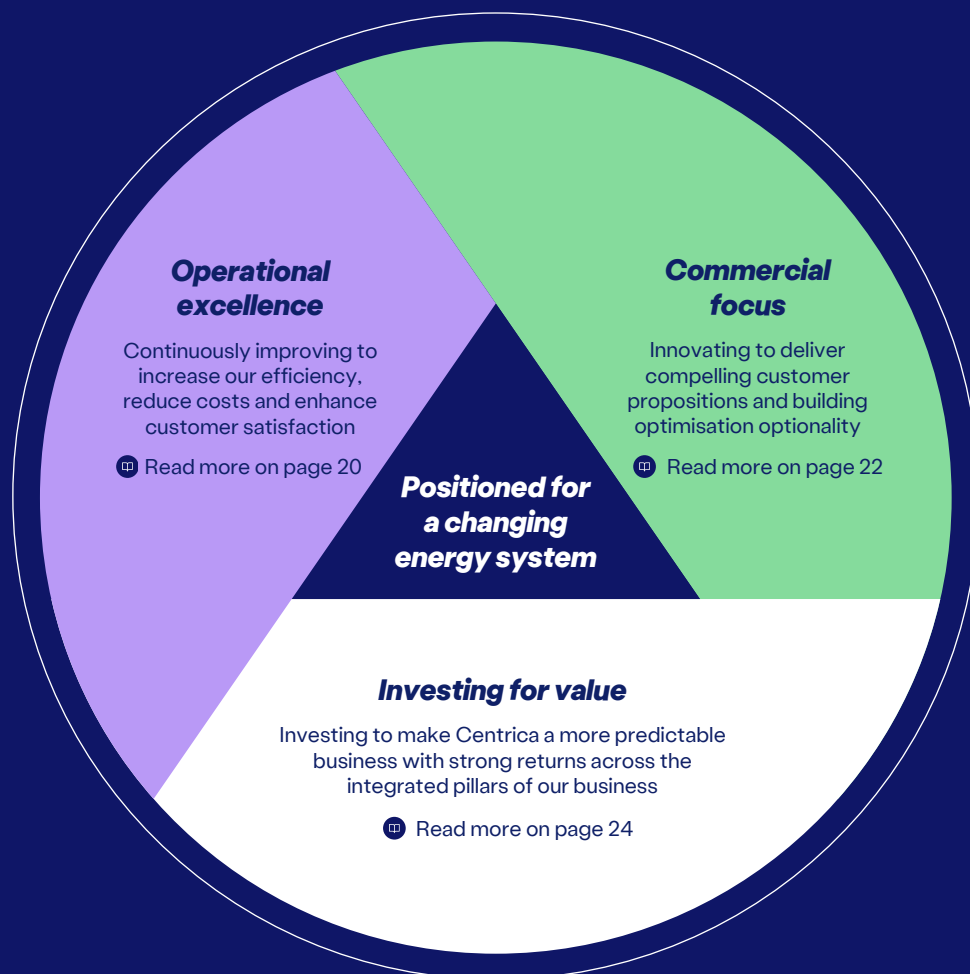


## Our strategic value drivers

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](#)



## 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<sup>(1)</sup>

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.



Key market trends

# 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.

## 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.

## £149m

Investment in clean energy storage committed during 2024

### Key market trends



The drive to net zero



A more flexible system





**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

