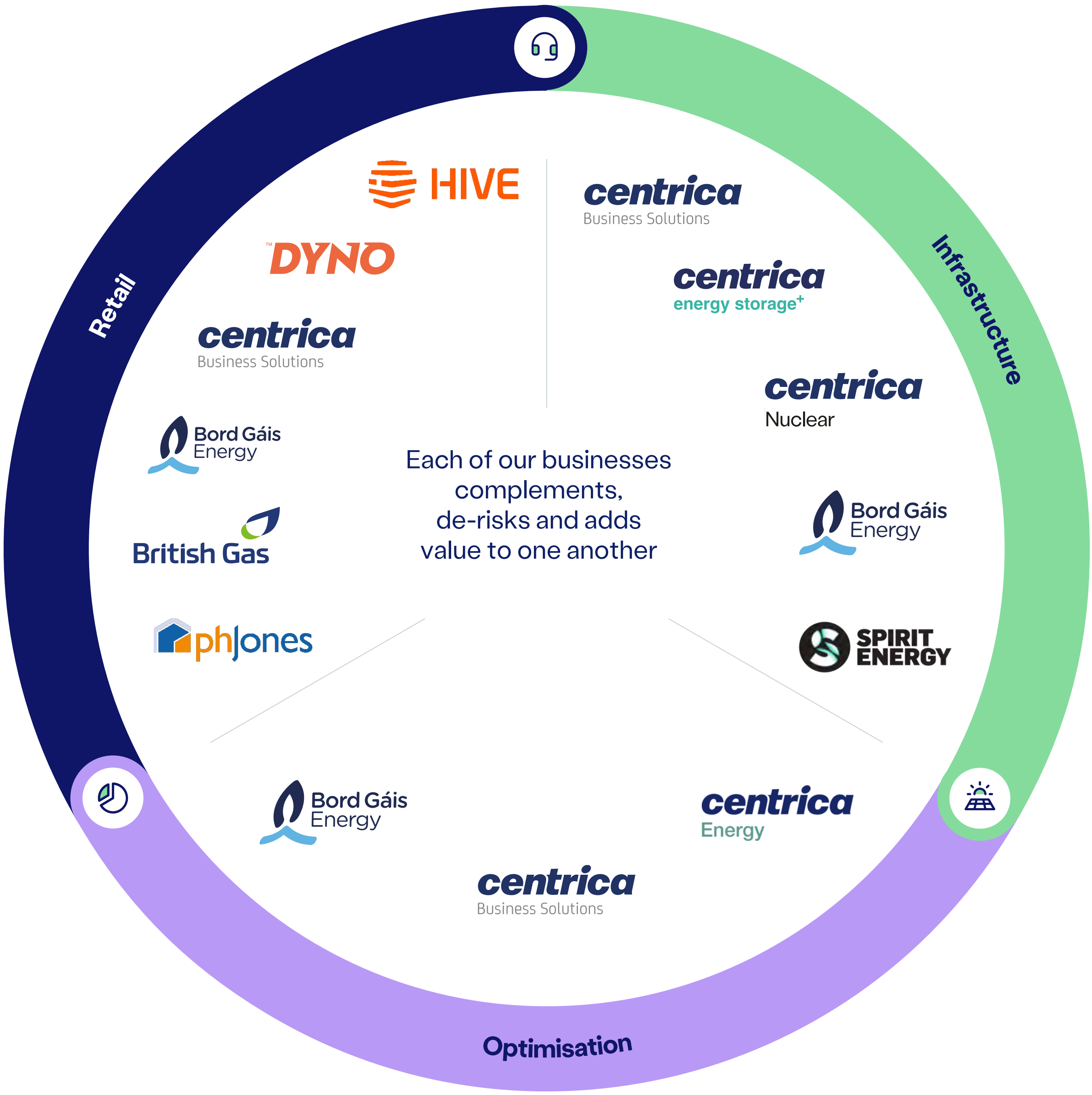
What they care about
Tackling social and environmental issues like fuel poverty and climate change.

How we engage
Through meetings and research, we understand community issues and identify the role we can play to make the greatest difference – from donating to the British Gas Energy Trust to provide expert advice and grants alongside energy efficiency measures that help reduce energy bills and emissions, to volunteering, fundraising, and sponsoring local organisations.

Outcome example
Members of the Board continued to oversee our local community strategy to ensure it remains effective in meeting the diverse needs of our communities. In 2024, this saw us invest over £2m and nearly 11,000 volunteering hours to good causes via The Big Difference, our local community programme.

Business overview

Centrica is an integrated energy company, comprising a balanced portfolio of market-leading businesses in energy retail, optimisation and infrastructure that is positioned to create value for all stakeholders through the energy transition.



Our business units

Retail

We are focused on providing a leading customer experience for energy supply and services across the UK and Ireland, helping customers to decarbonise through innovative offerings.

British Gas Energy

British Gas has been supplying energy to UK homes for over 200 years. In British Gas Energy, we are strengthening our operations to drive innovation, retention and better customer outcomes, supporting long-term profit sustainability. British Gas Energy also includes our Meter Asset Provider (MAP) business, which is building a portfolio of smart meters.

British Gas Services & Solutions

British Gas Services & Solutions provides customers with repairs, home improvements, maintenance and heating installations through our British Gas, Dyno-Rod, and PH Jones brands. Our New Business and Net Zero business is also included under Services & Solutions, which provides customers with net zero technology such as Hive smart thermostats, EV chargers, heat pumps and rooftop solar.

Bord Gáis Energy[1]

Bord Gáis provides energy supply, services and solutions for residential and business customers in the Republic of Ireland and also operates and optimises critical power generation assets. Bord Gáis is creating value from its integrated model, investing in the future energy system to help underpin energy security and decarbonisation in Ireland.

Key stakeholders

6,800

Field service engineers

10m+

Customers

(1) Within the Group Chief Financial Officer's Report, Bord Gáis is included within Retail.

Infrastructure[2]

We are investing to build a low carbon, reliable energy system including clean power generation, gas production, flexible peaking generation and energy storage.

Centrica Nuclear

Centrica Nuclear has a 20% interest in the UK's portfolio of existing nuclear power stations. We extended the lives of existing nuclear power stations in 2024 and are exploring further investment in nuclear generation.

Centrica Energy Storage+ (CES+)

CES+ is the owner and operator of Rough, the UK's largest gas storage facility, helping manage seasonal demand and energy security. CES+ has increased the capacity at Rough to 54bcf and continues to explore its role in the future of hydrogen.

Spirit Energy

Spirit Energy is a joint venture with Stadtwerke München (SWM) focused on oil and gas production from existing UK assets to fuel homes and business across the UK and Europe. Spirit Energy was awarded a carbon storage licence for Morecambe Bay, which has the potential to be the UK's largest carbon storage hub.

Key stakeholders

54 bcf

Of gas storage capacity at Rough (equivalent to heating ~2.4m homes through winter)

20%

Share of the UK's operating nuclear fleet

(2) Infrastructure is shown as Upstream in Segmental Reporting in the Financial Statements.
(3) Within the Group Chief Financial Officer's Report, CBS is included within Optimisation.

Optimisation

We are moving energy from source to use and accessing the value from green generation, while continuing to build out the flexibility required for the future energy system.

Centrica Energy

Centrica Energy is our global energy trading arm, which supports the responsible buying and selling of energy and provides energy management and optimisation services to businesses, while managing commodity risk and providing wholesale market access for the Group.

Centrica Business Solutions (CBS)[3]

CBS includes energy supply and low carbon solutions for large businesses, and our portfolio of battery, solar and gas-peaking assets across the UK and Europe. CBS is being reorganised, such that energy supply and low carbon solutions for business will sit under British Gas Energy and Services & Solutions, respectively, while the asset portfolio will sit under the new Centrica Power, along with our nuclear interests.

Key stakeholders

28

Trading markets

16.7GW

Renewable and flexible assets under management

Our stakeholders

- Customers
- Colleagues
- Investors
- Government and regulators
- Suppliers
- Communities and NGOs

Market trends

The energy system is undergoing a fundamental transformation, becoming more electrified, more intermittent and more decentralised, while consumers are looking for more bespoke propositions to help manage their energy needs.

Our key market trends

The drive to net zero

The UK's commitment to achieving net zero emissions by 2050 is accelerating investments in clean energy sources like wind, solar and nuclear, and increasing policy support for electrified heating and transport.

A more flexible energy system

With more unpredictable and intermittent energy generation coming from renewables, the energy system of the future needs to become more dynamic and responsive to balance supply, demand and storage.

Affordability and living costs

While inflation has stabilised in recent months, prices remain elevated, and our customers are still facing challenges from high costs and a challenging economic situation, with some customers struggling to pay bills.

Technological transformation

Advances in technology, such as artificial intelligence and machine learning, are revolutionising the energy sector, unlocking opportunities to improve customer propositions, reduce costs, and better manage our energy balance.

Our responses to an evolving market

As the pace of change continues to accelerate, we're responding by focusing our efforts on helping to deliver and use energy in a more efficient and sustainable way. We are continuously improving, adapting and innovating our offerings to help build a greener and fairer energy system for the future.

The drive to net zero

- We are committed to being a net zero business by 2040 and helping our customers to be net zero by 2050. Last year we launched our New Business and Net Zero business, specifically focused on helping customers through this transition.
- We are redeveloping Brigg Energy Park which, once complete, will be home to a 50MW battery and 100MW of hydrogen-ready gas peaking capacity.
- We manage 16.7 GW of renewable energy and flexible assets, helping to promote green infrastructure development and provide clean power to customers.

A more flexible energy system

- In 2024, we committed £120m to battery and gas peaker developments, which provide greater system security and meet near-term system flexibility needs.
- We partnered with Highview Power to develop a first-of-its-kind liquid air energy storage project that can store energy for several weeks, much longer than batteries, providing additional resiliency to the grid.
- We installed 1.1m smart meters in 2024, allowing devices like electric vehicles, home batteries and heat pumps to enable more flexible energy demand, lowering customer's energy bills and placing less strain on the grid.

Affordability and living costs

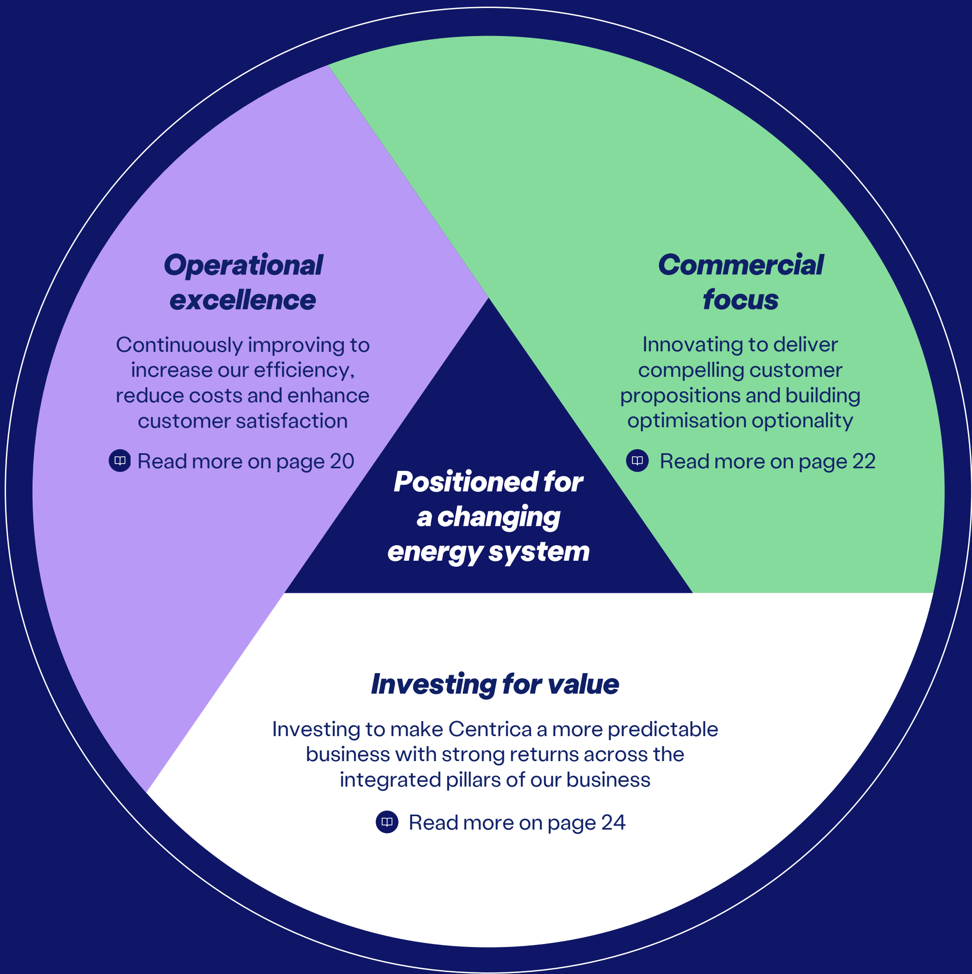
- In response to the energy crisis, during 2022-23 we created a voluntary support package of £140m to support customers struggling with energy bills. This has enabled us to continue supporting customers this year through initiatives like the 'You Pay: We Pay' scheme launched in March, which supports our most vulnerable customers by matching 100% of their energy payments.
- We continue to innovate tariff offerings such as PeakSave Sundays and Green Flex, to ensure that our customers have access to the lowest cost energy rates that meet their needs.

Technological transformation

- In 2024 we acquired ENSEK, a leading provider of digital transformation services in the energy sector. The migration of residential customers to our new innovative customer account management platform is nearly complete, reducing back-office processes and enabling more innovative, flexible customer offerings.
- We supported increased customer engagement in home energy management through the sale of 348k Hive smart thermostats.
- Through our Optimisation team, we have implemented a framework for algorithmic trading, enabling more systematic and efficient trading operations.

Our strategic value drivers

We're adopting a simple, focused approach to capitalise on the growth opportunities presented by the energy transition. Our strategy is to create value by delivering the energy needed today and the energy security, efficiency and decarbonisation needed for the future.



Our People & Planet Plan

Our People & Planet Plan aims to create a more sustainable future – from being a net zero business by 2040 and helping our customers be net zero by 2050, to creating the diverse and inclusive team we need to achieve this, whilst making a big difference in our local communities.

Read more on pages 58 to 77

People | **Planet**

Creating value through the energy transition

As we move to the next phase of our strategy, we are strengthening the foundations for Centrica's growth by delivering sustainable earnings and investing for long-term value.

Positioned for a changing energy system

Electricity demand in our core markets is set to materially increase by 2050, driven by the electrification of transport and residential heating, as well as emerging demand from areas such as data centres. Meanwhile, power grids are expected to become more complex, with an ever-increasing reliance on greener, but more intermittent, renewable generation capacity. Customers are also becoming increasingly engaged in home energy management, which will drive increased demand for innovative customer propositions.

With market-leading positions across the energy value chain, our portfolio is well-positioned to benefit from these trends, as each of our businesses de-risks, complements and adds value to the others. These dynamics also provide us with significant future opportunities aligned with our strategy and net zero ambitions.

Operational excellence

Since we refreshed our strategy in 2023, Centrica has been on a journey to enhance the experience for our customers, by ensuring that we operate as efficiently as possible, while still providing high reliability and high-quality service. We have continued to improve operational performance in 2024, giving us confidence that the changes we have made are being embedded in the business.

Colleague engagement is now in the top quartile for our industry (8.1/10, 2023: 7.7/10), underpinned by a continued strong focus on safety, as well as our redefined Purpose. Our colleagues are helping to deliver strong operational metrics and better customer experience, with customer satisfaction scores improving across our businesses. In British Gas Energy we improved our Trustpilot score to 4.2 and were awarded 'Best Overall Improvement' by Uswitch.

Commercial focus

Improved operational performance is feeding into better customer retention and our focus is increasingly moving to creating more innovative offerings to attract new customers. We have added a new Chief Customer Office with scope across all our retail brands to create a more joined up and cohesive approach for customers, better connecting our talent and capabilities to power a step-change improvement in our commercial growth and in the end-to-end customer experience.

Alongside 'PeakSave', we have increased our time-based tariffs with propositions such as British Gas Electric Vehicle and the Bord Gáis Mighty Weekender Smart Plan. We are continuing to build the home energy ecosystem of the future, powered by our Hive Honeycomb technology platform. We are also building optimisation optionality in our trading agreements, creating new offerings and structures that manage risk and create value.

Investing for value

Our balance sheet strength, investment grade credit rating and strong operational capabilities provide the base of our green-focused investment programme.

We continue to make progress on this investment programme, investing across customer technology and flexible and renewable power assets, although the investment environment has proved more challenging recently and the pace of deployment is slower than we had hoped. We will remain disciplined with our investments, focused on delivering attractive returns. We have a significant opportunity set under consideration and will only progress the most attractive projects through our rigorous investment review process. We are already demonstrating our ability to scale up investment over time.

Operational excellence

Continuously improving to increase our efficiency, reduce costs and enhance customer satisfaction

Improving customer experience

Customers are at the heart of our business and providing a simple, brilliant customer experience is a key focus for us.

Customer experience has been improving across our retail businesses with increases in our speed to answer rates, reductions in complaints and NPS improvements in both UK residential energy supply and services.

As technology continues to develop, we continue to modernise our systems to support a better customer experience.

24%

Reduction in UK residential energy supply complaints over the past year

Migration to our new customer platform is nearly complete for residential customers, enabling more flexible and innovative propositions and better customer service. We are committed to continually improving the experience of our customers.

Key market trends

- A more flexible system
- Technological transformation

4.2

British Gas Trustpilot rating (2023: 4.0)

Rough gas storage

Our Rough gas storage facility plays a key role in supporting the UK's energy security by providing more than 50% of the UK's gas storage.

Rough helps the UK both manage higher heating demand during the current cold weather and keep prices down, operating at 95% availability during 2024.

We believe Rough could play a valuable role in a decarbonised energy system and we are prepared to invest £2 billion in re-developing the site as Europe's largest hydrogen storage facility, subject to agreeing a new regulatory model with the UK Government.

Key market trends

- A more flexible system
- The drive to net zero
- Affordability and living costs

95%

Availability at Rough during 2024

Whitegate power station

Whitegate power station in Cork is vital to Ireland's energy security, supplying 10% of the country's electricity through its 445MW capacity. As one of Ireland's most efficient Combined Cycle Gas Turbines (CCGT), it plays a key role in supporting the nation's energy transition, while its capability to operate on natural gas and backup diesel, ensures a resilient energy supply. Whitegate underpins Bord Gáis Energy's integrated business model, and the experienced team managing the asset extract maximum value with >96% reliability. Bord Gáis Energy successfully secured a five-year Intermediate Length Contract in the recent Single Electricity Market capacity auction, ensuring Whitegate is operational until 2033.

Key market trends

- A more flexible system
- Affordability and living costs

10%

Of Ireland's electricity supplied from Whitegate power station

Commercial focus

Innovating to deliver compelling customer propositions and building optimisation optionality

Growing LNG portfolio

This year we executed an agreement with Coterra Energy to purchase natural gas for 10 years, This deal will reduce the market risk in our liquefied natural gas (LNG) portfolio by buying gas on the same price indices under which the LNG is sold. Gas remains an essential transition fuel and through deals like this we provide affordable, reliable energy and support global energy security.

The deal follows similar agreements over recent years, demonstrating Centrica Energy's innovative partnership approach, one of the key pillars of our successful and growing LNG business.

Key market trends

- A more flexible system
- Affordability and living costs

Service Promise launch

This year we launched our Service Promise campaign, providing a same-day visit from our boiler service engineers for customers that call us before 11 am. This service is available to all UK households, either through protection cover or one-off repair, demonstrating our commitment to provide fast, reliable and affordable service to all our customers.

This unique offering is unmatched in the market, driven by our expansive field engineer network, and is resonating strongly with customers, leading to positive protection contract sales (+24%) and contract customer retention (+4%).

Key market trends

- Affordability and living costs

252
LNG cargoes traded globally in 2024[1]

86%
Protection customer retention in 2024

+24%
Protection contract sales in 2024 compared to 2023

(1) This encompasses all physical LNG transactions, including those that were sold, purchased, or involved physical cargo deals that were either delivered or not

Key market trends

- The drive to net zero
- A more flexible system
- Affordability and living costs

1m

Customers in flexible energy propositions, including PeakSave

348k

Hive thermostat sales in 2024

Innovative tariffs

The flexibility needs of our energy system present opportunities to create value for both the energy network and for customers through rebalancing energy demand. We are committed to ensuring all our stakeholders see the benefits from this transition.

Our PeakSave offering is a great example of this, rewarding customers for shifting their electricity usage to times when there is less demand. We also introduced our integrated Hive Solar and Hive Heat Pumps offerings to pass the benefits of installing solar energy and heat pumps on to our customers through a dedicated tariff that allows customers to lower their bills.

Investing for value

Investing to make Centrica a more predictable business with strong returns across the integrated pillars of our business

Our disciplined approach to capital investment

We aim to deploy £600-800m per year to 2028, focusing on assets that generate attractive returns, complement our existing capabilities, provide balance to the portfolio, and align to the needs of the energy transition.

Attractive returns
We are focused on delivering attractive returns of 7-10%+ on average. In particular, we focus on assets that benefit from our integrated business model and create value across our businesses.

Stable cash flows
We prioritise investments that have a regulated or contracted revenue structure and are thus less exposed to market fluctuations. These assets provide stable cash flows, keep the portfolio in balance, and help to support a strong credit rating.

Green focus
We target over 50% of our capital expenditure to go into green EU taxonomy eligible projects, up from only 5% in 2019. In 2024 we reached over 30% green investment. This focus helps us reduce our carbon emission footprint and supports our People & Planet Plan targets to achieve net zero for our business by 2040, and to help our customers reach net zero by 2050.

£149m
Investment in clean energy storage committed during 2024

Key market trends

- The drive to net zero
- A more flexible system

Clean energy storage

In 2024 we announced a strategic partnership and £70m investment in clean energy storage with Highview Power, providing stability services to the grid and enabling the long-term replacement of fossil fuel-based power plants. This partnership will develop the first commercial-scale Liquid Air Energy Storage plant in the UK, boost the UK's energy security and accelerate the transition to net zero.

In addition, we continue to build our portfolio of battery storage assets, committing £79m to developments in the UK, Belgium and Sweden in 2024. With our internal optimisation capability, battery storage assets can be adapted in real-time, delivering energy storage that maximises the utilisation of green electricity available to the grid, whilst securing stable return on investment.

Key market trends

- The drive to net zero
- A more flexible system

534MW

Flexible peaking plant capacity in development to support energy security in Ireland

Flexible generation capacity

Bord Gáis Energy secured a 10-year capacity contract to deliver an Open Cycle Gas Turbine (OCGT) with 334MW electrical generation capacity – critical strategic infrastructure for Ireland. This agile, fast-acting power unit can be brought into service rapidly and removed again swiftly, complementing intermittent renewable generation. The planned technology has the capability to run on 100% biomethane or on a blend of hydrogen, once it becomes available on the gas network. This is further to the investment of around €300m in two, hydrogen-capable, 100MW flexible gas peaking plants in Athlone and Dublin, which will commence exporting to the grid later this year.

Accelerating our MAP

We launched our in-house Meter Asset Provider (MAP) business last year and we continue to grow this business, with 447k Centrica-owned meters under management at the end of 2024. The MAP business generates a low-risk contracted return for the Group and supports commercial innovation through tariff flexibility and data insights.

We have a clear capital deployment pathway given our residential customer base and plan to increase investment in this area up to £200m per year until 2035 with an expected post-tax IRR of 9%+.

