

## Basis of Reporting 2025

In 2025, we engaged DNV Business Assurance Services UK Limited (DNV) to conduct an independent limited assurance engagement using the International Standard on Assurance Engagements (ISAE) 3000 (Revised): 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information'. DNV has provided an unqualified opinion in relation to five KPIs that are identified in this Basis of Reporting for performance disclosed in the Annual Report and Accounts 2025, on pages 1, 31, 45, 55, 56, 253 and 255, identified with the symbol '+'.

For more, view [centrica.com/ar25](https://centrica.com/ar25) and [centrica.com/assurance](https://centrica.com/assurance)

### Contents

- [Total greenhouse gas emissions \(Scope 1 & 2 emissions\)](#)
- [Total energy use](#)
- [Centrica net zero](#)

## Total greenhouse gas emissions (Scope 1 & 2 emissions)

### 1. Metric description

The reporting of the company's total greenhouse gas (GHG) emissions in our Annual Report and Accounts is a legal requirement under The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, which implements the UK Government's policy on Streamlined Energy and Carbon Reporting (SECR). It also enables us to understand our GHG footprint, a pre-requisite for the successful management of such emissions.

GHG emissions is one of the Global Reporting Initiative's (GRI) core indicators<sup>1</sup> for environmental reporting. The KPI includes the gross direct Scope 1 and energy indirect Scope 2 GHG emissions in metric tons of CO<sub>2</sub> equivalent. For reporting, the organisation can combine Disclosure 305-1 (Direct Scope 1 GHG emissions) with Disclosures 305-2 (Energy Indirect Scope 2 GHG emissions).

We follow guidance on Scope 1 and 2 emissions reporting from the GHG Protocol's Corporate Accounting and Reporting Standard and the UK Government's Environmental Reporting Guidelines. We have continued our operational control and Scope 2 market-based approaches, both introduced in 2021, which enable us to reflect our operational decisions including where we source our imported power. There have been no material changes in the assets and operations that we reported in 2024. For completeness, we also report a location-based approach as a secondary methodology.

This metric differs from Centrica's net zero target for business emissions as the scope removes divestments and includes acquisitions back to the 2019 baseline. Conversely, the total GHG emissions metric constitutes the gross emissions emitted from our assets in any given year, with no adjustments for divestments or acquisitions. The reason for the difference is that the target is designed to track the emission reductions as a result of operational decisions and is the most effective way to measure our progress towards net zero, whereas the GHG emissions metric is designed to track our total GHG footprint.

---

<sup>1</sup> [GRI Standards, GRI 305: Emissions 2016, July 2018.](#)

## 2. Scope

**Table A – Scope overview**

	In scope	Out of scope
Geography	<ul style="list-style-type: none"> <li>Global</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>
Organisational	<ul style="list-style-type: none"> <li>All operated reporting entities across Centrica<sup>2</sup> irrespective of equity and ownership</li> </ul>	<ul style="list-style-type: none"> <li>Reporting entities where Centrica does not have operational control<sup>3</sup></li> <li>Independent franchisees of Centrica owned franchises</li> </ul>
Operational	<ul style="list-style-type: none"> <li>Scope 1 emissions are direct greenhouse gas emissions from sources that are owned or controlled by Centrica, including emissions arising from the combustion of fuels in the premises, vehicles, equipment, and machinery operated<sup>4</sup> by the reporting entity</li> <li>Combustion of hydrocarbons in flaring</li> <li>Release of unburnt hydrocarbons</li> <li>Scope 2 (market-based) indirect emissions are those associated with the electricity, heat and steam we import for use in our premises, vehicles, equipment, and machinery</li> </ul>	<ul style="list-style-type: none"> <li>Carbon dioxide emissions released during the combustion of biologically sequestered carbon – biomass and biofuels</li> </ul>