Key market trends

- A more flexible system
- Technological transformation
- Affordability and living costs

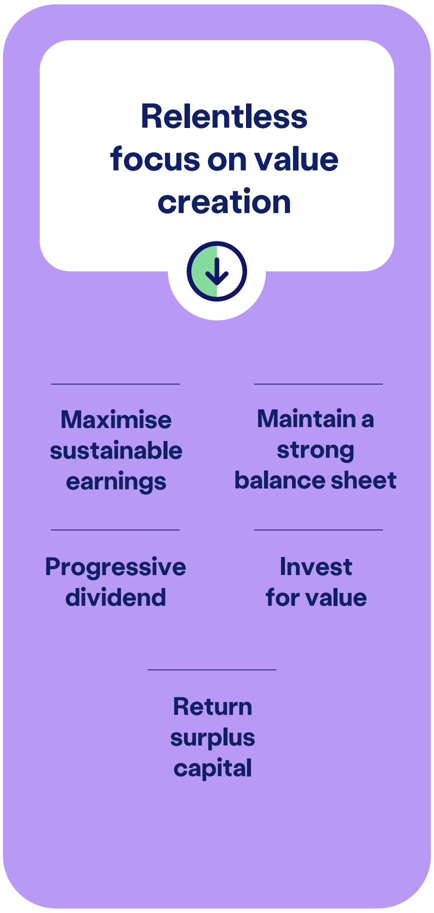
447k

Smart meters managed through our in-house MAP business

Group Chief Financial Officer's report

> I am very pleased with the financial performance we delivered in 2024 which was supported by stronger operational performance across the portfolio. This has been instrumental in driving our earnings and cash generation and supports increasing balance sheet resilience, funding our investment programme and growing shareholder returns.

Russell O'Brien, Group Chief Financial Officer



Financial overview

The Group's adjusted EBITDA, including Centrica's share of EBITDA from joint ventures and associates was £2.3bn (2023: £3.5bn) against a more normalised backdrop of lower prices and reduced volatility. Adjusted operating profit was £1.6bn (2023: £2.8bn) and after reflecting net finance income and taxation on business performance, Group adjusted earnings attributable to shareholders were £1.0bn (2023: £1.9bn) and Group adjusted EPS was 19.0p (2023: 33.4p).

From a statutory perspective, operating profit was £1.7bn (2023: £6.5bn). This includes a certain re-measurement gain during the year of £0.3bn (2023: £4.4bn) predominantly due to the unwind of 2023 out-of-the-money hedging positions partially offset by the movement in the onerous energy supply and LNG contract provision. In addition an exceptional loss of £0.1bn (2023: £0.6bn) was recognised driven predominantly by legacy contract costs associated with business activity that ceased a number of years ago and impairment of Nuclear and CBS assets. Statutory profit attributable to shareholders was £1.3bn (2023: £3.9bn) and statutory EPS was 25.7p (2023: 70.6p). None of the items reported in the middle column of the Income Statement are considered to reflect the underlying performance of the business.

The Group's total Free Cash Flow (FCF) reduced to £1.0bn (2023: £2.2bn), with the impact of lower operating profit and higher capital expenditure partially offset by lower cash tax payments. The closing net cash balance was £2.9bn (2023: £2.7bn).

Statutory net cash flow from operating and investing activities was £1.6bn (2023: £2.9bn). This was higher than the FCF noted above largely because of the exclusions from FCF of the sale and purchase of securities, interest received, defined benefit pension deficit payments and movements in variation margin and collateral, which support our commodity hedging activity and Centrica Energy optimisation activity.

The Group's net assets increased to £4.8bn (2023: £4.2bn) largely driven by the statutory profit the Group generated. This was partially offset by the impact of items reported in equity, including a £480m reduction from the share buyback programme and £219m of dividends paid to shareholders.

Revenue

Total Group revenue decreased by 25% to £19,913m (2023: £26,458m). Total Group revenue included in business performance, which includes revenue arising on contracts in scope of IFRS 9, decreased by 26% to £24,636m (2023: £33,374m).

Gross segment revenue, which includes revenue generated from the sale of products and services between segments, decreased by 26% to £26,206m (2023: £35,343m). This was driven largely by the impact of lower commodity prices, lower volatility, and lower seasonal gas price spreads.

A table reconciling the different revenue measures is included in note 4(b) of the accounts.

Adjusted EBITDA, operating profit, earnings and dividend

Adjusted EBITDA

Year ended 31 December (£m)	**2024**	2023
Retail	**528**	930
British Gas Services & Solutions	110	101
British Gas Energy	339	808
Bord Gáis Energy	79	21
Optimisation	**443**	963
Centrica Business Solutions	97	141
Centrica Energy	346	822
Infrastructure	**821**	1,155
Nuclear (i)	97	327
Spirit Energy	707	506
Centrica Energy Storage+	17	322
Colleague profit share, consolidation adjustment and other (ii)	**–**	37
Adjusted EBITDA	**1,792**	3,085
Share of Nuclear associate's EBITDA	513	415
Adjusted EBITDA including share of EBITDA from joint ventures and associates	**2,305**	3,500

(i) Excludes Centrica's share of associate EBITDA of £513m (2023: £415m).
(ii) Includes colleague profit share of £(25)m (2023: £(8)m) and a consolidation adjustment of £(19)m (2023: nil), relating to the MAP.

Adjusted EBITDA including share of EBITDA from joint ventures and associates decreased to £2,305m (2023: £3,500m), largely reflecting the movement in adjusted operating profit.

Operating profit

Year ended 31 December (£m)	**2024**	2023
Retail	**427**	799
British Gas Services & Solutions	**67**	47
British Gas Energy	**297**	751
Residential energy supply (i)	***269***	*726*
Business energy supply	***28***	*25*
Bord Gáis Energy	**63**	1
Optimisation	**380**	878
Centrica Business Solutions	**73**	104
Centrica Energy	**307**	774
Infrastructure	**789**	1,083
Nuclear	**353**	536
Spirit Energy	**434**	235
Centrica Energy Storage+	**2**	312
Colleague profit share and MAP consolidation adjustment (ii)	**(44)**	(8)
Operating profit from business performance (Adjusted operating profit)	**1,552**	2,752
Exceptional items and certain re-measurements	**151**	3,760
Group operating profit (Statutory operating profit)	**1,703**	6,512

(i) Includes the Meter Asset Provider (MAP) business.
(ii) Colleague profit share of £(25)m (2023: £(8)m) and a consolidation adjustment of £(19)m (2023: nil), relating to the MAP.

Adjusted operating profit decreased to £1,552m (2023: £2,752m). More detail on specific business unit adjusted operating profit performance is provided in the Business Review on pages 33 to 37.

Statutory operating profit was £1,703m (2023: £6,512m), with the difference between the two measures of profit relating to a net gain on exceptional items and certain re-measurements of £151m (2023: £3,760m).

Certain re-measurements included within operating profit

Certain re-measurements are the fair value movements on energy contracts entered into to meet the future needs of our customers, or to sell the energy produced from our upstream assets. These contracts are economically related to our upstream assets, capacity/off-take contracts or downstream demand, which are typically not fair valued, and are therefore separately identified in the current period and reflected in business performance in future periods when the underlying transaction or asset impacts the Group Income Statement.

If the future costs to fulfil customer supply contracts, including the mark-to-market reversal of any energy hedging contracts entered into to meet this demand, exceed the charges recoverable from customers, an onerous contract provision will be recognised. Similarly, if the future revenues from LNG procurement contracts, including the mark-to-market reversals of hedging contracts entered into related to these purchases, do not exceed the purchase cost, an onerous contract provision will be recognised. Because the associated, unrealised hedging gains or losses will be recognised in certain re-measurements, the movements in these onerous provisions will also be recognised in certain re-measurements.

The Group operating profit in the statutory results includes a net pre-tax profit of £279m (2023: £4,405m) relating to re-measurements, comprised of:

- A net gain of £421m on the re-measurement of derivative energy contracts. This predominantly reflects the unwind of 2023 out-of-the-money energy supply contract hedge purchases, partially offset by an unwind of our infrastructure businesses and Centrica Energy in-the-money positions from 2023. The net positive impact of these two factors was £377m. In addition, we saw a net gain of £44m from our wider portfolio, driven by net changes in commodity prices.
- A net loss of £142m from the movement in onerous contract provisions. Included within this is the onerous energy supply contract provision, which is based on the future costs to fulfil customer contracts on a current market basis. This provision had fully unwound by 31 December 2023 and remains at £nil on 31 December 2024. However, the acquisition of AvantiGas ON Limited in 2022, included an opening balance sheet onerous contract provision, which is unwound to the business performance column of the Group Income Statement on a pre-determined acquisition date basis, to ensure this column reflects the true profit/loss relative to the acquisition date values. At each reporting date, the closing balance sheet value of the onerous contract provision is then updated to reflect actual market prices, with the required remaining movement in the provision posted to the certain re-measurements column. Because commodity prices generally fell after the 2022 acquisition, this meant that the balance sheet onerous contract provision fell more quickly than originally expected. This led to a £69m onerous contract provision movement income in certain re-measurements in 2023. Accordingly, there is a £60m cost in 2024 in certain re-measurements, as this position has now mostly unwound. Also included is an £82m cost (2023: £nil) relating to an onerous LNG contract, however the LNG portfolio is forecast to remain profitable when taking into account future hedges and cargoes.

Further details can be found in note 7(a).

Exceptional items included within operating profit

An exceptional pre-tax operating cost of £128m was recognised within the statutory Group operating profit (2023: £645m) made up of:

- £53m (2023: £nil) legacy contract costs associated with business activity that ceased a number of years ago, predominantly related to construction services, have led to an increase in provisions during the period.
- A £48m (2023: £549m) impairment of the Nuclear investment as a result of a reduction in power prices, partially offset by the life extensions at four stations.
- A £27m (2023: £14m) impairment in Centrica Business Solutions, predominantly related to battery storage and solar assets, as a result of lower forecast power price capture, together with an increase in discount rate and an increase in operating and capital expenditure forecasts.
- 2023 also included an £82m impairment of the Rough gas storage asset as a result of a reduction in both forecast gas prices and forecast summer/winter gas price spreads.

Further details on exceptional items, including on impairment accounting policy, process and sensitivities, can be found in notes 7(b) and 7(c).

Group earnings and dividend

		2024			2023		
Year ended 31 December (£m)	Notes	**Business performance**	**Exceptional items and certain re-measurements**	**Results for the year**	Business performance	Exceptional items and certain re-measurements	Results for the year
Group operating profit	4(c)	**1,552**	**151**	**1,703**	2,752	3,760	6,512
Net finance income/(cost)	8	**44**	**(68)**	**(24)**	(39)	–	(39)
Taxation	9	**(553)**	**239**	**(314)**	(838)	(1,595)	(2,433)
Profit from operations		**1,043**	**322**	**1,365**	1,875	2,165	4,040
Less: (Profit)/loss attributable to non-controlling interests		**(59)**	**26**	**(33)**	(16)	(95)	(111)
Adjusted earnings attributable to shareholders		**984**	**348**	**1,332**	1,859	2,070	3,929
Basic earnings per share	10	**19.0p**	**6.7p**	**25.7p**	33.4p	37.2p	70.6p
Full year dividend per share	11			**4.5p**			4.0p

Net finance income/cost

Net finance income on business performance was £44m (2023: £39m net finance cost), largely due to an increase in interest income on cash balances, reflecting higher UK interest rates, the higher cash balances we held during the year, and a reduction in financing costs on bonds and bank loans.

In addition, £68m of exceptional financing costs have been recognised in relation to debt repurchase and refinancing exercises. £370m of debt instruments have been repurchased in advance of their maturity date. Due to the premium paid above existing carrying value and transaction fees, a one-off Income Statement cost of £50m has been incurred. Additionally, refinancing of the 2075 hybrid bond, designated in a fair value hedge relationship, with a carrying value of £435m and repayment value of £453m (including fees), has resulted in a one-off Income Statement financing cost of £18m.

Taxation and adjusted effective tax rate

Business performance taxation on profit decreased to £553m (2023: £838m). This excludes tax on joint ventures and associates. After taking account of tax on joint ventures and associates, the adjusted tax charge was £671m (2023: £912m).

The resultant adjusted effective tax rate for the Group was 39% (2023: 33%), with a higher proportion of profits coming from highly taxed Infrastructure activities. The adjusted effective tax rate calculation is shown below:

Year ended 31 December (£m)	2024	2023
Adjusted operating profit before impacts of taxation	**1,552**	2,752
Add: JV/associate taxation included in adjusted operating profit	**118**	74
Net finance income/(cost)	**44**	(39)
Adjusted profit before taxation	**1,714**	2,787
Taxation on adjusted operating profit	**(553)**	(838)
Share of JV/associate taxation	**(118)**	(74)
Adjusted tax charge	**(671)**	(912)
Adjusted effective tax rate	**39%**	33%

A charge totalling £166m (2023: £326m) related to the Electricity Generator Levy is included in the Group's cost of sales and in our share of the operating profits of joint venture and associates. The Levy is not an income tax and is not deductible for corporation tax purposes. If this had been treated as a tax, the Group's adjusted effective tax rate would have been 45% (2023: 40%).

Total certain re-measurements and exceptional items generated a taxation credit of £239m (2023: £1,595m charge), which was larger than the total certain re-measurements and exceptional items due to the mix of profits from downstream and losses from the higher tax business, Spirit, together with an exceptional deferred tax credit in Spirit. When included with taxation on business performance generated a total taxation charge of £314m (2023: £2,433m).

See notes 2(b), 3(b), 7(a), 7(b) and 9 for more details.

Group earnings

Profit for the year from business performance after taxation was £1,043m (2023: £1,875m). After adjusting for non-controlling interests relating to Spirit Energy, adjusted earnings were £984m (2023: £1,859m).

Adjusted basic EPS was 19.0p (2023: 33.4p), which also includes the impact of a lower weighted average number of shares than in 2023, reflecting the ongoing share buyback programme.

After including exceptional items and certain re-measurements, including those attributable to non-controlling interests, the statutory profit attributable to shareholders for the period was £1,332m (2023: £3,929m).

The Group reported a statutory basic EPS of 25.7p (2023: 70.6p).

Dividend

In addition to the interim dividend of 1.5p per share, the proposed final dividend is 3.0p per share, giving a total full year dividend of 4.5p per share (2023: 4.0p per share).

The cash paid to Centrica shareholders in dividends in 2024 was £219m, made up of the 2.67p per share final 2023 dividend and the 1.5p per share interim 2024 dividend (2023: £186m).

Group cash flow, net cash and balance sheet

Group cash flow

Free cash flow (FCF) is the Group's primary measure of cash flow as management believe it provides relevant information to show the cash generation of the business after taking account of the need to maintain the Group's capital asset base. FCF was £989m (2023:£2,207m). See explanatory note 4(f) for further details and a reconciliation between statutory cash flow from operating and investing activities and free cash flow.

Year ended 31 December (£m)	2024	2023
Adjusted EBITDA (i)	**1,792**	3,085
Dividends received	**355**	220
Adjusted EBITDA and dividends received	**2,147**	3,305
Tax	**(636)**	(803)
Working capital	**124**	244
Decommissioning spend	**(80)**	(173)
Capital expenditure (ii)	**(564)**	(415)
Disposals	**4**	55
Exceptional cash flows	**(6)**	(6)
Free cash flow	**989**	2,207
Net interest	**34**	(19)
Pension deficit payments	**(176)**	(180)
Movements in margin cash (iii)	**131**	585
Share buyback programme	**(499)**	(613)
Dividends – Centrica shareholders	**(219)**	(186)
Dividends – Spirit Energy minority shareholder	**–**	(17)
Other cash flows affecting net debt (iv)	**(76)**	6
Adjusted cash flow affecting net cash	**184**	1,783
Opening net cash (as at 1 January)	**2,744**	1,199
Adjusted cash flow movements	**184**	1,783
Non-cash movements (v)	**(70)**	(238)
Closing adjusted net cash	**2,858**	2,744

(i) Excludes Centrica's share of associate EBITDA of £513m (2023: £415m).
(ii) Capital expenditure (including small acquisitions). See page 30 for more detail.
(iii) As at 31 December 2024, margin cash posted was £105m (2023: £240m).
(iv) 2024 other cash flows affecting net cash includes £(68)m relating to exceptional financing costs in relation to debt repurchase and refinancing activities.
(v) 2024 non-cash movements includes £(55)m relating to new leases and the re-measurements of existing leases (2023: £(158)m).

The net inflow of working capital was £124m (2023: £244m). Within this, there was a £342m working capital inflow in Centrica Energy driven by profit on prior year derivative cash positions settled during 2024, a £148m working capital inflow in Centrica Energy Storage+ relating to higher withdrawals and a lower injection price, partially offset by a £456m outflow in British Gas Energy related to the impact of falling commodity prices.

The collateral and margin cash inflow was £131m (2023: £585m).

Net investment

The net investment outflow for the period was £560m (2023: £360m). Within this, capital expenditure (including small acquisitions) of £564m (2023: £415m) was predominantly driven by investment in flexible and renewable power generation assets across Bord Gáis Energy and Centrica Business Solutions, and the acquisition of ENSEK and investment in the MAP business in British Gas Energy.

The table below provides a summary of total Group net investment by business unit, which management uses to provide a measure of the Group's capital expenditure from a cash perspective, and a reconciliation of this measure to capital expenditure disclosed in note 4(e).

Year ended 31 December (£m)	2024	2023
British Gas Services & Solutions	**(22)**	(50)
British Gas Energy	**(187)**	–
Bord Gáis Energy	**(103)**	(72)
Centrica Business Solutions	**(160)**	(114)
Centrica Energy	**(40)**	(47)
Nuclear	**–**	–
Spirit Energy	**(31)**	(75)
Centrica Energy Storage+	**(11)**	(26)
Other (i)	**(10)**	(31)
Capital expenditure (including small acquisitions)	**(564)**	(415)
Net disposals	**4**	55
Total Group net investment	**(560)**	(360)
Add back:		
Capitalised borrowing costs	**(11)**	(2)
Inception of new leases and movements in payables and prepayments related to capital expenditure	**(63)**	(85)
Purchases of emissions allowances and renewable obligation certificates	**(856)**	(780)
Deduct:		
Net disposals	**(4)**	(55)
Purchase of businesses, net of cash acquired	**92**	34
Investment in joint ventures and associates	**–**	9
Net purchase of other investments (ii)	**56**	37
Capital expenditure (per note 4(e))	**(1,346)**	(1,202)

(i) This includes a consolidation adjustment of £19m (2023: £nil) relating to MAP.
(ii) Includes £27m Centrica Energy investments and £25m Centrica Business Solutions convertible loan note investment in Highview Enterprises Ltd group.

Group adjusted net cash

Accordingly, the Group's adjusted net cash position as at 31 December 2024 was £2,858m, compared to £2,744m on 31 December 2023.The breakdown of net cash is shown below:

As at 31 December (£m)	2024	2023
Current and non-current borrowings, leases and interest accruals	**(2,867)**	(3,289)
Derivatives	**(107)**	(119)
Gross debt	**(2,974)**	(3,408)
Cash and cash equivalents, net of bank overdrafts	**5,693**	5,629
Current and non-current securities	**139**	521
Sub-lease assets	**–**	2
Adjusted net cash	**2,858**	2,744

Further details on the Group's sources of finance and net cash are included in note 25.

Statutory cash flow

Year ended 31 December (£m)	2024	2023
Statutory cash flow from operating activities	**1,149**	2,752
Statutory cash flow from investing activities	**493**	115
Statutory cash flow from financing activities	**(1,548)**	(1,414)
Net increase in cash and cash equivalents	**94**	1,453

Net cash inflow from operating activities decreased to £1,149m (2023: £2,752m), with the impact of lower adjusted EBITDA.

Net cash inflow from investing activities was £493m (2023: £115m). Within this, interest received increased to £317m (2023: £267m) reflecting the higher interest rate environment, while dividends from our Nuclear associate increased to £355m (2023: £220m). Capital expenditure (including small acquisitions) increased to £564m (2023: £415m) as we build momentum in our green-focused growth and investment strategy. There was a £400m settlement of securities, relating to the settlement of previous loans made to the pension schemes.

Net cash outflow from financing activities was £1,548m (2023: £1,414m). Within this there was a net outflow on borrowings of £539m (2023: £318m) driven by the repurchase of debt instruments, and the refinancing of our hybrid bond. Cash distributions to equity shareholders were £499m (2023: £613m) through the Group's share buyback programme, and £219m (2023: £186m) related to ordinary dividend payments.There were no distributions to Spirit Energy's minority partner in the year (2023: £17m).

The above resulted in a £94m increase in cash and cash equivalents over the year. Gross debt reduced by £434m, reflecting £370m of debt instruments having been repurchased in advance of their maturity date during the period. When also including the impact of foreign exchange adjustments on cash, the Group's adjusted net cash position at 31 December 2024 was £2,858m, compared to £2,744m on 31 December 2023.

Further details on the Group's sources of finance and adjusted net cash are included in note 25.

Pension deficit
The Group's IAS 19 net pension deficit was £21m at the year-end, compared with a £117m deficit at 31 December 2023, with the impact of pension deficit contributions during the year partly offset by a decrease in high-quality corporate bond yields used to discount the pension liabilities, a lower return on scheme assets and an actuarial adjustment due to inflation experience. The technical provisions deficit is based on more conservative assumptions and is used to determine the agreed level of cash contributions into the schemes. In February 2025, we reached agreement with the pension trustees on a March 2024 technical provisions deficit of £504m, with annual deficit contributions of around £140m a year to 2027. On a roll-forward basis using the same methodology, consequent assumptions and contributions paid, the technical provision deficit would be around £450m at 31 December 2024.

Further details on post-retirement benefits are included in note 22.

Decommissioning liabilities
The £1,459m (2023:£1,527m) decommissioning provision is predominantly the estimated pre-tax net present cost of decommissioning gas production facilities at the end of their useful lives, based on 2P reserves, price levels, and technology at the balance sheet date. As at 31 December 2024 the provision balance is £1,139m for Spirit Energy, £302m in relation to the Rough field and £18m in the remainder of the business. The provisions are held gross of tax, with a corresponding deferred tax asset of £605m (2023: £617m).

Further details on decommissioning provisions are included in notes 3 and 21.

Balance sheet
Net assets increased to £4,812m (2023: £4,233m), predominantly driven by the statutory profit the Group generated. This was partially offset by the impact of items reported in equity, including a £480m reduction from the share buyback programme and £219m of dividends paid to shareholders.

Acquisitions, disposals and other investments
On 11 June 2024 the Group invested £25m in convertible loan notes and ordinary shares in Highview Enterprises Limited. The Group also agreed to provide financing to CryoBattery One Limited, a subsidiary of Highview Enterprises Limited, in the form of a £45m senior debt facility of which £3m has been drawn down at 31 December 2024. This entity is developing a new cryogenic energy storage plant. When built, this will consist of a long duration storage process using patented Liquid Air Energy Storage (LAES) technology.

On 29 July 2024 the Group acquired ENSEK and its innovative customer management platform, Ignition for £91m. The acquisition completed on 20 September 2024. The acquisition will deliver strong returns aligned with the Group's capital allocation framework and investment thresholds and will enhance the Group's ability to offer innovative propositions to its customers as the energy system evolves.

Further details on assets purchased, acquisitions and disposals are included in notes 4(e) and 12.

Events after the balance sheet date
Details of events after the balance sheet date are described in note 27.

Risks and capital management
The nature of the Group's principal risks and uncertainties are broadly unchanged from those set out in the 2023 Annual Report.

There is heightened risk in our UK retail energy supply and insurance business units arising from ongoing regulatory scrutiny across our markets. Cost of living challenges continue to affect our customers' ability to pay their bill; and with fuel poverty increasing, bad debt levels remain high.

Market risk has remained stable, with further reductions of volatility in the EU wholesale power and gas markets, which in turn has led to a stabilisation of the credit environment. The Group's liquidity position continues to improve, with the extension of £5bn committed credit facilities and maintenance of the $3bn US Commercial Paper programme, and with the liability management and refinancing of the hybrid bond in 2024 to strengthen the balance sheet.

External trends influencing our risk landscape include the speed of the energy transition and technological innovation, as well as the impact of geopolitical tensions, and the evolving cyber threat landscape. Centrica's response includes the enhancement of our digital services capability through acquiring ENSEK, investment in customer data and service to accelerate our adaption to evolving customer needs, investment in supply chain resilience and supplier risk management, and Strategic Workforce Planning to ensure fulfilment of our future human capital needs. Our technology teams also continue to build security capabilities and improvements in controls to detect and respond to increasingly sophisticated cyber-attacks.

Management remains focused on mitigating operational and asset integrity risks through robust controls and fostering a safety-first culture through a proactive risk management culture.

Details of how the Group has managed financial risks such as liquidity and credit risk are set out in note S3. Details of the Group's capital management processes are provided under sources of finance in note 25.

Accounting policies
The Group's accounting policies and specific accounting measures, including changes of accounting presentation, selected key sources of estimation uncertainty and critical accounting judgements, are explained in notes 1, 2 and 3.

Russell O'Brien, Group Chief Financial Officer
19 February 2025

Our view on taxation

The Group takes its obligations to pay and collect the correct amount of tax very seriously.

Responsibility for tax governance and strategy lies with the Group Chief Financial Officer, overseen by the Board and the Audit and Risk Committee.

Our approach

Wherever we do business in the world, we take great care to ensure we fully comply with all our obligations to pay or collect taxes and to meet local reporting requirements.

We are committed to providing disclosures and information necessary to assist understanding beyond that required by law and regulation.

We do not tolerate tax evasion or fraud by our employees or other parties associated with Centrica. If we become aware of any such wrongdoing, we take appropriate action.

Our cross-border pricing reflects the underlying commercial reality of our business.

We ensure that income and costs, including costs of financing operations, are appropriately recognised on a fair and sustainable basis across all countries where the Group has a business presence.

We understand that this is not an exact science and we engage openly with tax authorities to explain our approach.

In the UK we maintain a transparent and constructive relationship with His Majesty's Revenue & Customs (HMRC). This includes regular, open dialogue on issues of significance to HMRC and Centrica. Our relationship with fiscal authorities in other countries where we do business is conducted on the same principles.

We carefully manage the tax risks and costs inherent in every commercial transaction, in the same way as any other cost.

We do not enter into artificial arrangements in order to avoid taxation nor to defeat the stated purpose of tax legislation.

We seek to actively engage in consultation with governments on tax policy where we believe we are in a position as a Group to provide valuable commercial insight.

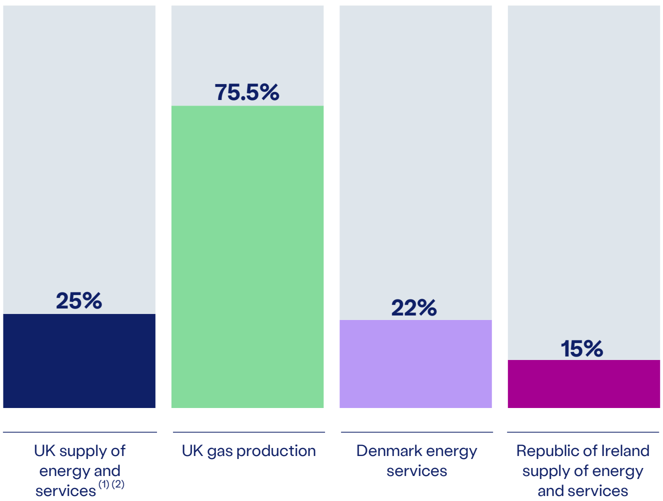
The Group's tax charge, taxes paid and the UK tax charge

The Group's businesses are subject to corporate income tax rates as set out in the statutory tax rates on profits table.

The overall tax charge is dependent on the mix of profits and the tax rate to which those profits are subject.

Statutory tax rates on profits

Group activities



(1) From 1 January 2023, revenues from our Nuclear and solar business are subject to Electricity Generator Levy (EGL) at 45% on wholesale revenues sold at an average price in excess of £75/MWh, exceeding an annual threshold of £10 million. The EGL is accounted for as an expense and is included in cost of sales.
(2) With effect from 1 November 2024 the rate of Energy Profits Levy increased from 35% to 38%. Combined with ring fence corporation tax of 30% and Supplementary Charge of 10% this gives an average rate for the year of 75.5%
(3) The statutory rate of tax in the Republic of Ireland is 12.5% combined with a top up tax of 2.5% tax payable to ensure the minimum corporation tax payable is 15%

Tax charge compared to cash tax paid

	2024 Current tax charge/(credit)	2024 Cash tax paid/ (received)
UK (including Petroleum Revenue Tax)[i]	458	492
Denmark[i]	28	121
Singapore	1	19
Republic of Ireland[i]	29	4
Rest of world	1	–
	517	**636**
Electricity generator levy[ii]	80	80
Total tax paid		**716**

Corporation tax is paid in instalments, generally based on estimates; one-off items and fluctuations in mark to market positions may cause divergence between the charge for the year and the tax paid.

(i) The UK and Denmark tax payments include amounts of £130m and £80m relating to 2023, Similarly the Republic Of Ireland payments includes a receipt of £11m relating to 2022.
(ii) Additional electricity generator levy of £86m is included in our share of the results of joint venture and associates operating profits making a total charge of £166m.

Further information on the tax charge is set out in note 9.

Our Group tax strategy, a more detailed explanation of the way the Group's tax liability is calculated and the timing of cash payments, is provided on our website at **centrica.com/responsibletax**

Business review

Retail

In Retail, customer service metrics continue to improve aligned to our focus on operational excellence, including lower complaints and improving NPS across our businesses. Total Retail adjusted operating profit decreased to £427m (2023: £799m) with improved results for both British Gas Services & Solutions and Bord Gáis Energy, and a strong underlying result in British Gas Energy, with no repeat of the one-off prior period cost recoveries during 2023.

British Gas Services & Solutions

Year ended 31 December	2024	2023	Change
Operational			
Services & Solutions customers ('000) (closing) (i)	**2,899**	2,950	(2%)
On-demand jobs ('000) (ii)	**304**	218	39%
Boiler installs ('000)	**81**	95	(15%)
Services complaints per customer (%) (iii)	**5.3%**	6.0%	(12%)
Services Engineer NPS (iv)	**73**	71	2pt
Financial			
Adjusted EBITDA (£m)	**110**	101	9%
Adjusted operating profit (£m)	**67**	47	43%
Adjusted operating profit margin (%)	**4.3%**	2.9%	48%

All 2024 metrics and 2023 comparators are for the 12 months ended 31 December unless otherwise stated.
(i) Services & Solutions customers are defined as single households having a contract or an on-demand job with British Gas Services & Solutions.
(ii) On-demand jobs are defined as Services & Repair one-off on-demand repairs, home improvements and maintenance.
(iii) Total complaints, where we identify material distress, inconvenience or financial loss, as a percentage of average customers over the year.
(iv) Measured independently, through individual questionnaires, the customer's willingness to recommend British Gas following a gas engineer visit.

Operational Performance

In British Gas Services & Solutions we have continued to embed strong operational performance, driving improvements in customer satisfaction and strengthening our platform for growth.

Reschedule rates remain low at 4% (2023: 3%), helping to underpin improvements in customer satisfaction, with engineer NPS of 73 rising 2pt and complaints per customer falling by 12% to 5.3%. This has given us the confidence to launch innovative customer offers, such as our nationwide Service Promise, offering a same day engineer repair visit for contract and on-demand customers who contact us by 11am.

Customer numbers were 2% lower in 2024, and remain a key focus area, although the rate of decline has improved versus historical trends, with annualised Services contract customer retention of 86%, up from 82% at the end of 2023. We are making good progress growing in the on-demand market, which represents a substantial opportunity, with jobs increasing by 39% year-on-year to 304,000.

Despite maintaining market share, boiler installs fell in what is currently a challenging market reflecting continuing cost of living pressures for households.

Financial Performance

Adjusted operating profit was £67m (2023: £47m), reflecting our focus on increasing customer value, despite slightly lower customer numbers, with strong operational efficiency and cost control, alongside growth in on-demand and Smart jobs. This was partially offset by lower boiler installations and continued investment in Net Zero. Depreciation and impairments were £11m lower in 2024, with extensions to the lives of vehicles in Q4 2023 and impairments in 2023 (2024: £nil, 2023: £9m).

British Gas Energy

Year ended 31 December	2024	2023	Change
Operational			
Residential energy customers ('000) (closing) (i)	**7,460**	7,529	(1%)
Small business customer sites ('000) (closing)	**557**	552	1%
Residential energy complaints per customer (%) (ii)	**10.1%**	13.3%	(24%)
Residential energy touchpoint NPS (iii)	**29**	17	12pt
Financial			
Cost per residential energy customer (excl. bad debt) (£)	**95**	91	4%
Adjusted EBITDA (£m)	**339**	808	(58%)
Adjusted operating profit (£m)	**297**	751	(60%)
Adjusted operating profit margin (%)	**2.5%**	4.2%	(40%)

All 2024 metrics and 2023 comparators are for the 12 months ended 31 December unless otherwise stated.
(i) Residential energy customers are defined as single households buying energy from British Gas.
(ii) Total complaints, measured as an expression of dissatisfaction in line with submissions made to Ofgem, as a percentage of average customers over the year.
(iii) Measured independently, through individual questionnaires, the customer's willingness to recommend British Gas Energy following contact.

Operational Performance

In British Gas Energy, we continue to invest in strengthening our operational foundations to drive innovation, retention and better customer outcomes in order to underpin long-term profitability in a changing competitor landscape.

Customer migration to our new, more flexible, Ignition platform is now largely complete. This has helped contribute to materially higher levels of customer satisfaction. NPS of 29 was a near-record, 12 points higher compared to 2023 and more than double the level two years ago, and coupled with a 24% reduction in complaints per customer to 10.1%. We will complete our customer migration to the new platform in 2025. Complaints per 100,000 customers were lower than Ovo, Octopus and EDF for the latest six month period[iv].

Residential energy customer numbers declined slightly in 2024. While price competition has started to increase, customers are also focused on service quality and product innovation. These are areas in which we are investing, including our brand perception. Having been recognised earlier in the year for "Best Overall Improvement" in the Uswitch Energy Awards, growing external recognition, backed by delivery, will be crucial in driving improved customer acquisitions and retention moving forward.

(iv) Latest Ofgem data: Complaints received by large suppliers per 100,000 customer accounts. As at 19 February 2025.

Financial Performance

Reflecting our investment in customer service, innovation and brand, annualised cost per residential energy customer (excluding bad debt) increased to £95 from £91 in 2023. Within this, dual running costs from system migration reduced by £2 to £9.

Adjusted operating profit was £297m (2023: £751m). This reflects a non-repeat of the cost recoveries seen in 2023 of approximately £500m, which was largely associated with unanticipated Standard Variable Tariff demand in 2022, decreased procurement optimisation opportunities due to lower commodity prices and associated volatility, and lower unit margins. This was partially offset by a lower bad debt charge of £352m (2023: £541m), with bad debt as a percentage of customer revenue falling to 2.3% (2023: 3.1%) and 6.1% (2023: 8.0%) for residential and small business respectively, supported by a more stable macroeconomic environment alongside lower prices, and internal initiatives focusing on bad debt.

The Meter Asset Provider (MAP) business, currently included within the British Gas Energy segment, was break-even for the year, as the business continues to build scale, with a portfolio of smart meters under management of around 450,000 by the end of 2024. Included within Group adjusted operating profit is a consolidation adjustment of £(19)m (2023: nil) relating to work carried out by British Gas Services & Solutions on behalf of the MAP.

Bord Gáis Energy

Year ended 31 December	2024	2023	Change
Operational			
Customers ('000) (closing)	**514**	503	2%
Complaints per customer (%) (i)	**0.9%**	1.7%	(47%)
Journey NPS (ii)	**36**	18	18pt
Financial			
Adjusted EBITDA (£m)	**79**	21	276%
Adjusted operating profit (£m)	**63**	1	6,200%
Adjusted operating profit margin (%)	**5.0 %**	0.1%	4,900%

All 2024 metrics and 2023 comparators are for the 12 months ended 31 December unless otherwise stated.
(i) Total complaints, measured as any oral or written expression of dissatisfaction, as a percentage of average customers over the year.
(ii) Weighted NPS for the main customer interaction channels.

Operational Performance

In Bord Gáis Energy we remain focused on creating value from our integrated model, supporting our customers and investing in the future energy system to help underpin energy security and decarbonisation in Ireland.

Our continued focus on customer service delivery helped to almost halve the number of complaints per customer from 1.7% in 2023 to 0.9%, and to double our NPS customer satisfaction score to 36. Customer numbers grew by 2% in 2024 in a highly competitive market, recovering losses recorded in the second half of 2023.

In November 2024, Bord Gáis Energy announced the acquisition of Swyft Energy, with the acquisition completing in January 2025. Swyft Energy is a leading solar PV installer in Ireland and the acquisition represents an important step in our transition to a green energy business.

Construction continues on our two hydrogen-ready 100MW flexible natural gas peaking plants in Athlone and Dublin, with the projects on-track for commissioning in the second half of 2025. With a total investment of approximately €350m (Centrica share ~80%), these plants will help deliver security of supply while facilitating Ireland's transition to renewable energy.

In January 2025, Bord Gáis Energy secured a 10-year capacity market contract of €56m p.a., to be fulfilled through an Open Cycle Gas Turbine with 334MW of electrical generation capacity. This agile power unit can be brought in and out of service rapidly, complementing intermittent renewable generation and further supporting the energy transition. The technology envisaged will also be able to run on 100% biomethane or, alternatively, operate on a blend of hydrogen from the gas network.

In addition, in Ireland's latest electricity capacity auction, we were awarded a five-year Intermediate Length Contract for our 445MW Combined Cycle Gas Turbine power station at Whitegate from October 2028 of €50m per annum. This will ensure that a reliable efficient plant is available to the market up to 2033, delivering security of supply for the energy transition and underpinning our economic return.

Bord Gáis Energy continues to progress opportunities for decarbonisation, using disruptive innovation, in collaboration with strategic partners. These include hydrogen storage with dCarbon X and ESB, ammonia as a renewable fuel source with Mitsubishi Power Europe and offshore wind with Corio Generation.

Financial Performance

Adjusted operating profit recovered to £63m (2023: £1m), as the Irish energy market moved towards a more normalised operating environment. These conditions allowed us to begin to return supply margins towards more sustainable levels, while allowing us to pass on price reductions to customers in a highly competitive market. In trading and generation, Whitegate delivered strong reliability and availability, helping to mitigate reduced optimisation opportunities as a result of lower market volatility.

Optimisation

In Optimisation, we continue to develop and leverage our international physical positions and world-class capabilities. Adjusted operating profit remained strong at £380m (2023: £878m), although was lower compared to 2023 against a backdrop of lower volatility and prices in commodity markets.

Centrica Business Solutions (CBS)

Year ended 31 December	2024	2023	Change
Operational			
Energy supply total gas and electricity volume (TWh)	**16.1**	20.7	(22%)
Energy supply complaints per site (%) (i)	**2.4%**	3.0%	(20%)
Energy supply Touchpoint NPS (ii)	**37**	25	12pt
Services order intake (£m) (iii)	**231**	225	3%
Net investment (£m) (iv)	**160**	114	40%
Financial			
Adjusted EBITDA (£m)	**97**	141	(31%)
Adjusted operating profit (£m)	**73**	104	(30%)
Adjusted operating profit margin (%)	**2.9%**	3.0%	(3%)

All 2024 metrics and 2023 comparators are for the 12 months ended 31 December unless otherwise stated.
(i) Total complaints, measured as any oral or written expression of dissatisfaction, as a percentage of total sites over the year. 2023 restated to reflect the change in methodology to use sites rather than customers.
(ii) Measured independently, through individual questionnaires and the customer's willingness to recommend, on a year-to-date basis. 2023 restated to reflect the change in methodology to using year-to-date data.
(iii) Total lifetime revenue forecasted from customer contracts signed in year.
(iv) Net investment is capital expenditure (including small acquisitions), less inflows from disposals.

Operational Performance

In CBS we continue to focus on strengthening our customer service and propositions in business energy supply, while building a portfolio of flexible, green-focused assets.

We continued our move away from supplying energy to the lower margin, large-scale Commercial and Industrial sector, resulting in total volumes falling 22% year-on-year. However, within this, volumes supplied to medium sized enterprises grew 5% to 12.2TWh (2023: 11.6TWh).

Complaints per site improved significantly in the period, falling by 20% to 2.4% with commodity prices easing and our continued focus on customer service delivery. This also contributed to an improved NPS score of 37, up 12pts.

As expected, Services order intake recovered in the second half of 2024, with full year Services order intake growing 3% compared to 2023, and the highest since 2021, with a strong near-term pipeline of work.

CBS net investment was £160m (2023: £114m) as we continue to deploy capital for value into a range of solar, battery and gas-peaking investments. We now have around 480MW of assets in detailed planning or delivery in the UK and Continental Europe, with total operational capacity of 194MW. Also included within net investment is a £28m investment in Highview Power, as part of a £70m phased investment programme, and the associated Liquid Air Energy Storage project at Carrington, as part of our strategic partnership focused on commercialising new long duration energy storage technology.

Financial Performance

Adjusted operating profit decreased to £73m (2023: £104m), reflecting no repeat of strong commodity procurement performance seen in 2023 in more volatile markets partially offset by additional margin from SME customer growth. Within this, business energy supply operating profit was £108m (2023: £159m), while Services and Assets posted a slightly improved operating loss of £35m (2023: £55m loss).

Centrica Energy

Year ended 31 December	2024	2023	Change
Operational			
Renewable and flexible capacity under management (GW) (i)	**16.7**	16.3	2%
Financial			
Adjusted EBITDA (£m)	**346**	822	(58%)
Adjusted operating profit (£m)	**307**	774	(60%)
Adjusted operating profit margin (%)	**5.0%**	10.0%	(50%)

All 2024 metrics and 2023 comparators are for the 12 months ended 31 December unless otherwise stated.
(i) Including assets that have signed contracts but are not yet operational.

Operational Performance

Centrica Energy is our world-class asset-backed trading and logistics business. We continue to build our diverse portfolio of physical contracted positions, while leveraging our differentiated risk management and optimisation capabilities to add further value across the Group.

Renewable and flexible capacity under management was 16.7GW, increasing by 2% year-on-year, driven by the addition of assets in the Baltics and Italy, where we have signed new wind and solar assets, partially offset by short-term contracts rolling off elsewhere.

We have also stepped up the hedging profile of our Sabine Pass LNG offtake to protect against future declines in gas prices and create a base margin around which we can optimise. This includes new long-term natural gas deals, such as our agreement with Coterra, which is linked to European gas prices such as TTF and NBP and commences in 2028, and Petrobras. As a result, we are now almost 100% hedged until the end of 2026, with over 50% through to the end of the decade.

Financial Performance

Centrica Energy delivered a resilient 2024 performance in a more normalised operating environment. Adjusted operating profit was £307m (2023: £774m), slightly above the midpoint of the medium-term operating profit range, but lower than 2023 reflecting reduced market volatility which impacted our gas and power trading and route-to-market businesses. LNG profitability remained broadly flat, benefitting from tailwinds from previous years and the in-built flexibility and optionality in the portfolio. We also saw benefit in 2024 from the timing of costs when compared with previous years, and a small £1m profit from our Sole Pit legacy gas contract (2023: £35m loss) driven by optimisation of the contract in the second half of 2024. At current forward prices we expect a loss of around £3m through to September 2025, when the contracts ends.

Infrastructure

Our Infrastructure businesses consist of our 20% investment in the UK's existing nuclear fleet, our 69% ownership in Spirit Energy, and Centrica Energy Storage+, the operator of the UK's largest gas storage facility, Rough. Total Infrastructure adjusted operating profit fell to £789m (2023: £1,083m).

Nuclear

Year ended 31 December	2024	2023	Change
Operational			
Nuclear power generated (TWh)	**7.5**	7.5	nm
Financial			
Nuclear achieved power price (£/MWh)	**132**	176	(25%)
Nuclear dividend received	**355**	220	61%
Adjusted EBITDA (£m) (i)	**610**	742	(18%)
Adjusted operating profit (£m)	**353**	536	(34%)

All 2024 metrics and 2023 comparators are for the 12 months ended 31 December unless otherwise stated.

(i) Includes Centrica's share of associate EBITDA of £513m (2023: £415m).

Operational Performance

Centrica's share of Nuclear generation volumes were in-line with 2023 despite extended outages in the first half of 2024 across Heysham 1 and Hartlepool, due to good reliability across the second half, and fewer planned outages across the portfolio.

Financial Performance

Nuclear adjusted operating profit was £353m (2023: £536m), driven predominantly by lower achieved prices net of associated impacts from the Electricity Generator Levy and tax. Dividends of £355m (2023: £220m) were received in the year.

Total Electricity Generator Levy included for the year was £166m (2023: £326m), of which £80m (2023: £285m) is included in the Group's cost of sales due to our nuclear hedging activity outside of the associate, with a further £86m (2023: £41m) included in the Group's associate result.

Details of our forward hedging positions for 2025 and 2026 are outlined below:

	2025	2026
Volume hedged (TWh)	5.5	1.8
Average hedged price (£/MWh)	89	76
Production volume (i) (TWh)	~7.0 to 8.0	

(i) 2025 forecasted production volumes.

Spirit Energy

Year ended 31 December	2024	2023	Change
Operational			
Gas production volumes (mmth)	**747**	832	(10%)
Liquids production volumes (mmboe)	**1.0**	1.0	nm
Total production volumes (mmboe)	**13.3**	14.8	(10%)
Financial			
Average achieved gas sales prices (p/therm)	**132**	101	31%
Average achieved liquid sales prices (£/boe)	**58**	50	16%
Lifting and other cash production costs (£/boe) (i)	**25.3**	25.1	1%
Gas and liquids realisations (£m) (ii)	**1,045**	900	16%
Unit DDA rate (£/boe)	**20.4**	17.4	17%
Adjusted EBITDA (£m)	**707**	506	40%
Adjusted operating profit (£m)	**434**	235	85%

All 2024 metrics and 2023 comparators are for the 12 months ended 31 December unless otherwise stated.

(i) Lifting and other cash production costs are total operating costs and cost of sales excluding depreciation and amortisation, dry hole costs, exploration costs and profit on disposal.

(ii) Realisations are total revenues from sales of gas and liquids including hedging and are net of Spirit national transmission system (NTS) costs.

Operational Performance

Total volumes from Spirit Energy were down 10% due to natural decline in existing fields and production outages at Morecambe which have subsequently been resolved, partially offset by good performance at Greater Markham Area.

Financial Performance

Adjusted operating profit was £434m (2023: £235m), with higher achieved prices, underpinned by our hedging strategy, more than offsetting lower production volumes. The unit DDA rate was higher due to production mix, with a greater proportion of production coming from assets with a higher fixed asset base.

Details of our forward hedging positions for 2025 and 2026 are outlined below:

	2025	2026
Volume hedged (mmths)	513	273
Average hedged price (p/th)	111	89
Production volume (i) (mmths)	~695 to 720	

(i) 2025 forecasted production volumes.

Centrica Energy Storage+

Year ended 31 December	2024	2023	Change
Operational			
Availability (i)	**95%**	93%	2%
Total volume in reservoir (bcf) (ii)	**40.7**	48.2	(16%)
Financial			
Adjusted EBITDA (£m)	**17**	322	(95%)
Adjusted operating profit (£m)	**2**	312	(99%)

All 2024 metrics and 2023 comparators are for the 12 months ended 31 December unless otherwise stated.

(i) Measured as a percentage of demand.