**Table B – Scope 1 & 2 emissions**

In scope	Out of scope
Offices and other buildings	
<b>Scope 1</b> Emissions from offices that we wholly or partially own or lease <sup>5</sup> <ul style="list-style-type: none"> <li>Gas use</li> <li>Building gas oil use</li> <li>Refrigerant loss</li> <li>CH<sub>4</sub> and N<sub>2</sub>O emissions produced from biofuels</li> </ul>	<b>Scope 1</b> Emissions from offices that we sub-lease to others <ul style="list-style-type: none"> <li>Emissions from non-operated customer/supplier properties where we have personnel based</li> <li>CO<sub>2</sub> emissions produced from burning biofuels onsite to generate heat and power for on and offsite use (out of scope carbon is reported separately)</li> </ul>
<b>Scope 2</b> Emissions from offices that we occupy and own or lease. <ul style="list-style-type: none"> <li>Imported power (whether from Centrica or another supplier)</li> <li>Imported heat</li> </ul>	<b>Scope 2</b> Emissions from offices that we sub-lease to others <ul style="list-style-type: none"> <li>Emissions from non-operated customer/supplier properties where we have personnel based</li> </ul>

<sup>2</sup> We define 'operated reporting entities/assets' as those where Centrica has the authority to decarbonise through fuel selection, capital investment, asset wind-down and/or closure. This includes the authority to dictate operating policy and profile, through its own workforce or that of a third party and authority to procure and control fuel sources.

<sup>3</sup> Reporting entities where we have equity but do not operate include Nuclear and Combined Heat & Power (CHP) units on customer sites. The emissions from our equity in these assets is included in our Scope 3, Category 15 (Investments) emissions.

<sup>4</sup> 'Operated' includes buildings and vehicles leased by Centrica.

<sup>5</sup> Building diesel use is excluded as Centrica has not used any in the past ten years.

**Table B continued – Scope 1 & 2 emissions**

<b>Fleet</b>	
<p>Scope 1</p> <p>Emissions from:</p> <ul style="list-style-type: none"> <li>Commercial fleet vehicles owned or leased by Centrica<sup>6</sup></li> <li>Company cars (business travel only)</li> <li>Rental cars where the fuel is claimed back as expensed mileage</li> </ul> <p>Scope 2</p> <p>Emissions from:</p> <ul style="list-style-type: none"> <li>Imported power for electric commercial vehicles</li> <li>Imported power for electric company cars (business travel only)</li> </ul>	<p>Scope 1</p> <p>Emissions from:</p> <ul style="list-style-type: none"> <li>Contractor's vehicles</li> <li>Personal mileage in company cars, including commuting</li> <li>Rental car fuel use unless claimed as expensed mileage</li> <li>Grey fleet (personally owned cars used for company business)</li> <li>CO<sub>2</sub> emissions from biofuels in forecourt fuel</li> </ul> <p>Scope 2</p> <ul style="list-style-type: none"> <li>Imported power for hybrid electric company cars<sup>7</sup></li> </ul>
<b>Power generation reporting entities</b>	
<p>Scope 1</p> <p>Emissions from power generating entities where we are the operator:</p> <ul style="list-style-type: none"> <li>Combustion - GHG (CO<sub>2</sub>e) from fuel combustion</li> <li>Fugitive emissions<sup>8</sup> - Fugitive GHG (incl. methane (CH<sub>4</sub>) from gas turbines, Sulphur Hexafluoride (SF<sub>6</sub>) leakage, fugitive natural gas emissions and refrigerant leakage (HFC's and PFC's): emissions of Nitrous Oxide (N<sub>2</sub>O)</li> </ul> <p>Scope 2</p> <ul style="list-style-type: none"> <li>Imported power for plant consumption (whether from Centrica or another supplier)</li> </ul>	<p>Scope 1</p> <p>N/A</p> <p>Scope 2</p> <p>N/A</p>
<b>Hydrocarbon production, transport &amp; storage reporting entities</b>	
<p>Scope 1</p> <p>GHG emissions from reporting entities where we are the operator:</p> <ul style="list-style-type: none"> <li>Combustion - GHG (CO<sub>2</sub>e) from fuel combustion (incl. flaring)</li> <li>Process emissions - Venting natural gas (mainly methane (CH<sub>4</sub>) and Carbon dioxide (CO<sub>2</sub>) from hydrocarbon processing</li> <li>Fugitive emissions - Fugitive GHG (incl. methane (CH<sub>4</sub>) from gas turbines, Sulphur Hexafluoride (SF<sub>6</sub>) leakage, fugitive natural gas emissions and refrigerant leakage (HFC's and PFC's): emissions of Nitrous Oxide (N<sub>2</sub>O) and Nitrogen Trifluoride (NF<sub>3</sub>)</li> </ul> <p>Scope 2</p> <ul style="list-style-type: none"> <li>Imported power for plant (whether from Centrica or another supplier)</li> </ul>	<p>Scope 1</p> <p>N/A</p> <p>Scope 2</p> <p>N/A</p>

### 3. Calculation methodology

#### 3.1 Unit of measure

Tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e)

<sup>6</sup> CH<sub>4</sub> and N<sub>2</sub>O emissions from biofuels in forecourt fuel are included in Scope 1 emissions.