(ii) Includes 14bcf (2023: 15bcf) of indigenous gas.

Operational Performance

Centrica Energy Storage+ delivered high operational reliability from the Rough assets throughout the year. Rough accounts for approximately half of the UK's gas storage capacity, and we retain a third-party use exemption until at least 2030.

Centrica Energy Storage+ is expected to be loss making in 2025 (£50m-£100m). We need a regulatory support mechanism to unlock the £2bn investment to upgrade and redevelop the Rough assets to increase capacity and, ultimately, convert it into a hydrogen-ready storage facility. Constructive discussions with the UK Government are ongoing.

Financial Performance

Centrica Energy Storage+ adjusted operating profit was £2m (2023: £312m), including a second half loss mainly reflecting lower seasonal gas price spreads and reduced volatility.

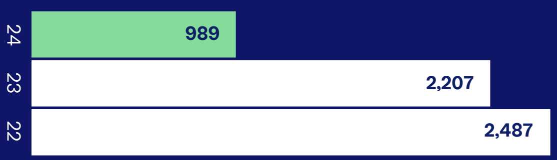
Key performance indicators

Our key performance indicators (KPIs) help the Board and executive management team assess performance against our refreshed strategy laid out in July 2023.

Financial

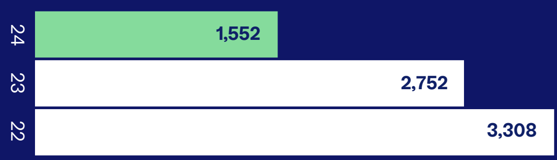
Group free cash flow from continuing operations (£m)

Free cash flow from continuing operations is the Group's primary measure of cash flow. It reflects the cash generation of the business after taking into account the need to continue to invest.



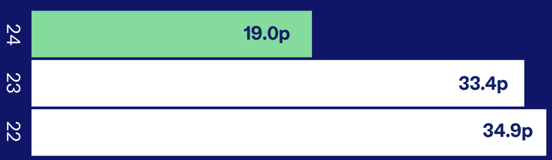
Group adjusted operating profit from continuing operations (£m)

Group adjusted operating profit from continuing operations is one of our fundamental financial measures.



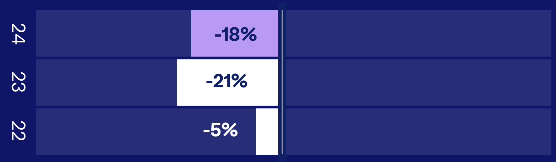
Group adjusted basic earnings per share from continuing operations (EPS)

EPS is a standard measure of corporate profitability. Adjusted EPS is used to measure the Group's underlying performance against its strategic financial framework.



Total greenhouse gas (GHG) emissions – 50% reduction by 2032 and net zero by 2040 (Base year 2019)[1]

Achieving net zero is essential to the future of our business and our planet, which is why we have a green-focused investment strategy. This has contributed to our emissions falling by 18% against our base year. Although emissions rose from 2023 due to security of supply driving increased gas-fired power generation alongside gas production and storage, reductions remain on track with our goal.



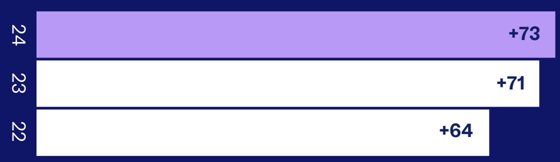
(1) Following an update to our Climate Transition Plan (see page 73), we accelerated our net zero goal which was previously focused on achieving a 40% reduction in emissions by the end of 2034 and net zero by 2045. The goal measures Scope 1 (direct) and 2 (indirect) GHG emissions based on operator boundary. Comprises emissions from all operated assets and activities including the shipping of Liquefied Natural Gas alongside the 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 2,120,446mtCO_2e. 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.

Read more about our strategy on pages 14 to 25 and our financial performance on pages 26 to 37

Non-financial

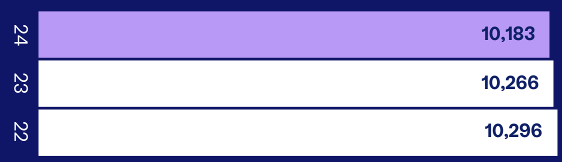
British Gas Services & Solutions – Services Engineer Net Promoter Score (NPS)(1)

Providing a great service is fundamental to our ability to attract and retain customers. Having embedded strong operational performance, reschedule rates remain low which is helping to underpin improvements in customer satisfaction. Consequently, NPS improved by 2 points.



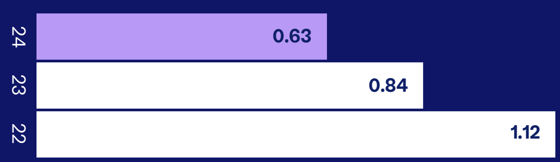
Total customers (m)(2)

Strong customer retention provides a solid platform for growth. Marked improvements in customer satisfaction is helping us achieve better customer retention. Our focus is now on growing our customer base which remained broadly flat over the year, having decreased slightly by 1%.



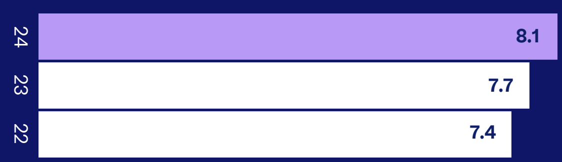
Total recordable injury frequency rate (TRIFR)

Keeping colleagues and customers safe is core to any responsible business. We focus on preventative measures and process review, to ensure we continuously improve performance. As a result, our TRIFR per 200,000 hours reduced by 25%. Most incidents related to slips, trips and musculoskeletal injuries.



Colleague engagement(3)

Having an engaged and motivated team, is intrinsic to our success. Through continued focus on creating a more inclusive and supportive place to work whilst connecting colleagues with our strategy and new Purpose, engagement improved by 0.4 points. We have now reached top quartile performance for our sector for the first time.



(1) Measured independently, through individual questionnaires, the customer's willingness to recommend British Gas following a gas engineer visit. For wider business unit NPS, see pages 33 to 35.
(2) Includes British Gas Energy, British Gas Services & Solutions and Bord Gáis Energy households, as well as business customer sites in British Gas Energy and Centrica Business Solutions. For business unit customer numbers, see pages 33 to 35.
(3) Engagement is based on an average score out of 10 and measures how colleagues feel about the Company.

Read more about our non-financial performance on pages 58 to 77 and 289 to 291.

Our Principal Risks and uncertainties

We manage risks to support our Group strategy.

Centrica's Group risk management framework and internal control environment are core elements of the Group's governance model and are designed to ensure that risks are understood and managed in line with our strategic objectives and stakeholder expectations.

Oversight of risk management is embedded at all levels of the organisation, with the Board maintaining overall accountability for the Principal Risks and uncertainties facing the Group. The Group's Principal Risks are those which could potentially impact delivery of Centrica's strategic objectives, as determined through our planning process, over the medium to long term. An ERM transformation programme to review and refresh our risk framework was initiated during the year. The refreshed framework includes the setting of risk appetite, regular risk assessments against risk appetite, and monitoring of the internal controls' compliance and effectiveness.

Our risk framework

The Board has overall responsibility for ensuring that a sound approach to risk management and internal control is maintained across Centrica. The Board sets the tone and drives the appropriate risk culture through the Centrica Leadership Team and through the Board's delegated committees. They set the Group's risk appetite, review significant breaches and approve all risk related disclosures in the Annual Report and Accounts.

The Board reviews risk as part of its strategy review process, and during the year conduct a robust assessment of the Company's Principal Risks, in conjunction with the Audit and Risk Committee, informed by a programme of strategic risk workshops. The process included evaluating the likelihood and potential impact of identified risks, the effectiveness of existing controls and agreeing additional risk mitigation measures where necessary.

The Board has put in place policies for identifying, evaluating and managing the risks faced by the Group, with responsibility for the oversight of day-to-day risk management delegated to the Centrica Leadership Team. The annual risk management process is summarised in the diagram below.

In our viability assessment, the potential impact of 'severe but plausible' risks are considered and linkages to the Group Principal Risks noted, as described on pages 52 to 53.

Risk appetite

The Board is responsible for aligning the Group's appetite for risk taking with our long-term objectives, considering our principal and emerging risk landscape and the delivery of sustainable value for our stakeholders. We operate in a complex and dynamic environment characterised by geopolitical uncertainties, a complex cyber threat landscape, regulatory changes and rapid technological advancements.

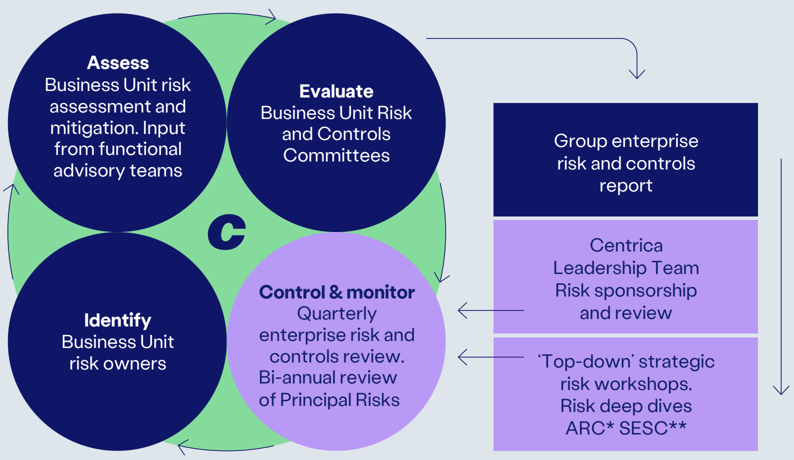
Our risk appetite reflects a balanced approach to pursuing opportunities while managing potential adverse impacts. This is underpinned by our commitment to maintaining a resilient, safe and sustainable business, operating in compliance with relevant laws and regulations.

Risks are identified and assessed at a Group and Business Unit (BU) level, with risk scores (taking into consideration impact, probability and timescale of the event occurring) compared to risk appetite to review the adequacy of existing mitigating actions and controls, with further action taken to control and monitor risks as required.

Internal controls

Our internal control framework aims to provide reasonable assurance as to the accuracy, reliability and integrity of the financial information and non-financial disclosures in our Annual Report and Accounts. It further ensures the Group's compliance with applicable laws, regulations and internal policies, as well as the effectiveness of internal processes. Further information is included in the Governance section: Audit and Risk Committee on pages 100 to 111.

Centrica Group's annual risk management process



*Audit and Risk Committee (ARC). **Safety, Environment and Sustainability Committee (SESC).

The control environment is subject to regular monitoring and review such that control weaknesses and new or emerging risks are identified early, and remediated or actively managed, to reduce the likelihood of any significant deficiencies arising.

Risk landscape and emerging matters

The Group's approach to emerging risks forms part of the overall risk management framework, incorporating sector insights, macroeconomic trends, regulatory developments, and input from key stakeholders. Emerging risks are considered as part of strategic-decision making, key emerging risk areas shaping our risk landscape are highlighted below:

Cost of living and fuel poverty

Cost of living challenges and sustained high energy prices continue to affect our customers' ability to pay their bills with high levels of fuel poverty and bad debt persisting. Ofgem announced further price cap rises, applied from 1 January to 31 March 2025 meaning that the price of energy for a typical household using both electricity and gas and paying by Direct Debit has increased by 1.2% to £1,738 per year. This is due to wholesale prices remaining high with geopolitical factors continuing to impact energy markets.

We continue to implement measures to support and work with our customers to prevent or manage their debt, These include but are not limited to implementing the 'You Pay We Pay' scheme where BG Energy match customer payments for a set period of time. Also advising on the help available from the British Gas Energy Trust; and writing to our elderly customers to inform them of available Government support such as pension credits, following changes to the rules for pensioner winter fuel payments.

Energy market

Exposure to commodity prices and their volatility is inherent in business operations. In 2024 European wholesale power and gas market volatility further reduced compared to 2023, falling back in line with levels previously seen prior to the Ukraine crisis. Nevertheless, prices have on average increased over the second half of the year. This increase has been driven by the threat of Russia terminating the remaining gas supplies into Europe via Ukraine by year-end, as well as increased Liquefied Natural Gas (LNG) demand from Asia resulting in cargoes diverting from Europe.

During 2024 the importance of LNG to global market security continued to be felt. We concluded two further strategic LNG deals; in February we announced a deal with Repsol whereby we will purchase one million tonnes of LNG between 2025 and 2027, and in October we announced two deals with Coterra providing a further 100,000 MMbtu/day over 10 years commencing in 2028, which will reduce the market risk in the LNG portfolio. Additionally, in December, we announced the life extension of four operational Advanced Gas-cooled Reactor (AGR) nuclear power stations alongside our partner, EDF. These deals further bolster our position as a key market leader providing ongoing energy security for the UK.

Energy transition and Government intervention

The Government has committed to achieving clean power by 2030 and net zero by 2050. This will require industry and market re-design including a revised approach to Gas and Electricity network planning. The newly formed public body, the National Energy Systems Operator (NESO), will perform a wide range of tasks incorporating connections, system operation, energy spatial planning and wider advice to Government on regulation and market.

In November 2024, NESO advised Government on how to achieve clean power by 2030. It will further publish a series of plans and reports around achieving net zero by 2050 including the Strategic Spatial Energy Plan (SSEP). This will set out a co-ordinated approach for Britain's onshore and offshore energy infrastructure and incorporate the existing Future Energy Pathways report advice on how to meet future energy supply and demand needs.

In the short term, these planning documents directly impact how NESO will decide on the connection of renewables projects with the Grid; with it currently consulting on processes to remove unviable projects from the grid connections queue. NESO's views on the future system will impact our ambitions for future investment such as Rough gas storage, hydrogen and Carbon Capture, Utilisation and Storage (CCUS) at Morecambe. Its views on market design will have considerable influence although the final decisions will lie with Government. We are closely monitoring the risks and opportunities whilst we navigate both the pace and change related to the energy transition to ensure effective resource allocation which aligns to our Purpose and delivering returns to our shareholders.

Centrica has published its refreshed Climate Transition Plan with more ambitious targets to move to a low carbon future, bringing forward our net zero goal from 2045 to 2040 and advanced our interim milestone from reducing our greenhouse gas emissions by 40% by the end of 2034, to 50% by the end of 2032.

Regulatory change

The intensity of regulatory interventions is significant across the Group and especially in our UK retail energy supply and insurance business units. In 2025, Ofgem will run a broad compliance programme consulting on elements of the price cap mechanism including the operational cost allowance review and warm home schemes. There is also a continued focus on customer service standards given the ongoing cost of living challenge. The Financial Conduct Authority and Prudential Regulatory Authority are focusing on operational resilience and third-party management.

Across the Group, our Legal, Regulatory and Compliance teams review the regulatory landscape and work with regulators and trade bodies: to help form future regulatory requirements; build our understanding of stakeholder expectations; and to effectively respond to changing requirements.

Our preparations to ensure readiness under the UK Corporate Governance Code for Centrica's material controls declaration by the Board are underway, with direct Centrica Leadership Team oversight of the programme governing these activities and supervision by the Audit and Risk Committee. The programme is designed to align with our enterprise risk management framework which is one of the key sources of insight and context for the effective surfacing of potential material risk areas and their related material controls. A key element of our approach is to pilot the material controls sign-off process in advance of the actual sign-off date, enabling us to refine and test the controls, identify any gaps, and ensure their effectiveness.

Technology adoption

The rapid pace of technological innovation presents both risks and opportunities for our customers, communities and our business. Increased technology adoption and related increases in the volume of data processing and storage by companies are some of the key factors driving electricity demand. Centrica recognises that understanding and embracing innovative technologies, including Artificial Intelligence (AI), is essential to meeting our customer needs, maintaining our competitive edge, driving innovation and improving operational efficiency. We have a measured but proactive approach to technology adoption, driven by our commitment to operational excellence, safety, legal and regulatory compliance.

Programmes to upgrade technology suites across all business units are in progress. Additionally, we acquired ENSEK and the Ignition platform in 2024 to enhance our digital services capability to offer innovative propositions to our customers. Further, our Group Chief Customer and Data Office is focused on improving how customer data is harmonised and unified across all business units, enabling use cases such as hyper-personalisation, advanced forecasting and AI-enabled customer interactions, all aimed at delivering deeper customer insights and more tailored experiences.

Global supply chain constraints

Evolving geopolitical tensions and the accelerating energy transition are reshaping supply chains and increasing reliance on critical third parties in the energy sector. Regional conflicts, trade restrictions and concentrated sourcing of rare earth elements for new energy technologies and key components create vulnerabilities and heighten competition for resources. These challenges underscore the need for enhanced supply chain resilience and robust risk management.

We recognise that these risks can impact the availability, cost and delivery timelines of critical components and materials. We address these risks through robust due diligence and diversified sourcing strategies, strengthening our insight into and relationships with critical third parties and adapting our processes to mitigate potential disruptions and ensure our operations remain secure and sustainable.

Climate change

We recognise that climate change brings significant opportunities and risks for Centrica. As a leader in the energy sector and energy transition, our Purpose of 'energising a greener, fairer future' lies at the heart of our organisation. Our enhanced climate ambitions published in our updated Climate Transition Plan are incorporated into budgets, business plans and accounting assumptions and we will continue to assess strategic resilience through our Task Force on Climate-related Financial Disclosures climate scenario analysis. To meet the Corporate Sustainability Reporting Directive (CSRD), we have established the CSRD programme enabling us to improve our assessment of our climate related vulnerabilities and developed an Environmental Impact, Risk and Opportunity IRO framework to be integrated into regular review of climate risk scenarios and mitigation strategies.

We also recognise the complex and evolving nature of climate risks, and our forward-looking priorities include regulatory preparedness with a focus on CSRD; enhanced climate reporting and strengthened engagement with our investors and customers, as well as further investment in analytics and reporting capabilities.

Principal Risks

The following Principal Risks have been identified and are actively monitored and managed to support the delivery of our strategic objectives. In reviewing the Group's Principal Risks, consideration is given to the potential risk impact and likelihood, and also how these evolve over time. This in turn informs decisions as to the effectiveness of existing controls and the need for any further mitigations. The risk trend indicates whether the level of risk exposure is considered to have improved, deteriorated or remained stable.

Credit and liquidity risk

Risk trend: Improved

Risk overview

Our exposure to counterparty/customer/third party default or a credit event limiting the availability of financial facilities or unsecured credit lines.

Exposure to events which consume available Group liquidity resources.

Key drivers:

- Hedging commodity price risk exposes Centrica to (i) credit risk, which is the risk of a loss if a counterparty fails to perform on its obligations, or (ii) liquidity risk when trades are executed on exchange or under margining agreements, which can require collateral postings.
- Trending directional price moves which can lead to a build-up of mark to market positions is a key component of credit and liquidity risk.
- Volatile commodity markets can also lead to an increase in cash and working capital requirements for both us and our counterparties, increasing the risk that one of our counterparties fails to perform and the subsequent increased risk of contagion.
- Further information is included in note S3: Financial risk management within the Supplementary Information to the Financial Statements.
- Sustained high energy prices and cost of living challenges impacting our customers' ability to pay for their energy supply.
- High operating costs coupled with the continued effects of high interest rates creates challenges for our UK third-party customers, resulting in an increased likelihood of default.

Mitigations

- Financial risks are regularly measured, monitored and reported against approved risk limits by independent risk functions and overseen by dedicated Risk Committees.
- The Group Credit Risk Policy is reviewed and approved annually to ensure credit risk limits reflect Board risk appetite.
- Credit risk teams actively manage and reduce credit exposures, taking account of liquidity considerations.
- Credit mitigation instruments are negotiated, as needed, including guarantees, letters of credit, credit insurance, and/or tenor and volume restrictions are imposed to avoid exposures building up.
- A liquidity forum including Centrica Energy and Group Treasury monitor liquidity requirements under normal and stressed market conditions, with monthly CFO review and approval of Centrica Energy liquidity limits.
- Risk Capital reporting is distributed to Centrica Leadership Team members monthly and bi-annually to the Board, who, subject to risk appetite, may agree a risk capital reserve against Centrica's net debt headroom.
- Access to diversified sources of committed and uncommitted liquidity.
- Monitoring of forecast versus actual customer debt position, and review of the bad debt provision.
- Additional support processes to help customers to repay their debt.

Developments

Risk context:

- Market prices persist at levels higher than historical averages, albeit lower than 2022 record highs.
- Credit risk exposures have been managed within Group Credit Risk limits and remain broadly stable at an aggregate level.
- The higher interest rate environment adversely affected some smaller sized, highly leveraged counterparties over the past two years. These exposures have been actively monitored and managed through the various credit review forums; with fewer counterparties on a credit watchlist as at year-end.
- During 2024, Centrica has successfully refinanced the £450m hybrid bond with a new £405m hybrid bond and bought back £370m of 2033 senior debt. Both activities have further strengthened the balance sheet
- In Q4, Centrica successfully extended £2.5bn of committed credit facilities with relationship banks by a further year resulting in £1.5bn of facilities with maturity in Q4 2029 and £1bn with a maturity in Q4 2027. In addition, Centrica has access to c£2.6bn of committed letters of credit with relationship banks as well as to a portfolio of uncommitted letters of credit
- Centrica maintains a $3bn US Commercial Paper programme to support short-term liquidity requirements and periodically issues into this market to provide confidence in its ability to access funding.
- The risk to UK third party default is slightly higher than 2023, but lower than the peak seen in the 2020-21 period.
- British Gas Energy continues to build debt management capabilities and processes.

Market risk

Risk trend: Improved

Risk overview

Risk of financial loss, both in terms of short-term profitability and long-term asset valuations, due to trends and volatilities in commodity prices.

Key drivers:

- Commodity exposure arises within the trading businesses, which provide optimisation for Centrica's upstream and downstream power and gas positions. We also have commodity exposures related to proprietary trading and arising from our long-term Liquefied Natural Gas assets.
- Material movements in commodity prices can impact revenue on sale of asset production and impact the long-term valuation of asset portfolios.
- Changes in our customer demand requirements can result in a commodity exposure as we realign our established hedges at market prices.

Mitigations

- Business unit hedging policies and trading/optimisation risk limits are reviewed and approved by the Group Risk Hedging Policy Committee, bi-annually.
- A monthly Downstream Meeting reviews and oversees demand forecasting performance and hedge performance.
- Hedging decisions and risk exposures are agenda items at the monthly Finance Performance Reviews across the Group.
- Market risks are also reviewed regularly in dedicated Risk Committee forums, with daily reporting against risk limits in Centrica Energy and Bord Gáis.

Developments

Risk context:

- Prices and volatilities have reduced year on year.
- The financial impact of outage risk associated with upstream and infrastructure assets remains high due to the higher price environment and the ageing asset infrastructure.

Weather risk

Risk trend: Stable

Risk overview

Unusually warm or cold conditions could lead to unexpected changes in energy demand from our customers, which may reduce our present or future profitability.

Key drivers:

- During warm weather customers consume less energy, reducing revenue, which can be further compounded by selling back hedges at a loss if commodity prices have fallen.
- During cold weather customers consume more energy, and to meet this demand Centrica may need to purchase additional volumes. If wholesale prices have also risen to above residential and business customer price levels, Centrica will lose margin on these incremental volumes as the cost is higher than can be recharged to the customer.

Mitigations

- A dynamic hedging strategy is implemented to manage the exposure to weather risk.
- Options to mitigate extreme weather risk in our downstream businesses are considered ahead of winter seasons.
- The monthly Downstream Energy Margin Meeting reviews weather impact analysis, hedging proposals and performance.

Developments

Risk context:

- Higher European gas storage levels have helped to mitigate the risk of winter supply shocks.
- The risk is skewed to warm weather affecting revenue generation by the downstream business together with potential losses from selling back hedges.

Political, legal, regulatory or ethical intervention/compliance

Risk trend: Stable

Risk overview

Political or regulatory intervention, potential changes or failure to comply with laws and regulations may create a more uncertain operating environment that may lead to greater regulatory scrutiny and inhibits our ability to invest in and allocate resources to markets or activities, impacting our financial stability and reputation.

Key drivers:

- Continuing high level of regulatory scrutiny in the UK retail energy supply and insurance business driven by political focus on the cost of living challenges faced by many consumers.
- Increased focus on ESG requirements and the impact on investor confidence in our approach to sustainability.
- Any material real or perceived failure to follow Our Code would undermine trust in our business.

Mitigations

- Articulation of a clear political and regulatory strategy with key priorities and policy positions.
- Dedicated Corporate Affairs and Regulatory teams which examine upcoming political and regulatory changes and their impact, with reporting to the Centrica Leadership Team.
- Monitoring of wider legal and regulatory developments in all relevant jurisdictions, particularly regarding matters such as human rights, climate and the environment, health and safety, cyber security, AI, tax and prevention of financial crime.
- Continuous dialogue with Ofgem, the Commission for Regulation of Utilities, the FCA, the PRA and consumer groups to influence the regulatory environment.
- Capability in Energy Assurance to support the business with meeting complex regulatory requirements.
- Robust customer experience control frameworks, reviewed by leadership teams.
- The Board sets the tone from the top through Our Code and leadership behaviours with Our Code annual training representing our employees, commitment to doing the right thing and acting with integrity
- The Financial Crime team monitors threats and adequacy of response to anti money laundering and the threat of bribery and corruption.
- A global Speak Up helpline exists to provide a consistent Group-wide approach to reporting unethical behaviour.

Developments

Risk context:

- Keeping pace with the volume, speed of implementation and complexity of political and regulatory change impacting the Group continues to be a focus area.

Retail:

- Ofgem will run a broad Compliance programme in 2025 and will consult on their Consumer confidence work programme which aims to deliver enhanced customer service standards.
- Ofgem will also review the price cap to reset the level of allowance that Ofgem considers appropriate for operating expenditure and levels of consumer debt. There is also the possible introduction of further capped tariffs with a zero standing charge.
- The pace of FCA and PRA policy development is significant, and the FCA Policy for 2025 will focus on operational resilience, oversight of third parties and treatment of vulnerable customers. We have been focusing on all these elements as part of our embedding of the Consumer Duty framework and will seek to establish best practice as further guidance is issued.

Climate change

Risk trend: Stable

Risk overview

The Company may face potentially unfavourable market, regulatory and policy changes driven by climate change, which could affect the ability to execute our strategy effectively.

Key drivers:

- Increased pressure from Government, investors and customers to commit to meaningful carbon reduction targets.
- Execution of the investment strategy will channel capital investment to realise investment opportunities from moving to a low carbon future.
- Timing and execution of British Gas Energy's pivot to decarbonise power, heat and transport products and services.
- Timelines in which Centrica, or its subsidiary businesses, will be legally obligated to comply with UK, EU or international ESG management and reporting requirements.
- Increased focus on 'greenwashing' and greater rigour on how organisations market low carbon products and propositions.

Mitigations

- We have published our refreshed Climate Transition Plan with more ambitious targets for 2040 as part of our approach to moving to a low carbon future.
- Progress against our Climate Transition Plan is incorporated into executive remuneration.
- The SESC, chaired by an independent Non-Executive Director, reviews climate change information and climate-related matters.
- Full compliance in our 2024 Task Force on Climate-related Financial Disclosures reporting is reflected in pages 67 to 77.
- New Business and Net Zero lines of business launch innovative and competitive products and propositions to gain a significant footprint in the growing low carbon market.
- Green Claims Principles have been developed and implemented to manage 'greenwashing' risk across the Group.

Developments

Risk context:

- Continued geopolitical focus on COP29 and on how corporations respond to climate change.
- The UK Government has committed to Clean Energy by 2030.
- The Government has extended the deadlines for both the phase-out of gas boilers and the ban on petrol/diesel vehicles to 2035 and increased the grant for Heat Pump installations by £2.5k to £7.5k.
- The European Corporate Social Responsibility Directive aims to create a sustainable economy for the EU. The reporting requirements are broader in scope, complexity and granularity and require assurance activity.

Customer

Risk trend: Stable

Risk overview

Economic pressures, regulatory changes and high levels of service demand could mean that we are unable to consistently deliver satisfactory customer service, which could result in increased complaints or loss of customers.

Key drivers:

- Frequency of price cap changes and increased customer service demand due to sustained high energy prices impacting a customer's ability to pay.
- Regional engineer capacity constraints in British Gas Services & Solutions with peak demand for services exceeding available engineer resources.
- In our net zero business, failure to ensure successful matching of customer demand with fulfilment capabilities, can negatively impact on customer experience outcomes, resulting in weakening of brand and reduced customer volumes.
- Continued competition in our retail markets, including Bord Gáis Energy where competitive pricing is widespread.

Mitigations

- The Customer Data and Analytics team has been combined into a Chief Customer Office Function which continues to enhance comprehensive data capture across all customers and business units, to connect our customer data and generate insights and improvements along the customer journey.
- Customer Conduct Boards provide data-led monitoring and oversight to minimise poor customer outcomes, customer detriment, complaints and regulatory actions.
- Customer-facing business units focus on reducing complaints and addressing customer pain points using enhanced tools and automation, and performing root cause analysis within a continuous improvement approach.
- British Gas Energy's ongoing investment in customer service capability and care for vulnerable customers.
- British Gas Services & Solutions has built stronger operational resilience, recovery and delivery capacity, enabling the launch of the same day Service Promise.
- Bord Gáis has implemented tactical pricing strategies to compete with new entrants, while developing its value proposition and bundled energy, services and net zero offerings.

Developments

Risk context:

- Continuing high energy prices and cost of living challenges keep demand elevated. Customer journey transformation is increasing customer satisfaction scores and reducing customer contact levels.

People

Risk trend: Stable

Risk overview

The Company faces the risk of failing to attract, develop, engage and retain key talent, which could impact our ability to achieve strategic objectives. Ensuring a healthy, capable, inclusive and resilient workforce is essential for maintaining operational performance and meeting long-term goals, especially amid current economic pressures and labour market challenges.

Key drivers:

- Challenges in attracting and retaining critical skills and capabilities, which are essential to meet our strategic objectives.
- Labour market shortages in key skills and talent, leading to retention challenges in specific business units or geographies.
- Deterioration in employee physical and mental health, and wellbeing, affecting productivity and engagement across the workforce.
- The impact of the cost of living crisis, inflation and geopolitical tensions on employees' mental health and wellbeing, potentially affecting morale and retention.
- Challenges in maintaining a competitive reward strategy.

Mitigations

- High level capability analysis underpinned by a Strategic Workforce planning framework is underway and will support Centrica businesses in making capability investments and inform tailored retention and succession planning.
- Quarterly performance conversations and key metric monitoring, including the quarterly employee engagement score and participation rate, absence, health and wellbeing score, Diversity, Equity and Inclusion score and attrition rates are monitored.
- #MoreThanACareer campaign and a Centrica-wide Brand Champion Programme connecting current and future talent.
- The Shadow Board provides a platform to a group of colleagues to engage with the Centrica Leadership Team, and to support and influence colleague centred decision-making.
- A long-term property strategy review is underway to optimise our workplace and ensure business continuity and collaboration.
- Holistic approach to wellbeing including the Colleague Support Foundation and the employee-led community networks, such as those for working parents, fertility and carers.
- DE&I Action Plans are in place to achieve our 'Open Letter' commitments to enhance diversity at senior levels, improve equity of opportunity and foster continuous inclusive behaviours.
- Regularly monitor and manage the impact on Centrica of the Employment Rights Bill and upcoming employment legislation.
- Established Training and Competence Framework and Academies which build programmes and courses tailored to our future workforce needs deliver stronger operational metrics and better customer experience.
- Regular reviews of Centrica's reward strategy to align with overall goals and values, through internal feedback and external benchmarking.

Developments

Risk context:

- Continue to incorporate external insight from government policy, skills councils and awarding bodies as an input into how we tailor our academies to close strategic capability gaps as well as building net zero skills.

Safety

Risk trend: Improved

Risk overview

The Company faces the risk of occupational, transportation, customer or third-party fatality or injury due to safety hazards associated with its operations. Ensuring a safe environment for employees, contractors and the public is crucial to maintaining operational integrity and protecting the Company's reputation.

Key drivers:

- Operational activities, which may expose employees, customers, or third parties to safety risks.
- Significant safety incidents that could lead to regulatory action, financial penalties, and reputational damage, affecting some or all of Centrica's brands and business units.

Mitigations

- Leadership commitment to driving improvements in Health Safety and Environment (HSE) maturity and achieving continuous improvement in key metrics.
- Regular reviews of HSE frameworks and safety risks to ensure they are reduced to as low as reasonably practicable.
- Governance arrangements and performance monitoring through Centrica Leadership Team meetings, SESC, the HSE Executive Committee, legal entity board meetings and the HSE Director Forum.
- BU HSE Improvement Plans are updated and reported on monthly to the Centrica Leadership Team.
- HSE Management Systems, including policies, standards and procedures, are established as well as investment in targeted training and competency.
- Assurance over our HSE processes and controls is provided through our in-house HSE teams, with support from external subject matter experts where necessary.
- The approach to customer visits is continuously reviewed to ensure that employees and contractors operate in line with Government guidelines and/or industry best practices, maintaining the health and safety of both employees and customers.
- Ongoing engagement with regulatory agencies, such as the Health and Safety Executive and the Department for Energy Security and Net Zero.

Developments

Risk context:

- Management monitors a range of leading and lagging indicators and is committed to fostering a strong safety culture across Centrica.
- As the Group strategy evolves and we repurpose our existing assets, developing new low carbon technologies and assets, the Group will respond to changing HSE risks and implement appropriate HSE frameworks and technologies.

Cyber

Risk trend: Stable

Risk overview

A successful cyber-attack on our systems could present as follows:

- Confidentiality: leakage of customer or Company confidential data by threat actor, third party, staff or system error, either maliciously or by accident.
- Integrity: inaccuracy of Centrica's data due to malicious or inadvertent alteration by internal or external parties, or malicious actors.
- Availability: operational disruption and loss of assets, including data, due to a cyber compromise.
- Any or all of the above which could lead to a regulatory compliance impact or fines, including but not limited to, General Data Protection Regulations (GDPR), Smart Metering obligations (Ofgem), Security of Network and Information Systems Regulations 2018 and enhanced NIS2.

Key drivers:

- Escalating complexity and frequency of cyber threats.
- An increased reliance on digital infrastructure within Centrica.
- Expansion into new geographies and markets increasing cyber regulatory obligations.
- The targeting of supply chains as a mechanism to attack firms by exploiting the trust between known suppliers.
- Reach of regulations beyond the jurisdictional border of the legal entity.

Mitigations

- Monitoring and oversight of cyber security via the Cyber Steering Committee, chaired by the CIO.
- Ongoing threat intelligence gathering, collaboration and information sharing with industry peers and the National Cyber Security Centre.
- The Cyber Security Change Programme and cyber-attack simulations build security capabilities and improvements in controls that increase the difficulty of targeting Centrica and being able to exploit weaknesses without detection.
- The Ransomware Programme continues to improve Centrica's ability to co-ordinate and recover from a ransomware attack, with the Board and senior leadership participating in a ransomware response and recovery exercise.
- Ongoing enhancement of cyber security controls dedicated to protecting operational technology; the control systems used to manage domestic, commercial and industrial processes.
- Training and awareness have been developed and delivered to key groups to equip them with the skills and knowledge to operate in a more digital world.

Developments

Risk context:

- The current geopolitical situation and regional conflicts have increased the use of cyber as a weapon to target energy infrastructure. Our Critical National Infrastructure and the nature of the industry in which we operate makes us a target for state actors and state-sponsored attackers.
- The risk of misuse of AI to create complex attacks is expected to increase rapidly with AI tools becoming cheaper and more accessible. We recognise the opportunity to adopt AI to better improve our cyber defences.
- The volume, sophistication and frequency of ransomware attacks has evolved, with the most catastrophic bringing down IT systems within very short timeframes, and in some circumstances leading to publication of exfiltrated data.
- The increased connectivity of operational technology presents an opportunity for attackers that if exploited could cause major harm and disruption to industrial processes including processes in the energy sector.
- Our strategy to expand to low carbon markets and help our customers toward net zero may increase our regulatory obligations in maintaining our cyber security posture, requiring enhanced governance and external regulatory oversight.

Operational asset integrity

Risk trend: Stable

Risk overview

Impaired structural or asset integrity, resulting from any failure in design, maintenance, inspection or operation, could lead to a major accident (such as loss of containment of flammable/hazardous materials or structural collapse) which may result in multiple fatalities, major damage to the environment, and/or significant operational disruption, in addition to revenue losses and reputational damage.

Key drivers:

- Inadequate investment and operational support for asset inspection, maintenance and development, increasing the risk of safety issues, personnel or environmental harm, unplanned outages, or impaired asset performance, that could result in regulatory implications and affect asset performance and reputation.
- As we expand our asset base, it is critical to ensure standardised, scalable procedures and processes, including technology, people, contractor and assurance management, to minimise asset impairment risks throughout their lifecycle and ensure compliance with relevant regulations.
- Operational issues or early asset closures may prevent adequate returns on our asset investments, leading to suppressed earnings and cash flows.

Mitigations

- Group-wide minimum operational and safety standards are applied to all assets, whether operated or non-operated, and adherence against them is monitored and reported.
- Inspection activity, maintenance and improvement programmes are conducted across the asset base to optimise effectiveness and maximise production levels.
- Centrica's presence on the Board of EDF Energy Nuclear Generation Group Limited allows oversight of the operational performance and strategic decisions related to the Nuclear fleet.
- The Group Annual Plan includes contingencies to cover unexpected outages from assets.
- HSE Management Systems are established to include policies, standards and procedures to protect employees, third parties and the environment.
- The HSE Function works with the business to ensure effective HSE resources and competency operate consistently and effectively across the business.
- Engagement with main regulatory agencies in locations of operation is consistently maintained, such as the Environment Agency, Health and Safety Executive, Department for Energy Security and Net Zero, and North Sea Transition Authority.
- Assurance over our HSE processes and controls provided by our in-house HSE teams supported by external subject matter experts, where needed.
- Continued investment in training to ensure maintenance of safe operating practices.

Developments

Risk context:

- The Whitegate Plant operated with strong availability and reliability in 2024. As the plant ages and we transition to more flexible generation, it will be crucial to carefully manage plant reliability and safety risks.
- The Nuclear fleet has performed well overall in 2024 with strong reliability metrics, although outage downside risks are binary and there was a significant unplanned outage at Heysham 1 and Hartlepool during the first quarter. The operational lifespans of our four Advanced Gas-cooled Reactor nuclear power stations were extended in December 2024. Heysham 1 and Hartlepool received a one-year extension, now set to operate until 2027, while Heysham 2 and Torness were granted two-year extensions, continuing until 2030.
- Spirit Energy continues to focus on safely delivering production from existing late-life assets and de-risking its decommissioning obligations. During 2024 Spirit Energy undertook scheduled shutdowns on their assets to perform maintenance campaigns to support life extension and continued operations.
- Centrica Energy Storage+ continues to invest in the safe and reliable operation of Rough and has committed potential development expenditure to prepare for the redevelopment of Rough for hydrogen-ready storage.

Assessment of viability

Viability statement

In accordance with provision 31 of the UK Corporate Governance Code, the Directors have assessed the long-term prospects and viability of the Group over a period of three years to 31 December 2027, considering the business model (as set out in the Strategic Report on pages 14-15), current position in the context of liquidity and credit metrics of the Group, and Principal Risks.

Assessment of prospects

In making this assessment, the Directors have considered the following factors, both in relation to the Group's strategic plan and its current competitive position, and in the longer-term assessment of the Group's prospects.

The Principal Risks facing the Group are set out on pages 43-51, with those believed to cause the most material financial impact forming the focus of this viability assessment, as detailed in the four severe but plausible scenarios considered on the following page.

The Group's Strategic Purpose is to energise a greener, fairer future – because we believe in energy that works for colleagues, customers and communities, today and into the future, as set out on page 11 of this Annual Report and Accounts. Climate change is one of the most important drivers guiding Centrica's prospects today and is a core part of our purpose. As such our enhanced climate ambitions, as published in our updated Climate Transition Plan, are incorporated into budgets and business plans, underpinning the strategic model used in this analysis.

We continuously monitor emerging trends to proactively identify potential risks and opportunities associated with commodity price volatility, prevailing economic climate, competitor activity and Government support for net zero. We put customers' needs at the centre of everything we do and this is the core part of our strategy, as set out in pages 12 and 20 of the Strategic Report.

Assessment period

Consistent with the practice of previous years, the Directors have adopted a three-year time frame for this analysis, covering the period 2025-27, aligning with the Group's financial planning cycle and the period of reasonable visibility in the energy markets. Furthermore, the Group's most significant risks continue to be shorter-term in nature including commodity prices, trading performance, margin cash requirements, weather and asset performance.

Key assumptions

The strategic model used as the basis of the assessment is based on a number of key assumptions including those detailed below:

- There are no material changes to Group operations, including no material acquisitions or disposals beyond the capital framework announced in July 2023 strategy update, assuming capital deployment of £600-800m per annum;
- Centrica have a long-standing relationship bank group and successfully refinanced the committed credit facilities in 2024. As such, the Directors have assumed successful refinancing of appropriate credit facilities as they expire within the viability period and;
- The Group makes payments to the pension scheme in line with the deficit recovery plan.

The Directors have assessed the impact of a stressed high and low commodity price environment on the Company. Based on the modelling, the Directors determined that a high commodity price environment would not have a material impact on Group headroom based on current positions held.

Low price environment	2025	2026	2027
NBP (p/th)	48	42	37
Baseload Power (£/MWh)	39	36	34

In assessing the impact of a significant low commodity price environment, a low case reflecting a 50% reduction to September 2024 forward prices has been adopted as a severe but plausible forecast. We have continued to monitor price changes since this assessment and the comparative uplift in December 2024 forward prices ensures that the low curves used in this assessment remain appropriate.

Assessment process

The Directors recognise the significance of the Group's strong liquidity position and have reviewed analysis to test the resilience of the Group against a volatile external risk environment, ensuring Centrica maintains ample headroom to address reasonably anticipated liquidity needs throughout the Viability Assessment period.

The Group's financing profile is managed through accessing a diverse source of term funding and maintaining access to carefully assessed levels of standby liquidity. As at 31 December 2024, the Group had total committed credit facilities of £5.0bn of which £1.0bn expire in 2027, £0.5bn expire in 2028 and £3.5bn expire in 2029. Of the £5.0bn committed credit facilities, a total of £3.3bn remained undrawn as at 31 December 2024 in addition to cash and cash equivalents of £6.3bn.

Centrica maintains robust processes to manage and monitor liquidity requirements across the entire organisation, with a focus on trading entities and possible increased margin cash requirements resulting from stressed market conditions, to ensure sufficient headroom is retained. This involves ensuring flexibility in accessing debt capital markets and a range of additional resources as needed, including committed credit facilities, uncommitted letters of credit, commercial paper and various other short-term funding options. Further information on the Group's strong liquidity position, including its indebtedness and available committed facilities, is provided in note 25 of the financial accounts.

The following severe but plausible stress scenarios, combining a number of the Principal Risks detailed on pages 43-51 of the Strategic Report, have been overlaid on the three-year business plan to provide a robust assessment of the Group's exposure in each scenario.

Multi-risk scenarios modelled	Level of severity reviewed	Links to Principal Risks
Scenario 1 Economic Downturn & Adverse Retail Market	A significant low commodity price environment, leading to lower earnings from asset-based businesses and increased margin cash requirements, is exacerbated by warm weather risk and adverse retail market conditions	• Market Risk • Credit & Liquidity Risk • Weather Risk • Customer
Scenario 2 Asset Performance	Significant disruption to the asset-based businesses leading to loss of production and earnings	• Operational Asset Integrity • Safety
Scenario 3 Trading & Hedging Underperformance	Underperformance of trading business coupled with credit risk associated with financial loss due to counterparty default	• Market Risk • Credit Risk
Scenario 4 Cyber Risk	Risk of a cyber-attack and failure to prevent denial of service	• Cyber
****Credit rating downgrade***	Increased collateral requirement arising from a single-notch credit rating downgrade	• Credit & Liquidity Risk

* Whilst our current credit metrics show no cause for concern with regards to a credit metric downgrade, for each risk scenario considered, an additional impact from a single-notch credit rating downgrade has been assumed.

The Directors considered whether any of the scenarios detailed above breached the available headroom in the three-year period. Whilst the most significant impact was realised in the 'Economic Downturn & Adverse Retail Market' scenario, it was concluded that sufficient headroom was available in all four scenarios, in an addition to an extreme risk scenario which considers all risks occurring simultaneously.

Whilst mitigations were not required in any of the above scenarios to ensure the Group remains viable, additional mitigations could be deployed to increase headroom and reduce the risk of credit downgrade, including reductions in capital expenditure and the temporary suspension or reduction of returns of capital to shareholders.

Reverse Stress Testing identified that there are some extreme scenarios that could theoretically result in Centrica entering a position whereby its financial resources were insufficient to meet its liabilities as they fall due. However, given the current financial strength of the Company, the combination of events required to achieve such a scenario is extremely unlikely to occur. We therefore believe that these risks do not represent a 'severe but plausible' threat to the viability of the Company.

Conclusion

Based on the results of this analysis, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due, over the period to at least 31 December 2027.

Group Chief People Officer's report

2024 has been a remarkable year for Centrica. I'm proud of our colleagues' achievements as we focused on our customers and embraced new opportunities.

Our significant focus on talent, and investment in digital roles is creating a workforce fit for the future.

Jill Shedden MBE, Group Chief People Officer

Our People function has made a significant impact on Centrica this year. We have successfully partnered with the business to drive change, aligning our efforts with our new Purpose of energising a greener, fairer future. Together, we are building a brighter future for Centrica and our colleagues.

10,683

Volunteering days this year

Tier 1 Employer

Ranked by the CCLA Corporate Mental Health Benchmark UK

8.1/10

Engagement score which is top quality for our sector

Empowering business growth through people

This year, we established two new business areas: the Power business, headed by Dave Kirwan, and the Chief Customer Office, led by Gary Booker. These developments are pivotal to our business growth and our People team, who play a crucial role in supporting and driving these transformations.

The Power business will invest in low carbon energy assets to facilitate the energy transition across the UK and Europe. In the coming years, they will enhance the Centrica portfolio by investing in areas and technologies that support the energy transition and deliver strong, sustainable growth. The People team is integral to this journey, ensuring we attract, develop and retain the talent needed to drive innovation and expand our international presence.

The Chief Customer Office (CCO) is central to our transformation, placing customer data and insights at the heart of our operations. We want to consider how we think and act differently to deliver on the ever-changing needs and demands of our customers – both those we have today and the new customers we want to attract in the future. The People team is key in fostering a culture that embraces change and innovation, equipping our teams with the skills and mindset to excel in this dynamic environment.

A key function in the CCO is our new Customer Data & Analytics function, which focuses on maximising our use of data to provide a comprehensive view of each customer, thereby enhancing our customer understanding and experience. We are leveraging the opportunities that AI offers, making Centrica an exciting place for digital talent. The People team is committed to building a workforce that is adept at harnessing these technologies, ensuring we continue to advance in digital innovation.

Advancing in our talent journey

This year, Centrica has focused on a future-oriented talent agenda by implementing our new Talent framework, which enhances our understanding of colleagues' strengths and development areas. This approach ensures we have the right people in critical roles, robust succession plans, and drives intentional career development across the business.