<sup>7</sup> Hybrid company cars are a small component of our company car fleet. Their emissions are captured in the Scope 1 vehicle emissions.

<sup>8</sup> Nitrogen Trifluoride (NF<sub>3</sub>) emissions are currently not relevant, but in the event that it is emitted, we will incorporate.

### 3.2 Calculations

**Table C<sup>9</sup> - Constituent Indicators**

Gas Flared <sup>10</sup>	Upstream Scope 1 total emissions	= Total GHG emissions (tCO <sub>2</sub> e)
Oil Flared <sup>10</sup>		
Fuel Oil Use <sup>10</sup>		
Plant Gas Use <sup>10 and 11</sup>		
Plant Diesel Use <sup>10</sup>		
LPG Fuel use		
LNG Fuel use		
Marine Gas Oil use		
Marine Fuel Oil use		
Formation Emissions <sup>12</sup>		
AGR Reactor Emissions		
Methane from Gas Turbines/Engines		
Fugitive Emissions		
Nitrogen Removal Units (as CH <sub>4</sub> )		
Product Gas Compressors (as CH <sub>4</sub> )		
SF <sub>6</sub>		
N <sub>2</sub> O Nitrous Oxide		
PFC's		
HFC's		
Freon (R22)		
Vented Gas		
HFC blends		
Total Methane Emissions		
Building Gas Use	Downstream Scope 1 total emissions	
Building Gas Oil Use		
Biofuel use <sup>13</sup>		
Company Car (Fuel Card) - Petrol		
Company Car (Fuel Card) - Diesel		
Commercial Fleet - Diesel		
Commercial Fleet - Petrol		
Company Car Expensed Dist. Diesel		
Company Car Expensed Dist. Petrol		
Refrigerants (blended and HFCs)		
Building Electricity use	Scope 2 (market-based/ location-based) total emissions	
Plant Electricity imported		
Electric Commercial Vehicle Electricity use		
Electric Company Car Electricity use		
District Heating use		

<sup>9</sup> Indicators included here are those that have been used in the last five years.

<sup>10</sup> Where EU Emissions Trading System (ETS) data is available, this value will replace Gas Flared, Oil Flared, Fuel Oil Use, Plant Gas Use, Plant Diesel Use.

<sup>11</sup> Includes non-CO<sub>2</sub> emissions (CH<sub>4</sub> and N<sub>2</sub>O) from Plant Landfill Gas Use.

<sup>12</sup> From April 2025 Formation Emissions are now included in ETS emissions under UK ETS regulations and are no longer reported separately.

<sup>13</sup> Includes non-CO<sub>2</sub> emissions (CH<sub>4</sub> and N<sub>2</sub>O) from Biofuel and Biomass Use.

### **3.3 Estimations, limitations and assumptions**

Where fuel activity data is submitted in energy units (e.g. kWh of gas consumption), the emission factor applied is based on the assumption that the energy units are the gross calorific value, unless otherwise specified. This is based on natural gas suppliers typically quoting gas consumption in gross energy units and natural gas being the main fuel source used.

Actual data is to be used wherever possible. Estimate data may be used in reporting if actual data is unavailable at the time of submission. When estimated data is used, it's usage is kept to a minimum.

## **4. Data quality, collection and reporting frequency**

### **4.1 Reporting standards**

Refer to Centrica's Group Sustainability Reporting Policy and HSES Reporting Standard 03 (available internally) in providing guidance on sustainability reporting metrics, process, principles, and data quality to ensure robust reporting, which should be read in conjunction with this Basis of Reporting.

Centrica's total greenhouse gas emissions KPI is externally assured, demonstrating our commitment to the data quality that underpins our reported figures.

### **4.2 Data collection and reporting frequency**

Total greenhouse gas emissions are externally reported on an annual basis in the Annual Report and Accounts, alongside wider publications in our reporting suite.