Defining our Purpose

In June 2023, our Centrica Leadership Team recognised an opportunity for Centrica to become a more purpose-led organisation. They embraced the challenge of creating a unifying purpose for the Company. We developed a purpose that truly represents Centrica's people, engaging a wide range of stakeholders and Employee Networks in the process. This new Purpose, energising a greener, fairer future, was officially launched in February 2024 and was received positively by colleagues.

The new Purpose better reflects our future direction, and we've engaged in comprehensive communications to engage our colleagues with it.

Being purpose-led not only aligns our operations with our core values, but also fosters greater colleague engagement and satisfaction. We believe that a purpose-led approach contributes to long-term business success by building trust with customers and stakeholders, and by creating a positive impact on society and the environment.

Elevating apprenticeships: a year of growth and recognition

We have driven a significant rise in our apprenticeship offering across Centrica in 2024. Bringing in apprentices helps nurture fresh talent and ensures our workforce remains dynamic and adaptable. Apprentices bring new perspectives and innovative ideas, enhancing our customer service experience. The Company led the rejuvenation of our traditional engineering apprenticeships with 112 colleagues starting their Gas Engineering Operative apprenticeship and another 100 completing their Dual Fuel Smart Metering apprenticeship.

In July, we hosted a webinar for potential candidates interested in our British Gas Smart Metering Apprenticeship Scheme. This event was part of our ongoing collaboration with Holly Hobbs, an apprenticeship influencer with a substantial and engaged social media following. Holly's three TikTok videos have collectively garnered over 800,000 views, and we observed a significant increase in applications coinciding with the release of her videos. I am proud that this year we have seen a higher number of female applicants than ever before, highlighting the importance of exploring creative ways of attracting talent.

Apprenticeships (3,500 by 2030)

As part of our People & Planet Plan and drive to invest in our people, we have an ambition to upskill 3,500 colleagues through apprenticeships by 2030. This is for our new colleagues and also those currently with us that want to get qualified whilst in their role.

We continue to use apprenticeships as one of the key routes into Customer Service roles, with 54 apprentices beginning their programmes in October and November 2024. We are passionate about upskilling new and existing colleagues within the business, ensuring they have the opportunities to grow and succeed, with a further 48 colleagues undertaking apprenticeships from Level 3 to Level 7 programmes this year. Our increase in apprenticeship offerings is part of our People & Planet Plan to drive and invest in our people. For more information, read our People and Planet section on pages 58 to 65.

Our apprenticeship programmes received external recognition in 2024, being awarded 'The Best Utilities Apprenticeship' by The Apprenticeship Guide. We were also a finalist in the Energy & Utility Skills 'Best Recruitment Campaign/Initiative' for our collaboration with social media influencer Holly Hobbs.

Celebrating early careers

This year marked a record achievement for our Emerging Talent team, particularly within the Graduate and Intern sectors. We were honoured to be ranked 5th among the top 100 student employers by Rate My Placement, standing out as the highest-ranked energy company and receiving top votes for engineering.

102 Interns

joined Centrica in the summer of 2024.

60 Graduates

joined Centrica in October 2024.

Expanding our talent horizons

In 2023, Centrica launched a new talent pathway, integrating eight ex-Forces members into our broader business operations. We are continually exploring innovative methods to attract talent and tap into new recruitment pools. Furthermore, we were delighted to have 12 more ex-Forces members joining us in October.

Our collaboration with Team GB and ParalympicsGB has enabled us to welcome an additional seven colleagues in 2024, ranging from high-performing athletes to Olympians and Paralympians.

Defining our Employee Value Proposition (EVP)

Our aspiration is to become energy's employer of choice and be widely recognised as a great place to work. To make this possible, our EVP needs to be at the heart of everything we do. An EVP is a company's people story; a narrative and messaging framework that brings to life its unique culture, purpose and the reasons why people join and stay there. It gives us a consistent approach towards engaging and empowering current and future colleagues, by amplifying what it means to be, and what you get as, a member of the Centrica family.

Developed in collaboration with colleagues across our businesses, we understand who we truly are and what defines us as Centrica. Our EVP encapsulates these insights and has been instrumental in shaping our new People Story. This commitment has also earned the Danish entity of Centrica Energy, recognition as one of the best workplaces in Europe by the Great Place to Work annual survey.

Our EVP, which launched in November, provides one consistent approach to candidates and colleagues, and demonstrates why they should join the Centrica family.

Celebrating Employee Network successes

I am incredibly proud of our Employee Networks at Centrica. Our 10+ Networks play a vital role in partnering with our organisation to drive change and create a more inclusive workplace where everyone can bring their whole selves to work.

Our Carers Network proudly celebrated its 20th anniversary this year. Since its inception in 2004, the network has grown into a robust community, providing essential support and resources to our colleagues who are carers. We have achieved Carer Confident Level 3 status, the highest-level award from Employers for Carers, thanks to our market-leading Carers Leave policy, which offers planned leave to support our carers. Our Carers Network continues to be a cornerstone of our commitment to supporting diverse talent, advocating for change and making a significant impact both within Centrica and beyond.

Our Diverse-ability Network champions and celebrates the physiological and neurological diversity of our colleagues. This community of colleagues and allies supports one another, raises awareness, and challenges perceptions about disability. In July, as part of our Energy Services partnership, the Diverse-ability Network collaborated with ParalympicsGB to host an event featuring 16-time Paralympic medallist Tanni Grey-Thompson, in celebration of Disability Pride Month.

Our Fertility Network provides crucial support for colleagues facing fertility challenges. They have played a key role in reviewing our Healthcare Plan and policies to ensure comprehensive wellbeing support is available to all colleagues throughout their journey. The network was honoured to receive the Outstanding Wellness Network of the Year award at the Diversity Network Awards in July 2024.

Commitment to Real Living Wage

At Centrica, we are dedicated to ensuring our colleagues have earnings that meet their everyday needs. As a Real Living Wage employer, we ensure our wages meet the standards outlined by the Living Wage Foundation. This year, our customer-facing colleague group has received an average pay deal of 8.1%. Similarly, our Field population received a pay deal of at least 5%, dependent on role, for 2024.

Improving colleague benefits

Centrica is excited to announce the launch of three new benefits in 2025, as part of our ongoing commitment to enhancing rewards and support for our colleagues. We are dedicated to continually improving our offerings to ensure they are in line with our strategy and values, and colleagues feel valued and empowered.

These three new benefits align with our goals to support diversity targets and promote fair and equitable treatment for all employees, reinforcing our commitment to an inclusive and fair workplace.

We've announced:

- Improving our paternity leave from two weeks to eight weeks fully paid;
- Removal of a pension probation period of two years that applied to some groups; and
- Re-introduction of a Sharesave scheme.

We're also excited to announce that our market-leading fertility programme has led to the birth of two beautiful babies this year! Their parents were part of our supportive programme, and we couldn't be happier for them.

Sharing in the Company's success

In 2024, we granted another Global Profit Share award to all colleagues, based on our 2023 profits. Additionally, our 2022 profit share will mature in April 2025, benefitting nearly 14,000 colleagues. As of February 2025, the original award of £379 is now worth £627. This increase in value enables us to share in our success with colleagues.

Valuing our Voices

The Shadow Board, now in its fourth year, is a Centrica Leadership Team initiative. Comprising 10 members from diverse backgrounds and various levels across the Group, the Shadow Board brings a wealth of knowledge and experience. It provides a platform to influence decision-making, challenge senior leaders and embed DE&I into our practices. This year, a key enhancement is that each Shadow Board member now sponsors one of our Employee Networks, fostering closer connections with network activities. The Shadow Board also met with the Centrica Board this year to offer diverse perspectives, contributing to the Board's considerations with a broader range of viewpoints. Read more about the engagement and outcomes on page 98.

"

The Centrica Women's Network is dedicated to empowering women to reach their highest potential and realise their ambitions. Through initiatives like our Mentoring scheme, public speaking practice sessions, enhancing visibility and engagement, discussions on women's health and wellbeing, and advocating for positive policy changes, we have supported nearly 1,700 colleagues this year. These efforts culminated in the November Centrica Women's Network Awards, which honoured and celebrated both women's achievements and the support of allies."

Sue Gregory-Phillips, Co-Chair of the Centrica Women's Network

"

Collaboration was at the forefront for the VOICE Network this year. The highlight being the collaborative event with the Centrica Women's Network in May, as part of Mental Health Awareness Week. One of our Network's key pillars is 'Educating our Colleagues', so we held an event with the author, spoken word artist and educator, Jaspreet Kaur. The conversation mainly focused on mental health, gender and race equality. We were extremely pleased by the responses we received from colleagues and look forward to collaborating with other Employee Networks in the future."

Abdul Kamara, Co-Chair of the VOICE Network (Centrica's Ethnicity Employee Network)

"

2024 has been an amazing year for the + Network and for our colleague networks in general. I am most proud that this year we delivered Centrica's largest pride offering ever, visiting five of our sites across the UK. We also marched in Edinburgh Pride where we sponsored their sexual health and wellness space providing resources, information and guidance to our queer customers and allies. I am also really proud that the network's community has been focusing on intersectionality and leveraging our collective strength to drive meaningful change!"

Steven Waggott, Co-Chair of the + Network (Centrica's LGBTQ+ Employee Network)

People and Planet

Supporting communities, our planet and each other.

Our People & Planet Plan was introduced in 2021 and consists of five Group-wide goals that 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.

During 2024, we made meaningful progress against most of our goals but are behind on others. This is partly because transformation takes time and partly because recent years required us to refocus efforts on helping customers and communities through the energy crisis.

With the plans we have in place alongside our proactive approach to stakeholder engagement, we are confident that we will achieve our goals in the coming years. In doing so, we will help progress our Purpose to energise a greener, fairer future and contribute positively to the United Nations Sustainable Development Goals (SDGs).

Read more about our non-financial performance on pages 289 to 291 and at **centrica.com/performanceandreports**

I'm incredibly proud of all we've achieved through our People & Planet Plan and beyond. Not only have we done more than any other energy supplier to help people through the energy crisis, but we're accelerating our pathway to net zero with our updated Climate Transition Plan. The road ahead will undoubtedly have its challenges, but I'm excited to be building a fairer future as we create a greener one.

Chris O'Shea, Group Chief Executive

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:

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

- Help our customers be net zero by 2050 (28% greenhouse gas intensity reduction by the end of 2030)
- Be a net zero business by 2040 (50% greenhouse gas reduction by the end of 2032)

- 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[1]

2024

Progress against goals:
On track Behind

	All company[2]	Senior leaders[2]
Women	31%	34%
– Excluding Field engineers	41%	31%
Ethnically diverse	16%	10%
Disability	6%	5%
LGBTQ+	4%	2%
Ex-service	2%	2%

(1) Aligns with latest 2021 Census data for working populations. We aim to be 40% women, 16% ethnically diverse, 10% disability, 3% LGBTQ+ and 3% ex-service by the end of 2025.
(2) Beyond gender, data is based on voluntary disclosure of 94% ethnic diversity, 51% disability, 59% 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 deliver a greener, fairer future, we need a diverse mix of people, perspectives and skills, coupled with a culture where every colleague feels valued and able to achieve their full potential. This allows for different thoughts and ideas to come together and drive the energy transition forward in a way that leaves no one behind.

Towards this in 2021, our leadership team shared an open letter with colleagues that set out our plan for attracting, promoting and retaining more diverse talent. Since then, we have made steady progress with improvements across our goals of up to 6% since 2021 and 3% during 2024 (see page 289).

With better recruitment and retention practices providing an initial boost to many of our diversity goals in the early years, our progress continues to improve as we shift focus towards initiatives that build a more inclusive culture. We recognise that cultural change does, however, take time and we will need time to deliver systemic change across our business, sector, and society.

Boosting the representation of women in engineering is a particular challenge and focus area for us, given our large Field engineering team reflects the existing male-dominated market. This impacts our overall gender performance which would otherwise be on track. Meanwhile, growing disability representation and senior ethnic diversity are also areas for improvement.

We took decisive action in 2024 to grow a more inclusive team. This included:

- Further embedding tailored Diversity, Equity and Inclusion (DE&I) Action Plans and dashboards for each business, with progress reviewed quarterly to drive improvement and accountability;
- Launching new and improved campaigns like #EveryColleagueCounts and #ThisIsMe, to help every colleague feel valued, included and able to share who they are so that we can better support them and more accurately track progress towards our goals;

Wider gender breakdown[3]

	2024		2023	
	Women	**Men**	Women	Men
Board	**45% (5)**	**55% (6)**	42% (5)	58% (7)
Senior executives and direct reports	**32% (23)**	**68% (49)**	34% (27)	66% (52)
Senior leaders	**34% (149)**	**66% (289)**	32% (136)	68% (287)
All company	**31% (6,425)**	**69% (14,613)**	30% (6,221)	70% (14,398)

(3) Relates to everyone who works for Centrica. Total headcount differs from elsewhere in the report as Spirit Energy are not included above. See page 91 for more on Board diversity.

- Enabling opportunities for everyone to succeed by rolling-out training for all managers to empower themselves and their teams, providing targeted talent development programmes for colleagues from under-represented groups, and continuing to embed succession planning as well as diverse shortlists for senior leaders;
- Inspiring more women into engineering through our award-winning apprenticeship programme (see Goal 2) whilst cultivating a more supportive environment through education to improve workplace behaviour and strengthening mentoring alongside networking opportunities; and
- Launching a Great Minds programme that is helping to normalise and support neurodiverse colleagues through enhanced education and tools.

Through these activities and more (see pages 54 to 57), we've received external recognition. This includes earning a place in The Times Top 50 Employers for Gender Equality for the third year running.

In 2024, we'll continue to embed our DE&I Action Plans and grow inclusion and disclosure, with a particular focus on improving the representation of colleagues who are women, have a disability or are ethnically diverse.

"I'm so pleased to now be a fully qualified engineer, which gives me a solid trade and security for my family. I love that British Gas actively target women to become engineers and I do whatever I can to help more women see it's a career they can do too."

Faye Lackey, Smart Energy Engineer

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)

2024

Progress against goals: On track / Behind

Apprentices	1,537

(1) Base year 2021.

To provide the best service for our customers and achieve net zero, we need to create thousands of high-quality jobs. As a next step, we've committed to hire an apprentice every day this decade across a variety of roles – from engineering to customer service. This presents a significant opportunity to tap into the talent of under-represented groups to create a future that is greener and more inclusive.

In 2024, we welcomed 339 apprentices to our team. Cumulatively since 2021, this tallies to 1,537 apprentices. Despite having doubled our annual apprenticeship intake this year, our decision to slow recruitment and refocus efforts on providing operational stability during the energy crisis in 2023, means that we remain slightly behind where we had hoped to be.

2024 did, however, enable us to make positive progress in getting back on track with our goal whilst bringing more diverse talent into our business. Our progress against our ambition for women to make up 50% of our Field engineering apprentices, increased from 14% to 19% during 2023-24. This is much higher than the national gas engineer average of 0.3% women. We also continued to make steady progress via our Ex-Forces Pathway Programme. Against our rolling ambition of hiring 500 veterans, reservists, spouses and partners, we have now onboarded 389 people since it launched in 2022.

Thanks to our partnership with Team GB and ParalympicsGB, we have now extended the Pathway programme to include athletes.

In 2025, we look forward to onboarding more diverse talent. We will do this by continuing to break down stereotypes and promote greater inclusion through recruitment, marketing and volunteering campaigns for engineers and wider roles, as well as build a more inclusive team (see Goal 1).

Goal 3

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

2024

Progress against goals: On track / Behind

Days	31,639

(2) Base year 2019.

We channel the passion of our people to create inclusive communities, because this is the foundation for a more sustainable future. Volunteering not only strengthens connections with local communities but enhances skills and engagement, driving meaningful impact for everyone.

Since the goal was set, volunteering has become a big part of our culture with over a quarter of colleagues now being an active volunteer. This has helped volunteering go from strength-to-strength with colleagues donating 10,683, days during 2024 which is 37% more than the previous year. With cumulative progress reaching 31,639 days since 2019, we are firmly on track with our goal to give 100,000 days to local communities by the end of 2030.

One of the ways this has been achieved is through The Big Difference, our local community initiative that inspires colleagues to get involved in local causes they care deeply about – whether running energy support sessions at Post Office Pop-Ups for those struggling with their energy bills, or inspiring the next generation to make greener choices via our Get Set for Positive Energy schools programme via partnership with Team GB and ParalympicsGB.

There is a big step up needed to reach our 2030 goal. We will maintain momentum by continuing to expand volunteering opportunities and embed annual targets in team plans.

Alongside volunteering, we support communities with donations and fundraising in three key areas:

- Helping people with their energy today;
- Building a more sustainable energy future for tomorrow; and
- Making a big difference in our local communities every day.

Towards these causes, we invested nearly £602m in community contributions during 2024[(1)]. A substantial part of this spend goes towards helping customers and communities who struggle to pay their energy bills. With fuel poverty on the rise as energy and living costs have increased in recent years, support like this has never been more important.

That is why during the peak of the energy crisis in 2022-23, we voluntarily created our £140m energy support package. This has enabled us to continue to be there for the growing number of people who have needed a helping hand during 2024. The package of support is mainly distributed via British Gas for residential and business customers through initiatives like 'You Pay: We Pay' (see page 17), alongside dedicated charity partners like the British Gas Energy Trust in the UK as well as St. Vincent de Paul and the Money Advice and Budgeting Service in Ireland. Collaboration with charities like these, is key to ensuring support is provided in the heart of communities and reaches those with the greatest social need.

Our voluntary energy support package is on top of the hundreds of millions of pounds we spend on wider industry initiatives each year. These include initiatives to help people with their energy costs and emissions such as the Warm Home Discount and Energy Company Obligation (ECO).

We continue to engage with Ofgem on the ongoing investigation regarding the installation of prepayment meters under warrant.

Read more about our consumer and community support on pages 4 to 5

Some of the ways we made a difference during 2024

20 years

The British Gas Energy Trust marked its 20th year – during this time, the Trust has helped over 700,000 people facing fuel poverty by providing energy advice and grants directly and via the funding of more than 40 organisations like Citizens Advice and Scope, to ensure support for those who need it most.

£140m

Our energy support package for customers and communities, continues to be the largest voluntary support package ever provided by an energy company in the UK and Ireland, comprising of around £134m in the UK and €8m in Ireland.

9

New community organisations helped on their journey to net zero through our Energy for Tomorrow social impact fund, which has an annual budget of up to £600,000 and has supported 44 initiatives to date.

~800

Good causes supported via The Big Difference, our £2m local community fund which has helped a range of organisations – from hospices and food banks, to schools and conservation projects.

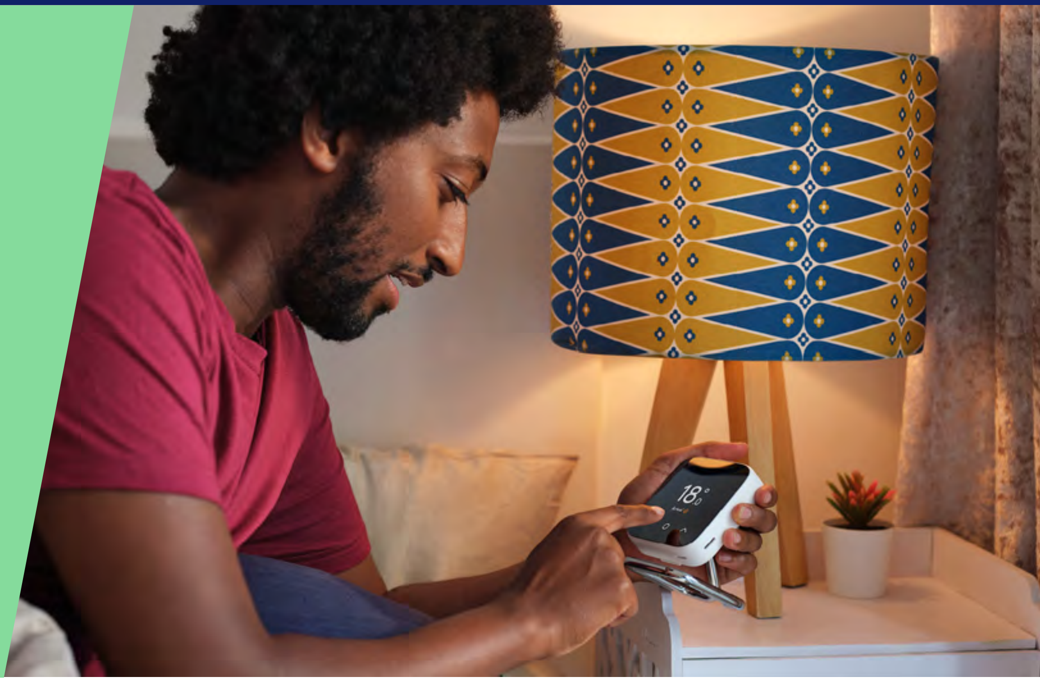
>€550,000

Donated as part of Bord Gáis Energy's €4.4m partnership with Focus Ireland, enabling more than 8,500 families at risk of or experiencing homelessness to be helped since 2015.

(1) Comprises £596.8m in mandatory and £1.4m in voluntary contributions to support vulnerable customers and communities which includes the Warm Home Discount and ECO amongst others, alongside £3.6m in charitable donations. See more on page 291.

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)]

2024

Progress against goals:
On track   Behind

Reduction	6%†

† Included in DNV's independent limited assurance report. See page289 or centrica.com/assurance for more.

(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 182gCO_2e/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), arise from the gas and electricity used by customers (Scope 3).

During 2024, our energy, services and solutions helped reduce the GHG intensity of our customers' energy use by 6% against the 2019 base year.

Savings achieved since 2019 were predominantly driven by our renewable and low carbon energy tariffs alongside energy efficiency and optimisation solutions like heat pumps and our Hive smart thermostats. Performance was down on the 9% reduction achieved last year[(2)]. This was largely as a result of the zero carbon content of our reported electricity fuel mix having dropped from 80% to 77%, although it remains much higher than the UK national average of 56%. We are slightly behind our goal glidepath but remain on track to achieve our mid and long-term net zero goals.

Customers were helped to decarbonise their power, heat and transport in many ways during the year. For example, we:

- Enabled a route-to-market for 16.7GW of renewable and flexible capacity under management – of this, around 80% is renewable and is enough to power 31m electric vehicles (EVs) on the road;
- Evolved market-leading capability to make low carbon technology more affordable and accessible having added solar to the range of solutions that can be optimised via the Hive home energy management system, whilst providing price and performance guarantees for heat pumps and EV charging. These initiatives support greater adoption, demonstrated by our cumulative sales reaching more than 6,000 heat pumps across the able to pay market and via ECO, alongside over 46,000 charging points sold; and
- Empowered more customers to cut carbon and cost by shifting energy use away from peak demand to reduce pressure on the grid – we now have almost 800,000 customers benefitting from the PeakSave in the UK.

> I'm mindful of the energy I use and the effect this has on the planet. This is a great way to reduce usage and save money at the same time. I feel I am doing my bit for the environment."

A customer signed up to PeakSave

450k homes

Equivalent annual emissions saved from our energy, services and solutions 2019-24.

(2) Restated due to availability of improved data.

To support our green and standard tariffs, we continued to purchase and trade energy certificates including Renewable Energy Guarantees of Origin and Nuclear Declarations. Whilst recent studies have highlighted the possibility that certificates do not sufficiently encourage the development of renewable or zero carbon power generation that is needed for net zero, we believe certificates have been crucial in developing and marketing new renewable and low carbon energy tariffs. After consulting with various stakeholders and evaluating their feedback, we have decided to maintain the purchase of certificates. We have developed an internal framework to ensure quality and value for customers. We will keep stakeholders up-to-date on any changes to our approach.

In the meantime as set out in our Climate Transition Plan (see page 73), we will continue to help customers reduce their emissions through energy efficiency and optimisation services alongside low carbon technologies and cleaner energy.

Goal 5

By 2040, we want to:

Be a net zero business (50% GHG reduction by the end of 2032)[(1)]

2024

Progress against goals:
On track Behind

Reduction	18%

(1) 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 2,120,446mtCO_2e. 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.

Since we launched this goal in 2021, our transition plans for major assets have progressed significantly as we work on strategies to decarbonise or repurpose them. Following publication of our updated Climate Transition Plan at the start of 2025, we have bought forward our net zero target from 2045 to 2040 – a whole decade ahead of the widely accepted point at which net zero must be achieved. To help us get there, we have likewise advanced our interim milestone to reduce our GHG emissions by 40% by the end of 2034, to 50% by the end of 2032.

Towards this in 2024, we achieved an 18% reduction in emissions against our 2019 base year, which is broadly on track with our goal. This was, however, down on the 21% reduction achieved in 2023 due to security of supply driving an increase in gas-fired power generation at our Whitegate power station and rapid-response peaking plants, alongside increased activity across our gas production and storage assets. Meanwhile, sustainable savings were secured via the gradual roll-out of our EV road fleet and across our property portfolio where lower occupancy was driven by FlexFirst. FlexFirst is our flexible approach to working which enables colleagues to choose when they want to work from home or come into the office.

Although we are currently on track with our glidepath for net zero, our journey there will not be a linear one. This is because as a leading supplier of energy in the UK and Ireland, we have a responsibility to ensure consumers have the energy they need. So as we invested in renewable and low carbon capacity during 2024, we also continued to invest in additional LNG and gas supplies, including the construction at two new 100MW peaking gas-fired power plants in Ireland alongside a 40MW peaking plant in Wales – all of which are expected to come online in 2025. Whilst these investments play a pivotal role in securing an affordable supply of energy to safeguard from geopolitical shocks and increased intermittency as more renewables come online, they mean that our own emissions will likely rise from 2025 before coming back down again from 2029.

With general consensus being that gas will be essential during the energy transition until at least the mid-2030s, our action is in line with what is needed, although it does make our pathway to net zero more complex in the short term. All of our gas peaking plants are, however, capable of running with hydrogen when it is available.

Alongside these activities, we will continue to drive emissions out of our wider business and identify opportunities wherever possible to support the adoption of lower carbon energy for customers via our Climate Transition Plan – from supplying renewable and zero carbon power in the UK and Ireland by 2030, to exploring the role Rough could play in becoming the world's leading hydrogen storage facility as we aim for net zero gas storage operations by 2035 (see page 73).

~70%

Our gross GHG emissions reduction over the last decade[(2)] – achieved by gradually pivoting away from a carbon intensive asset portfolio, to become an integrated energy company focused on investing in low carbon and transition infrastructure alongside services and solutions that energise a greener, fairer future.

>50%

Total investment in green activities planned between 2023-28 via our green-focused investment strategy – a big step up from less than 5% back in 2019.

-5 years

Accelerated our plan to be a net zero business by five years – we now expect to achieve net zero by the end of 2040 instead of 2045.

(2) Represents our gross reductions. This differs from our net zero goal which is normalised for acquisitions and divestments against the base year.

Our foundations

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

Customers

We have made meaningful progress in providing a stronger customer service. Continued investment in engineer training and contact centre roles alongside customer service systems, resulted in better customer outcomes compared to 2023. In British Gas Services & Solutions, improved reschedule rates helped contribute to Services Engineer Net Performance Score (NPS) rising by 2 points to +73 and complaints per customer falling by 12% to 5.3%. In British Gas Energy, the majority of residential customers have now been migrated to the new service platform, contributing to Residential energy Touchpoint NPS improving by 12 points to +29. Residential complaints per customer also reduced by 24% to 10.1%. Meanwhile in Bord Gáis Energy, continued focus on customer service has helped to almost halve the number of complaints per customer to 0.9% and double Journey NPS to +36. Reduced commodity prices and continued focus on delivering high levels of customer service in Centrica Business Solutions, additionally meant that energy supply complaints per site improved by 20% to 2.4%. This positively influenced our Energy Supply Touchpoint NPS, which rose 12 points to +37.

See more on pages 33 to 35

In recognition that energy bills remained a real worry for customers, we prioritised ongoing support during 2024. This included launching 'You Pay: We Pay' initiative which commits us to match energy payments from struggling customers, with funding from our £140m energy support package created during 2022-23.

See more on page 61

Colleagues

We want colleagues to feel safe, engaged and rewarded. Towards this in 2024, we experienced zero fatalities among our workforce whilst our total recordable injury frequency rate continued to improve by 25% to 0.63 per 200,000 hours worked (see page 39). We did, however, have one Tier 1 process safety event following a hydrocarbon release at Spirit Energy's Seven Seas well which thankfully resulted in no serious injuries. In 2025, we will continue to focus on keeping safety front-of-mind by reinforcing a strong safety culture, with a particular focus on preventing unplanned hydrocarbon releases and contractor management, as well as gas, electrical and road safety. Alongside physical health, we provide leading mental health and wellbeing support for colleagues. We ran all-employee campaigns that talked about the importance of mental health and wellbeing whilst encouraging proactive use of our support suite – from a company-funded benefit

healthcare plan for all and a wellbeing app, to our 120-strong network of mental health first aiders and a generous Colleague Support Foundation which provides money advice and grants to anyone struggling with the cost of living crisis. The Foundation has so far distributed around £150,000 to colleagues since it launched mid-2023. For the third year running, the investor group CCLA, ranked us as a UK leader for our approach and disclosure on mental health.

Focus was also maintained on fair reward practices – whether that's paying at least the Real Living Wage in the UK and upholding equal pay (see page 57), or working to reduce pay gaps. 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 improved by 1% to 13% during 2023-24. Likewise, our ethnicity pay gap which we publish voluntarily and is due to similar factors as the gender pay gap, improved by 4% to 7% median. We remain committed to reducing our pay gaps over time as we work to transform our business, sector and society (see pages 59 to 60).

Inclusive and proactive action like this, is important to colleague engagement. By the end of 2024, our engagement score improved by 0.4 points to 8.1 out of 10. Our goal was to achieve top quartile performance for our sector in 2024, and we achieved this. Gains were driven by our recognition and investment in colleagues as we seek to provide an inclusive and fulfilling place to work, alongside galvanising a stronger belief in our strategy and new Purpose.

With engagement being fundamental to our productivity and success, we want to maintain our current high engagement levels in 2025 by continuing to connect colleagues with our strategy and Purpose whilst creating an inspiring and inclusive workplace that empowers us all to go further and faster.

Communities and ethics

Our Code and Values set out the standards we expect for anyone who works for us or with us. Together, they enable us to operate with integrity and in a mutually beneficial way with our communities.

At the core of Our Code, is our commitment to uphold and protect human rights. Consequently, we take action to ensure colleagues and workers in our supply chain are safeguarded through activities like risk-based training and ongoing due diligence, alongside monitoring of supplier selection and renewal. If suppliers receive a high risk rating relating to the country where they operate or the products/services provided, we consider appropriate action which may involve conducting a third-party audit to better understand the level of risk. Where concerns are identified, we work with suppliers to raise standards. If suppliers cannot or will not improve, we may end the relationship and report any abuse. In 2024, we continued to ramp-up our audit programme by conducting 27 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, Greece, India, Morocco, Poland, Serbia, Turkey and the UK. Whilst we have not identified any specific instances of modern slavery, 191 improvement opportunities were agreed with suppliers to raise standards across labour as well as health and safety practices. The majority of actions have been completed with the remainder set to finalise during 2025. As part of our due diligence and monitoring across supplier selection and contract renewal, we also ensured compliance with sanctions on Russia.

Clear guidance on bribery and corruption is provided via Our Code. We prohibit any improper payments, including facilitation payments regardless of value or jurisdiction, and exchange gifts and hospitality responsibly by declaring them on a register. Anti-bribery training is also provided for higher risk roles and our Financial Crime team run third-party risk management screening. A register is used to record and manage potential or actual conflicts of interest.

During 2024, 99% of colleagues completed annual training on Our Code and confirmed they would uphold its principles. If anyone suspects Our Code is being contravened, a confidential 24/7 Speak Up phone and online helpline is provided. In 2024, 315 reports were received via Speak Up alongside 215 grievances raised directly with HR. This resulted in 2.33 reports of concern per 100 colleagues which is higher than the external benchmark of 1.57, demonstrating that colleagues feel safe to speak up. As with 2023, reports mainly related to interpersonal relations. Each report is investigated, with periodic monitoring by the Board and its Committees, including at the Audit and Risk Committee three times a year.

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

Environment

Beyond climate change, monitoring and managing our wider environmental impact is important. In 2024, our water consumption increased by 6% to 357,260m^3, due mainly to increased operation of Whitegate power station. Meanwhile, waste increased by 10% to 16,651 tonnes. This was largely due to the repurposing of our site at Brigg as we progress our plans for net zero (see page 71).

Non-Financial and Sustainability Information Statement

In line with the Non-Financial Reporting Directive and 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 value drivers –** Pages 14 to 15 and 18 to 25
Reporting requirement and policy position 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. Read more at **centrica.com/ourcode**	**Due diligence and outcome**
Colleagues 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 • Group Chief Executive's statement – Pages 8 and 10 • Our stakeholders – Page 12 • Our Principal Risks and uncertainties: Political, legal, regulatory or ethical intervention/compliance. People, Safety, Cyber and Operational asset integrity – Pages 45 and 48 to 51 • Group Chief People Officer's report – Pages 54 to 57 • People and Planet – Pages 59 to 61 and 64 to 65 • Key performance indicators (KPIs) – Pages 39, 59 to 61, 64 to 65 and 289 to 291
Environmental matters 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 6 • Group Chief Executive's statement – Page 9 • Our stakeholders – Pages 12 to 13 • Business overview, Market trends and Our strategic value drivers – Pages 14 to 19, 21 and 23 to 25 • Business review – Pages 33 to 37 • Our Principal Risks and uncertainties: Energy market, Energy transition and Government intervention, Weather, Political, legal, regulatory or ethical intervention/compliance, Climate change, Customer, People and Operational asset integrity – Pages 41 to 42, 44 to 48 and 51 • People and Planet including TCFD – Pages 62 to 63, 65 and 67 to 77 • KPIs – Pages 33 to 38, 62 to 63, 65, 75 to 76, 289 and 291
Social matters 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 to 5 • Group Chief Executive's statement – Pages 9 and 10 • Our stakeholders – Pages 12 to 13 • Business overview, Market trends and Our strategic value drivers – Pages 14 to 25 • Business review – Pages 33 to 35 • Our Principal Risks and uncertainties: Cost of living and fuel poverty, Technology adoption, Political, legal, regulatory or ethical intervention/compliance, Customer and Cyber – Pages 41 to 42, 45, 47 and 50 • People and Planet – Pages 60 to 65 • KPIs – Pages 33 to 35, 39, 60 to 65 and 289 to 291
Human rights 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.	• Our stakeholders – Page 13 • Our Principal Risks and uncertainties: Political, legal, regulatory or ethical intervention/compliance and Safety – Pages 45 and 49 • People and Planet – Page 65 • KPIs – Pages 65 and 291
Anti-bribery and corruption 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: Political, legal, regulatory or ethical intervention/compliance – Page 45 • People and Planet – Page 65 • Based on materiality, KPIs specific to anti-bribery and corruption are not reported externally

Task Force on Climate-related Financial Disclosures

As an energy, services and solutions company, we have a pivotal role in helping our customers, communities and our business get to net zero.

It is therefore important that we robustly manage and report on the impacts, risks, opportunities and plans related to climate change across our business (see our Business overview on pages 14 to 15). That is why since 2020, we have structured our reporting around the recommendations set out in the Task Force on Climate-related Financial Disclosures (TCFD) (see page 77). We have achieved full compliance with TCFD since it was introduced as a reporting requirement in 2022 and every year thereafter, we have endeavoured to improve our disclosure against the reporting requirements. This ensures we stay aligned with evolving best practice and stakeholder expectations. We believe increased transparency via the TCFD drives greater insight and action, which is essential to advance net zero.

Governance

With our Purpose and strategy focused on energising a greener, fairer future, climate change is a key issue for the Board. From the top to the bottom of our business, governance is embedded across the full breadth of our activities with the Board supported in its duty to oversee climate-related matters via a series of Board-level and executive-level committees (see diagram on page 68). In 2024, climate matters were reviewed by the Board and its Committees at a number of meetings including at all three meetings of the Safety, Environment and Sustainability Committee (SESC) as well as via the Board Strategy and Shape Process.

The Board's effectiveness in overseeing climate change matters and undertaking regular related engagement with stakeholders like investors, government and regulators, is dependent on having the collective capability needed. To assess capability, the Board has 'climate change and sustainability' as one of the criteria used in the Skills Matrix, spanning climate science, climate risk and mitigation, alongside evolving stakeholder expectations.

Following a review in 2024, 60% of the Board were identified as having these competencies, which enables us to effectively govern climate matters (see pages 85 to 89). We will aim to build on the collective expertise of the Board in this area as the energy transition progresses. To nurture capability during the year, net zero was a core theme for the Board training programme. They underwent deep-dive sessions run by internal and external experts on issues including stakeholder expectations on climate change and emerging Environment, Social and Governance (ESG) regulation, as well as Centrica's refreshed Climate Transition Plan. Regular updates from management on progress against climate targets alongside related risks and opportunities tabled at Committee meetings, also helped to upskill the Board, SESC and wider Centrica Leadership Team.

Effectiveness in tackling climate change and furthering our journey to net zero, is incorporated in our remuneration scheme for Executive Directors and wider colleagues (see pages 116 to 147). Climate change targets and Climate Ambitions are one of 14 key performance indicators included, with a combined weight of 37.5% in determining awards.

Remuneration is managed via two schemes:

- The Annual Incentive Plan (AIP) which has targets and weightings allocated annually by the Remuneration Committee; and
- The Restricted Share Plan (RSP) which has a three-year vesting period and a two-year holding period, with the Committee making decisions on targets and performance subject to a performance underpin. This ensures consideration of matters such as sanctions, fines and/or a major incident alongside the overall progress achieved against in scope KPIs. The first vesting period is due at the end of 2024.

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 77.

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 approach to governance and disclosure is strongly influenced by the materiality of ESG matters which includes climate change. To understand what's important and what's not, we assess the impact of these issues on our stakeholders and our business. This involves undertaking research, engagement and applying our TCFD financial materiality thresholds. Through identification of our material issues in this way together with associated laws and regulations, management teams can ensure the necessary processes are in place to effectively measure, manage, mitigate and disclose. We know stakeholder expectations and the regulatory landscape continuously evolves, so we remain agile and adjust our approach accordingly.

A diagram of our climate governance

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

- Sets strategy for People and Planet matters
- Reviews strategic and financial planning to ensure integration of climate considerations in the transition to net zero
- Oversees progress against climate targets and ambitions whilst ensuring related risks and opportunities are effectively managed
- Approves annual reporting

- Chaired by Scott Wheway until Kevin O'Byrne took on the responsibility in mid-December 2024, with attendance including the Group Chief Executive who has overall accountability for climate change and regularly attends Committee meetings and chairs the Centrica Leadership Team meetings

Read more on pages 80 to 99

Challenge ↓ Report ↑

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

Safety, Environment and Sustainability Committee (SESC)
- Meets three times a year and is primarily responsible for supporting the Board in overseeing climate change
- Assesses and approves proposals relating to net zero whilst monitoring progress on net zero targets, ambitions, risks and opportunities
- Reviews annual reporting and associated requirements like TCFD and CSRD
- Monitors stakeholder views including those on climate change
- Chaired by Heidi Mottram, Independent Non-Executive Director

Audit and Risk Committee (ARC)
- Meets quarterly
- Reviews mitigations related to Principal Risks, including those related to climate change
- Oversees and informs Group audits, financial statements and non-financial disclosures
- Chaired by Nathan Bostock, Independent Non-Executive Director

Remuneration Committee
- Meets four times a year
- Ensures Executive Directors are appropriately rewarded, with progress against the Climate Transition Plan considered as part of remuneration arrangements
- Chaired by Carol Arrowsmith, Independent Non-Executive Director

Nominations Committee
- Typically meets three times a year
- Ensures the Board and its Committees, have the appropriate balance of skills, knowledge and experience including on climate change, to effectively lead the Company
- Chaired by Kevin O'Byrne, Chair of the Company

Read more on pages 100 to 147

Challenge ↓ Report ↑

Centrica Leadership Team (CLT)
Ensure ongoing oversight and challenge on climate strategy

As frequently as needed at the 11 meetings held each year which are chaired by the Group Chief Executive, the CLT monitors, assesses and informs progress and plans relating to net zero targets and ambitions as well as Principal Risks and opportunities.

At meetings of the Centrica Investment Committee, a sub-committee of the CLT, investment opportunities are reviewed with regard to the impact they may have on delivering net zero.

Challenge ↓ Report ↑

Sub-groups
Support leadership on integrating climate change into strategy

TCFD working group
Ongoing engagement led by Group Environment alongside Strategy, Risk, Finance and Reward, to fulfil mandated reporting requirements and embed climate strategy Group-wide(1)

Group Enterprise Risk and Controls Review
Chaired by the Group Chief Risk Officer with business unit Managing Directors and Chief Financial Officers in attendance, they review Priority Risks and opportunities alongside controls quarterly

Read more on pages 40 to 53

Challenge ↓ Report ↑

Business units
Follow and provide feedback on climate strategy

Managers and teams
Operationalise climate change considerations in line with Group strategy

Risk owners
Identify, assess and mitigate climate risks and opportunities

(1) Group Head of Environment develops and socialises climate change strategy and progress, whilst co-ordinating and influencing related activities. Director of Group Corporate Business Strategy embeds climate change into our strategic planning and investment frameworks. Group Programme Director for Enterprise Risk Management (ERM) integrates climate risk and opportunities into the ERM Framework. The Head of Accounting, Reporting and Tax supports the business to understand the financial impacts of net zero. The Director of Reward and Benefits integrates ESG targets into remuneration frameworks.

Strategy

In line with best practice, we usually conduct a full update on our scenario analysis every three years, unless there has been a material change to our business. As no material changes arose during 2024, our 2022 assessment remains fit for purpose for another year until the assessment is re-run in 2025. We did, however, make some updates to the assessment in both 2023 and 2024, which are accordingly outlined in our disclosure.

In our existing assessment, we tested our strategic resilience to climate change using ten independent climate scenarios. The scenarios are most relevant to national climate targets, as well as our business and the key markets in which we operate across the UK and Ireland.

As a next step, we used our in-house scenario analysis model to assess the various plausible pathways relating to global warming ranging from between 1.5°C to 4°C[1], together with the potential positive and negative impact of each on our key areas of business which takes into account the technological dependencies of each scenario, together with our organisational dependencies and our ability to adjust operations to meet demand. Our model then projects impact on our services, solutions and assets based on the relevant external scenario, whilst maintaining our market share and unit margin at a consistent level. This allows for calculation of the potential growth or shrinkage of gross margin (GM) at a Group and business level out to 2050 - the widely accepted date at which the world should meet net zero.

Acknowledging the passage of time since our first publication, we updated our short, medium and long-term time horizon intervals in 2024. We rolled forward our short and medium time horizon intervals by one year to 2029 and 2039, whilst keeping 2050 static. These time horizons align better with our latest strategic business plan, our updated Climate Transition Plan and our associated net zero targets, whilst also encompassing the expected lifetime of the vast majority of our assets and the materialisation of key potential transitional risks and opportunities.

As we continue to shift our reported timeframes further out whilst keeping our base year static, our analysis naturally shows a greater impact as the scenarios accelerate towards achieving net zero by 2050. For example, as time progresses we see a more material opportunity for the growth of renewable energy, with solar and battery markets expected to be more established by 2029 in a 1.5°C world.

We do, however, recognise that scenarios extending this far out into the future are subject to significant uncertainties and carry material dependencies, which should be considered when reviewing insights. Other critical assumptions such as policy and technology pathways, remain aligned with the independent scenarios used for the analysis.

Scenarios used:

- **Transitional impacts –** Assessed using four different scenarios from the National Grid Future Energy Scenarios, where assumptions on energy demand, production and use cases are adjusted out to 2050. This enables more detailed modelling of potential impacts in the UK and Ireland at the individual product and commodity level, based on the level of demand for different types of fuel like hydrogen adoption or the scale-up of different types of technologies like EVs. We adapt the scenarios for the context in Ireland to reflect key differences like off-grid consumers making up a bigger proportion of customers.
- **Physical impacts –** Assessed using three different scenarios based on the Intergovernmental Panel on Climate Change Representative Concentration Pathways. The scenarios allow physical climate attributes to be modelled, such as temperature and sea level rise as well as flooding and extreme weather, across differing average temperature rises resulting from varying radiative forces.
- **Asset impairment –** Assessed using the International Energy Agency Net Zero Emissions scenario and Aurora Net Zero Mixed & High Renewable Energy Share scenarios, which model 1.5˚C pathways to net zero for the energy sector. This allows us to model the potential impact on global and regional demand for different energy sources in response to different drivers, including carbon pricing. In turn, this affects commodity prices and the potential implications for the valuation of gas and power assets.

Net financial benefit

Our modelling suggests an overall net financial benefit for Centrica across all climate scenarios assessed.

The outcome of our scenario analysis (see page 72), revealed that across the various scenarios, we are well-placed to mitigate the risks and seize the opportunities presented by climate change. For example, if global temperature increase is limited to 1.5°C, we project a net positive financial impact ranging from 5% to over 10% compared to our GM. And should temperature rise be limited to 2°C, our analysis reveals a net financial gain of more than 10% against our GM.

This is attributed to our unique position as an integrated energy company, with leading roles at every stage of the energy value chain. As part of this, our business model has been designed for resilience, enabling us to adapt to the evolving demands of the energy transition regardless of the pace of change. However, 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.

Looking at our findings, we can identify which parts of our business are potentially exposed to which types of risks and opportunities. These risks and opportunities typically span those that are transitional or physical. The potential transitional risks and opportunities facing our business include those relating to policy and regulatory changes. These risks and opportunities vary in impact, ranging from 'low' to 'high' in significance over the longer term.

(1) Climate scenario global warming measured out to 2100.

The key transitional risks for British Gas and Bord Gáis Energy relate to the gradual phase-out of natural gas in heating. Although gas remains an essential transition fuel until the mid-term, its phase-out could stimulate a shift in the range of energy, services and solutions offered to customers. In the short term, however, the most recent external scenarios suggest a more gradual phase-out than previously imagined, which limits risk.

We are confident that we will be able to pursue the opportunities created by the energy transition. This is because we believe we have the necessary systems and capabilities needed to transition from the trading and sale of gas and electricity today, to the trading and sale of electricity and hydrogen tomorrow.

Towards this, we have already enhanced our strategic resilience by structurally altering our business model to establish leading market positions in low carbon solutions. This includes launching an internal business unit in 2023 called New Business and Net Zero, which is dedicated to delivering low carbon offerings to residential customers that will drive carbon reductions and cost savings like heat pump price and performance guarantees, alongside flexible time-of-use tariffs (see page 62). In 2024 we also launched a new internal business unit called Centrica Power, to develop a comprehensive power strategy that will support the energy transition through its heightened focus on building a portfolio of flexible and low carbon power solutions. Previously managed within other business units, this new structure allows for greater focus and funding to capitalise on the significant opportunities within the power sector which our scenario analysis highlights. Meanwhile, Centrica Business Solutions was created several years ago to specialise in providing bespoke net zero action plans for large-scale energy users and encouraging their adoption of low carbon solutions, whilst offering some fossil-based solutions at the same time.