Data is collected quarterly and biannually via MyHSES reporting system. Delegation links are sent via email to data owners from various business units. Once submitted, the data validators approve the delegation.

Imported power (market-based) emissions are calculated based on the following premise:

- Green tariff at zero emissions
- Supplier specific emission factors
- Residual emission factor where power source is unknown
- Grid average in North America and Israel

Site specific emission factors are used where available and when there is site specific variation (e.g. unprocessed natural gas) to convert activity data into GHGs. Where there is negligible site-specific variation, the latest available standard emission factors from published sources are applied, including:

- UK Government GHG Conversion Factors for Company Reporting (2025) - AR5 aligned
- Environmental Protection Agency - EPA (2023) - AR5 aligned
- International Energy Agency - IEA (2025) - AR6 Aligned
- Association of Issuing Bodies European Residual Mixes – AIB (2024)

### 4.3 Data quality

Centrica is committed to high data quality standards. Centrica, including Business Units and relevant Group Functions responsible for data collection and reporting, must maintain reporting standards including efforts to enhance data quality and ensure alignment with the reporting principles outlined in Centrica's Group Sustainability Reporting Policy (available internally).

## 5. Material contributing assets

Emissions percentage contribution broken down by material assets (2025):

- Ireland Whitegate
- LNG Transport
- Easington Gas Terminal
- Spirit Energy Barrow Terminal
- Spirit Energy J6A
- Spirit Energy Morecambe Offshore
- Fleet<sup>14</sup>

Together, these assets represent more than 95% of Centrica's total carbon emissions and comprise data that is either directly measured or calculated.

---

<sup>14</sup> Includes Partner Customer Delivery Travel (Centrica Business PH Jones) and Centrica Home (British Gas Services).  
Page 7 of 18

# Total energy use

## 1. Metric description

The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, implements the UK Government's policy on Streamlined Energy and Carbon Reporting (SECR), which requires quoted companies to report the underlying global energy use that is used to calculate their Scope 1 and 2 greenhouse gas (GHG) emissions.

Energy consumption is one of the Global Reporting Initiative's (GRI) core indicators (GRI 302-1)<sup>15</sup> for environmental reporting. The KPI includes the global consumption of all forms of energy products including fossil fuels, renewable energy, and electricity. The energy use is required to be reported by 'UK and Offshore' and 'Non-UK'.

We continue to report an operational control approach for our energy consumption and emissions. This includes Spirit Energy's operated assets<sup>16</sup>.

It is essential in combatting climate change to reduce our energy consumption, use energy more efficiently and opt for renewable energy sources. This helps reduce our environmental footprint.

## 2. Scope

**Table A – Scope overview**

	In scope	Out of scope
Geography	<ul style="list-style-type: none"> <li>Global</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>
Organisational	<ul style="list-style-type: none"> <li>All operated reporting entities across Centrica<sup>17</sup> irrespective of equity and ownership</li> </ul>	<ul style="list-style-type: none"> <li>Reporting entities where Centrica does not have operational control<sup>18</sup></li> <li>Independent franchisees of Centrica owned franchises</li> </ul>
Operational	<ul style="list-style-type: none"> <li>Energy consumed as fuel or electricity</li> </ul>	<ul style="list-style-type: none"> <li>Assets sub-leased to a third party</li> <li>Third-party assets contracted but not operated by Centrica e.g. offshore helicopters</li> <li>Flared gas<sup>19</sup></li> </ul>

<sup>15</sup> [GRI.GRI-302 Energy 2016, 2021.](#)

<sup>16</sup> After the sale of Spirit Energy Norway in 2021 and a change in the Spirit Energy Board, Centrica's relationship with the remaining Spirit Energy assets (UK and Netherlands) changed from non-operated joint venture to operated joint venture. In 2022 we re-incorporated Spirit Energy UK and Netherlands into our operational scope.

<sup>17</sup> We define 'operated reporting entities/assets' as those where Centrica has the authority to decarbonise through fuel selection, capital investment, asset wind-down and/or closure. This includes the authority to dictate operating policy and profile, through its own workforce or that of a third party and authority to procure and control fuel sources.

<sup>18</sup> Reporting entities where we have equity, but which we do not operate, include UK Nuclear and Combined Heat & Power (CHP) units on customer sites.