We have also started to evolve the skills of our market-leading engineering team. Although our engineers are largely focused on installing gas heating solutions today, they can be upskilled to deliver new services and solutions via our award-winning network of training academies which have capacity to train over 500 people a day. And by 2030, it's our ambition to have 3,000 engineers in the UK and Ireland equipped with green skills. This will enable us to meet the expected rise in demand for low carbon services and solutions whilst maintaining existing needs as the transition deepens.

Most of our modelled opportunities are in areas where we have a strong market presence and relatively mature technologies, such as EVs, heat pumps, solar and battery storage. We are continuously evolving to ensure we can capitalise on these opportunities.

Clean hydrogen for heating is the only high-impact opportunity we have identified that relies on emerging technology, and may consequently be harder to harness. We have therefore taken proactive action to invest in hydrogen research and development opportunities – from securing a 5% minority stake in HiiROC and working with them to blend hydrogen at our Brigg energy park in a first-of-its kind trial in the UK, to exploring the transformation of Rough storage facility to become the biggest hydrogen store in the world whilst enabling fuel switching to hydrogen at our Easington Terminal.

Our scenario analysis also reviewed physical risks. These spanned risks relating to extreme weather such as increased wave height or chronic physical risks like those associated with longer-term shifts in climate patterns, which can lead to sea level rise or sustained heatwaves. Across both types of risk, focus centred on our energy assets in Centrica Business Solutions, Centrica Energy Storage+ and Spirit Energy. This is because the type of activities undertaken at assets, are generally more vulnerable to physical risks. In 2024, we refreshed our sea level analysis to reflect changes in the UK Met Office scenarios. We found minimal changes in the output which showed that due to the substantial height of our platforms, the risk remains minimal, even in the more extreme scenarios. No new sites or assets were added to our portfolio in 2024 so the analysis from prior year remained valid.

Overall, our analysis showed that our exposure to physical acute risks are 'low' in significance in both the near and longer term. Similar to 2023, our only potential 'medium' risk arose from a physical chronic risk, in which a rise in mean temperature with an extreme >4°C warming future by 2050, reduced energy demand for heating. This risk would, however, be partially offset by an increase in cooling demand. In doing so, many of the transitional risks are countered to provide a natural hedge for the Group.

Risk of asset impairment was refreshed in 2024 with analysis based on average price forecasts aligned with a 1.5°C scenario. Our most exposed assets were our gas production fields as well as our investment in nuclear. The impact on the value of our gas assets was relatively 'low' due to both existing impairment headroom and because the majority of fields are expected to have produced most of their reserves within the next five years. Our nuclear investment would be further impaired by around £97m given baseload power price scenarios slightly exceed net zero price forecasts (see note 7 to the financial statements). More detail on how the Directors considered the impact of climate risk and opportunities on the wider financial reporting judgements and estimates, are in note 3 to the financial statements.

We additionally see our supply chain risk as 'low' and effectively managed through ongoing dialogue with suppliers, defined hedging strategies and collaboration with counterparties. In 2023, we ran a targeted engagement campaign to better understand our supply chain risk exposure[1]. We found that the majority of our strategic and critical suppliers who responded, assessed their risk with many having resilience plans and utilising sophisticated scenario analysis.

As the energy transition progresses, all modelled scenarios involve significant disruption to our markets. We will therefore need to adapt to changes as they occur. Our assessment of the capital expenditure required to manage potential risks and opportunities, remains in line with our current plans and balance sheet.

Through the process, numerous opportunities for capital investment into new and existing assets and technologies have been identified. Through our green-focused investment strategy for instance, we aim to build investment to £600-800m per year between 2023-28, with over 50% of capital expenditure going into green projects. This is a big

(1) We surveyed our strategic and critical suppliers, who are long-term providers of essential goods and services, as well as some core suppliers. We received a 30% response rate. Of those who responded, 80% assessed their risk exposure with 60% using scenario analysis. One company reported a risk of disruption due to climate risk.

step up from less than 5% investment back in 2019, which reflects our commitment to move at pace in aligning our business model to net zero.

Action like this is critical to help meet our net zero targets and climate ambitions, including exploring longer-term optionality at assets for hydrogen storage and carbon capture and storage.

Our assessment of how climate-related issues may affect our business, is fully integrated into our annual strategic and financial planning process at a business unit and Group level. This process underpins how we are transitioning the Company towards a lower carbon future and helps shape critical decisions on energy, services and solutions. For example, growth plans for key opportunities are identified, with metrics and targets to determine whether performance is on track.

Furthermore, to deliver on our green finance climate ambition and ensure our investments are aligned with our long-term emissions reduction targets, we have developed and implemented a net zero guardrail for investment decisions. The Group Head of Environment is a member of the Centrica Investment Committee, and ahead of any financial investment decision, the Group Environment team reviews each proposal for potential impact. Where needed, investment propositions are escalated for a further net zero assessment which includes reviewing potential GHG emissions, the contribution of the investment towards system-wide decarbonisation, and categorisation as a 'green' investment according to our company framework.

An internal carbon price is also used to guide commercial decisions that support our Climate Transition Plan (see page 73).

Read more about our financial planning process in our CDP disclosure at **centrica.com/cdp24** and our Climate Transition Plan at **centrica.com/climatetransition**

Examples of how we progressed opportunities for a greener, fairer future during 2024

X2

Construction of a hydrogen-ready gas peaking plant got underway at Brigg energy park which will double capacity with fast response power assets totalling 100MW – capable of meeting the demand of 200,000 homes when supply from renewable generation is low. A 50MW battery store was also commissioned and is now generating revenue. Our longer-term ambition is for Brigg to become a commercial-scale hydrogen production site using HiiROC technology.

Swyft Energy

Kick-started the acquisition of leading solar PV provider to empower Bord Gáis Energy to deliver their target of 10,000 solar installations over the next five years across residential, commercial and agricultural sectors – this will enable customers to cut their electricity bills by 50-70% on average.

82MW

Delivered two battery energy storage solution projects in Belgium and commenced construction of two more in Sweden. These investments totalling 82MW alongside others, provide grid flexibility and ancillary services across the electricity market– deals like this strengthen our position as a leading provider of flexible energy solutions across Europe.

£2bn

Reviewed our position on Rough and we stand ready to invest up to £2bn to convert it into the world's largest storage facility subject to securing the necessary regulatory framework – we believe Rough is key to a sustainable energy transition and has potential to reduce energy costs by an additional £1 bn per year by 2050.

Summary of our most material risks and opportunities[1]

Impact on gross margin (GM)

0-5% (low)	5-10% (medium)	>10% (high)

Climate-related trend and category	Potential impact	Scenario	Potential GM impact in the year: 2029	2039	2050	Strategic response and resilience
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	Low	Low	Medium	• Strategic aim to grow market share in heating installation and remain the market leader in heating solutions in the UK and Ireland • Installation of hydrogen-ready boilers and CHP
		1.5° C	Low	High	High	
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	Low	Medium	Medium	• Heat pump business is ring-fenced within the New Business and Net Zero division, targeting 20,000 sales per year by 2030 with plans for further expansion • Insulation and retrofit opportunities pursued including via ECO
		1.5° C	Medium	High	High	
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 energy efficiency	>2° C	Low	Low	High	• Strategic aim to grow customer numbers in UK and Ireland energy supply • Launch of innovative tariffs and add-ons to facilitate the transition
		1.5° C	Medium	High	High	
Growth in low carbon heating market (TCFD category: Transition – Policy, Markets and Technology)	**Opportunity:** Increased sales of electricity and green or low carbon hydrogen	>2° C	Medium	Medium	High	• Systems and capabilities in place to pivot towards trading and selling hydrogen • Partnering in hydrogen production and use trials to grow capability and adoption
		1.5° C	Medium	High	High	
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 (O&M) alongside energy supply	>2° C	Low	High	High	• EV charger sales and installations are a key component of the Hive business • Ambition to connect 5m Hive devices with solutions including EV charging by 2030
		1.5° C	Low	High	High	
Growth in demand for renewable energy (TCFD category: Transition – Energy Source)	**Opportunity:** Strong growth in solar and battery markets driven by decarbonisation	>2° C	Low	Low	Low	• Strategy to invest £600-800m per annum out to 2028, with a pipeline of renewable and flexible assets • Introducing services for 'behind the meter' solutions, including solar and battery systems • Power division created to focus on growing the generation business • Value derived from install, O&M and asset ownership
		1.5° C	Low	Medium	Medium	
Rising mean temperatures (TCFD category: Physical Chronic)	**Risk:** Reduced sales of natural gas and electricity for heat	>2° C	Low	Low	Medium	• Strategic aim to grow customer numbers in UK and Ireland energy supply • Heat pump business launched with material growth plans – can also provide cooling
		1.5° C	Low	Low	Low	
Overall net impact for the Group	**Opportunity**	>2° C	High	High	High	• Analysis suggests an overall net financial benefit for the Group across all scenarios, based on our strategic plans, portfolio and capabilities
		1.5° C	Medium	High	Medium	

(1) Our financial scenario analysis is conducted every three years unless there is a material change to the business or external scenarios. Materiality above is therefore based on 2021 Group GM due to our last full scenario analysis taking place in 2022 (see page 69). A well-below and well-above 2°C scenario for global warming has been used to best demonstrate the spectrum of proactive and inactive progress on climate change in our key markets, and the impact this may have on our business. In the analysis which spans over 95% of the Group, this table includes our most material risks and opportunities together with the inclusion of our most material physical risk because whilst less material than all other key risks in the long term, we believe it's important to transparently show the net impact of physical risk on GM. All listed 'opportunities' result in a positive impact on GM whilst all listed 'risks' correlate to a negative impact on GM. The table concludes by showing an overall positive net financial benefit for the Group across all climate scenarios and time periods assessed.

Our updated Climate Transition Plan 2024

Three years on from publishing our first Climate Transition Plan, we have now updated it to go further and faster than ever before.

In line with best practice, we provide an update on our Climate Transition Plan every three years. In our latest Plan, we have strengthened our net zero commitments and provided greater transparency around the steps we intend to take to advance the energy transition. Accordingly, our net zero targets are now underpinned by a new suite of climate ambitions to reduce risk and seize opportunities, with the ultimate aim of driving meaningful progress towards net zero in the next ten years. From 2025 onwards, these ambitions will replace our old set of ambitions that were introduced in 2021 (see page 76).

To help our customers be net zero by 2050 and achieve a 28% GHG intensity reduction in customer energy use by 2030, the following ambitions have been created:

- 5m devices connected to the Hive platform by 2030;
- 20,000 heat pumps sold per annum by 2030;
- 80% of electricity customers in the UK to have access to smart services;(1)
- 33% of customers engaged in green or flexible energy in the UK by 2030;
- 100% renewable and zero carbon power supply in the UK and Ireland by 2030; and
- 3,000 engineers to have green skills in the UK and Ireland by 2030

(1) Working electricity smart meter.
(2) In our first Climate Transition Plan published in 2021, our net zero goal was focused on achieving net zero by 2045 and securing a 40% reduction in GHG emissions by the end of 2034.

We will also focus on our enhanced target to be a net zero business by 2040 with a 50% reduction in GHG emissions by 2032(2). This will be driven by the following ambitions:

- Net zero baseload power generation by 2034-39;
- Net zero gas production by 2035;
- Net zero gas storage by 2035;
- Net zero LNG shipping by 2035;
- Zero emissions vehicle fleet by 2030; and
- Green investment increase to over 50% from 2023-28

As we work towards achieving net zero for our customers and our business, we will also be a key enabler of a net zero energy system. From energy storage systems and optimisation, to power purchase agreements and gas storage facilities, our activities will positively contribute to national and international efforts to get to net zero.

There are key dependencies we rely on to achieve our ambitions including positive policy development as well as the development and take up of new and existing technologies. We must therefore engage government, partners, customers and others, to ensure they play their part as we play ours to get to net zero. And for the transition to be a success, we cannot leave anyone behind. We will therefore champion the needs of customers and ensure support for those who struggle with their energy bills, create thousands of high-quality inclusive green jobs, back sustainable initiatives in communities and work towards a low carbon supply chain.

Our updated Plan will be put forward for a shareholder advisory vote at the AGM in 2025. We hope to maintain or grow the advisory approval rate achieved for our first Plan which secured 79.96% at the AGM in 2022. We will engage investors, shareholders and others on our Plan before and after the vote, to ensure we maintain an open dialogue on the considerations needed for net zero.

Read more about our plan in detail at **centrica.com/climatetransition**

Risk management

Transition and physical climate risks alongside all wider risks, continue to be predominantly managed via our ERM Framework. This ensures consistency in identification and controls management.

The Framework uses a time horizon of 0–5 years to assess Principal Risks whilst Emerging Risks are considered as inputs to the ERM and strategic planning process. With this approach, climate change was made a Principal Risk in 2021 and remains as a Principal Risk in 2024.

The risk process starts with our wider strategic planning process. The Group Strategy and Environment team run the climate scenario analysis to identify and assess risks and opportunities across a range of plausible future scenarios. Regular risk meetings with the Group Enterprise Risk team ensures full consideration of potential financial impacts across time horizons and integration with the ERM Framework, the Group Principal Risks and business unit risk registers.

Climate change risks alongside other business unit risks are then considered at the quarterly Group Enterprise Risk and Controls Review. The most material Principal Risks, which includes Climate change alongside other risks that may impact our ability to deliver on our Climate Transition Plan such as Weather and Operational asset integrity, are subsequently reported to the CLT before going to the Board's ARC (see page 40).

This is supported by more detailed reports on climate change strategy, progress, risk and opportunities presented to the SESC. The Board Strategy Review and Shape Process, further examines the external landscape and strategic plans which includes risk relating to market, competition, technology and policy – all of which are influenced by climate change. With this context, the Board is able to review the robustness of the business' strategic proposals and transition plans.

Read more about Risk on pages on 40 to 53

Metrics and targets

We have a robust track record in adopting best practice GHG emissions reporting, as well as setting and achieving climate-related targets.

Having fully considered the TCFD recommendations on metrics and targets, we report those that are most relevant and material to our business and its stakeholders. This involves effectively managing and mitigating our impact through our metrics, targets and ambitions which are explained in turn below.

Our metrics principally relate to our energy consumption and global GHG Scope 1, 2 and 3 emissions (see emissions table on page 75). The majority of these metrics have undergone limited external assurance every year since 2012. During 2023-24, our emissions and carbon intensity of revenue rose. This was mainly as a result of security of supply driving an increase in gas production, generation and storage, alongside a reduction in revenue which was impacted by lower commodity prices, lower volatility and lower seasonal gas price spreads (see more on pages 62 to 63).

Our targets in our People & Planet Plan focus on being a net zero business by 2040 and helping our customers be net zero by 2050. With our Company targets aligned to the Paris Agreement and based on science, they play an important role in actively contributing to UK and European targets to achieve net zero by 2050. Our business target is far ahead of a well below 2°C pathway initially and accelerates to exceed the 1.5°C net zero target year that falls in 2043. Meanwhile our customer target in the short term is broadly consistent with a well-below 2°C glidepath as well as 1.5°C in the long term.

We have needed to reflect the slower than expected pace of heating decarbonisation within the trajectory of our near term customer target. We are, however, ready to accelerate plans in the future should the situation change. In the meantime, we are providing market-leading price and performance guarantees for heat pumps to advance heat decarbonisation (see page 62) whilst collaborating with government on positive policy development. Whilst the delayed growth of the heat pump market does not impact our scenario analysis, our Climate Transition Plan takes account of the rate of take-up and remains on track to achieve net zero customer emissions by 2050.

We are unable to progress our validation by the Science Based Target initiative (SBTi). This is due to the continued delay relating to the Oil and Gas guidance, which the SBTi believe, will apply to us.

Although we expect to have hard-to-remove residual emissions in the 2040s, we believe they will be significantly less than 10% of our emissions. We will use our in-house carbon trading team to engage high-quality carbon removal projects like tree planting, which enables us to achieve net zero in a credible way. Our targets receive limited external assurance on a rotational basis every three years. In 2024 we were on track with both our customer and business targets (see pages 62 to 63).

Our ambitions set out in our Climate Transition Plan, help respond to key risks and opportunities in order to progress our People & Planet Plan net zero targets. The ambitions are incorporated into budgets, business plans and accounting assumptions, which enables strategic progress.

As part of our updated Climate Transition Plan 2024, we now have a new set of ambitions that we will use to measure our progress from 2025 onwards (see page 73). They will replace our original ambitions from our first Climate Transition Plan published in 2021 (see page 76). Although we have not reached the final year of their timeframe, we feel that the time is appropriate for a reset given the launch of our updated Climate Transition Plan. We have published our performance against these ambitions for one final time as part of our 2024 annual reporting.

Good progress has been made against the majority of the ambitions but we are behind on others. For example, we have had to extend our EV van fleet roll-out from 2025 to 2030 due to deployment issues as not all engineers have driveways to easily charge their car – a factor further complicated by the slower than anticipated rate at which wider public charging infrastructure is growing. In doing so, this gives us the time to invest in systems, processes and working practices to manage these EV charging challenges and achieve our ambition. As a result of the pace of heat decarbonisation and heat pump adoption, we have also subsequently updated our ambition for 20,000 heat pumps to be sold per year from 2025 to 2030 and are taking action to improve take-up (see left). See more about our progress set out in our Climate Transition Dashboard (see page 76), the performance of which is embedded into remuneration arrangements (see page 67).

To reduce our emissions and progress towards net zero, we use an internal carbon price. This helps guide commercial decisions in line with our Climate Transition Plan. In 2024 our internal carbon price ranged from £74.8tCO_2e to £141.0/tCO_2e.

The carbon price is time-sensitive and rises over time to incentivise future decisions and predict long-term impact of regulation on our business.

Our internal carbon price in 2024 was utilised for hedging to support fuel mix decarbonisation as well as determine the price point for bidding in the energy market auction for potential future generation assets and power purchase agreements.

Although the metrics, targets and ambitions set out on pages 62 to 63 and 75 to 76, relate to our most material climate-related risks and opportunities, we also measure and track a wider number of less material environmental metrics such as water and waste (see pages 65 and 291).

Our metrics, targets and ambitions evolve in line with best practice and the changing energy landscape.

Our energy use and GHG emissions	**2024**	2023
Total GHG emissions (Scope 1 and 2)[1]	**1,733,882tCO_2e[2] †**	1,685,840tCO_2e[3] [4]
Scope 1 GHG emissions	**1,726,177tCO_2e[5] †**	1,678,457tCO_2e[4] [6]
Scope 2 GHG emissions	**7,706tCO_2e[7] †**	7,383tCO_2e[4] [8]
Scope 3 GHG emissions[9]	**21,860,510tCO_2e**	21,180,922tCO_2e
Total GHG intensity by revenue[10]	**87tCO_2e/£m[11]**	64tCO_2e/£m[12]
Total energy use	**7,925,163,679kWh[13] †**	7,437,652,380kWh[14]

Read more about our performance on pages 62 to 63. 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 289 or centrica.com/assurance for more.
(1) Comprises Scope 1 and Scope 2 emissions as defined by the Greenhouse Gas Protocol.
(2) Comprises UK 578,677tCO_2e and non-UK 1,55,205tCO_2e.
(3) Comprises UK 547,555tCO_2e and non-UK 1,138,285tCO_2e.
(4) Restated due to availability of improved data.
(5) Comprises UK 572,939tCO_2e and non-UK 1,153,238tCO_2e.
(6) Comprises UK 542,244tCO_2e and non-UK 1,136,213tCO_2e.
(7) Market-based, comprises UK 5,738tCO_2e and non-UK 1,967tCO_2e. Sum of constituent parts does not align with total due to rounding. Location-based is 17,361tCO_2e.
(8) Market-based, comprises UK 5,312tCO_2e and non-UK 2,071tCO_2e. Location-based is 17,041tCO_2e.
(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 36tCO_2e/£m and non-UK 315tCO_2e/£m.
(12) Comprises UK 25tCO_2e/£m and non-UK 267tCO_2e/£m.
(13) 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.
(14) Comprises UK & Offshore 1,654,616,311kWh and non-UK energy use 5,783,036,069kWh.

Our climate transition dashboard – progress against our outgoing Climate Transition Plan 2021[1]

Includes our net zero targets, supported by our climate transition ambitions

Progress against targets and emissions:
On track Behind

Targets and ambitions	*2024 Progress*	*2023 Progress*
Customer GHG emissions – 28% intensity reduction by 2030 and net zero by 2050 (from 2019)	**6% reduction†** (On track)	**9% reduction[2]** (On track)
Hive smart thermostats – 2.5m customers by 2025 (units to date)	2.8m (On track)	2.4m (On track)
Smart meters – 6m additional installed by 2030 (from 2020)	3.5m (On track)	3.0m (On track)
EV charging points – 100,000 in year by 2025 (annual units)	9.1k (Behind)	7.0k (Behind)
Heat pumps – 20,000 in year by 2025 (annual units)	3.2k (Behind)	3.0k (Behind)
Centrica GHG emissions – 50% reduction by 2032 and net zero by 2040 (from 2019)	**18% reduction** (On track)	**21% reduction** (On track)
Low carbon and transition assets – 800MW installed by 2025 (from 2020)[3]	195MW (On track)	132MW (On track)
Zero emission vehicle fleet (total to date) – 100% EV van roll-out by 2030	32% (On track)	29% (Behind)
Zero emission vehicle fleet (total to date) – 100% EV car roll-out by 2025	83% (On track)	74% (On track)
Property – 50% reduction in UK emissions by 2030 (from 2019)	67% (On track)	65% (On track)
Capex – grow capital allocated to green activities from less than 5% to over 50% from 2023-28[4]	37% (On track)	31% (On track)

† Included in DNV's independent limited assurance report. See page 289 or centrica.com/assurance for more.

(1) We are expected to publish an update to our Climate Transition Plan every three years in line with best practice. The above ambitions from part of our first Climate Transition Plan published in 2021, and will now be retired and replaced by our new set of ambitions which form part of our updated Climate Transition Plan that was developed during 2024 and which we will report progress against from 2025 (see more on pages 73 to 74). We have, however, updated our net zero target to align with our updated net zero target for our business for consistency, which advances on our previous commitment set in 2021 and focused on being a net zero business by 2045 with a 40% GHG reduction by 2034. In last year's Annual Report, we also stated that we would extend the EV van fleet roll-out from 2025 to 2030, as well as our green investment commitment from 2025 to 2028 and report it cumulatively in order to align with the introduction of our new green-focused investment strategy. The glidepath trajectory for climate ambitions is not linear as they were modelled around the expectation that demand would increasingly grow, resulting in accelerated delivery against the target as we near the target date.

(2) Restated due to availability of improved data.

(3) A mixed portfolio of solar, battery and gas-fired peaking assets, all enabling the grid to decarbonise.

(4) Categorisation is based on our company assessment framework, which is built on the foundations of the EU Taxonomy for sustainable activities. Judgements are made using the most reliable information present, without fully evidencing the alignment criteria.

Read more about our wider data and trends in our data centre at **centrica.com/datacentre**

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 6, 9, 67 to 68 and 80 to 98
	b) Describe management's role in assessing and managing climate-related risks and opportunities	• Pages 67 to 68, 73 to 75, 96 to 97, 100 to 104 and 114 to 115
Strategy	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	• Pages 69 to 73, 176 to 181 and 192 to 196
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	• Pages 69 to 73, 176 to 181 and 192 to 196 • CDP 2024 submission centrica.com/CDP24
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	• Pages 69 to 73
Risk management	a) Describe the organisation's processes for identifying and assessing climate-related risks	• Pages 40 to 42, 68 and 74
	b) Describe the organisation's processes for managing climate-related risks	• Pages 40 to 42, 44 to 48 and 51
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	• Pages 40 to 42, 44 to 48, 51, 68 and 74
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 74 to 76 • Data centre at centrica.com/datacentre
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks	• Pages 69 to 75
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	• Pages 62 to 63 and 73 to 76

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

Raj Roy
Group General Counsel
& Company Secretary
19 February 2025