<sup>19</sup> This exclusion is consistent with the Energy Savings Opportunity Scheme (ESOS) regulations, where flared gas is excluded as it is not considered energy consumption but energy disposal.

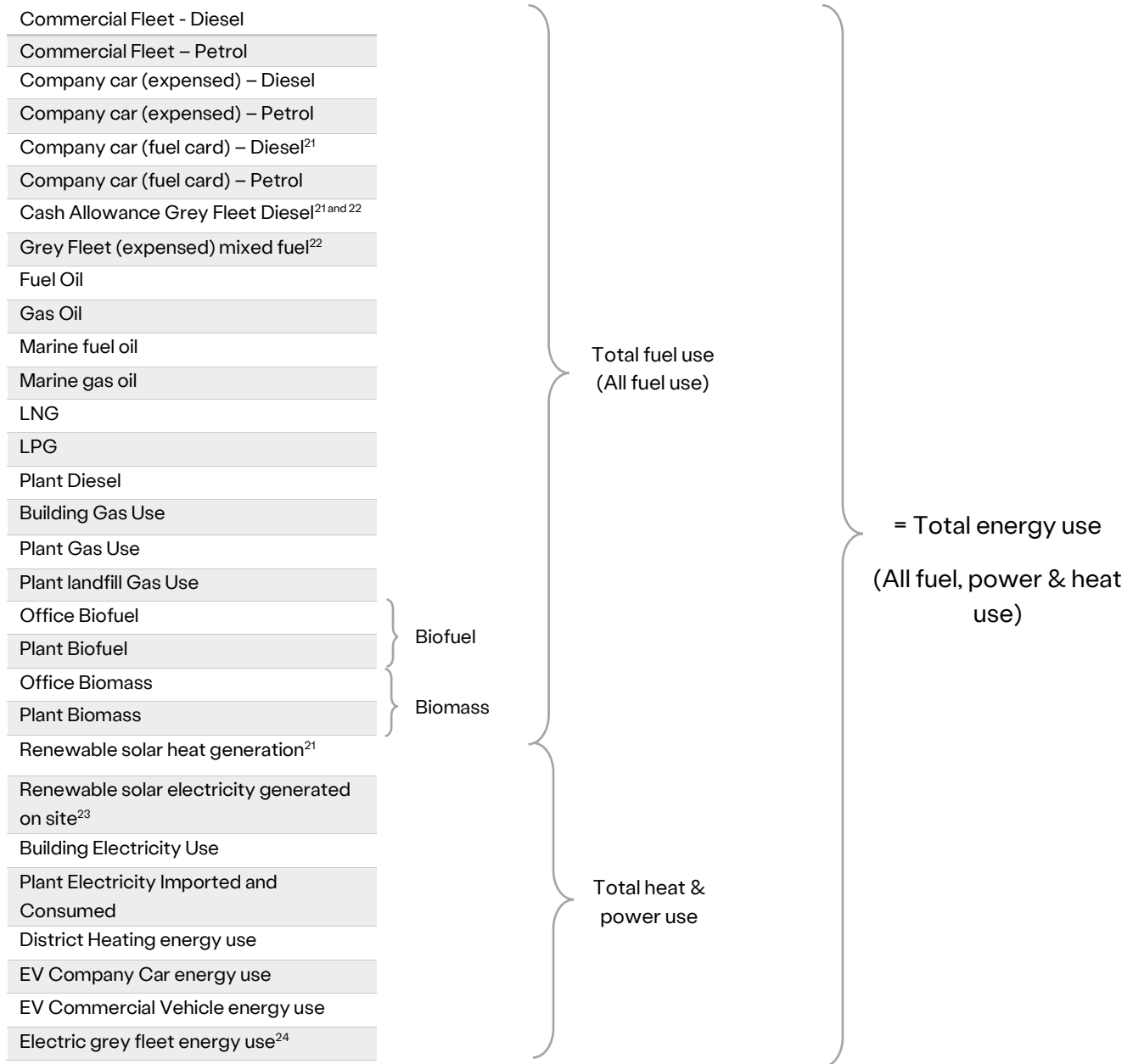
### 3. Calculation methodology

#### 3.1 Unit of measure

Kilowatt hours (kWh)<sup>20</sup>

#### 3.2 Calculations

**Table B<sup>21</sup>** – Constituent Indicators



<sup>20</sup> As per Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018.

<sup>21</sup> Indicators included here are those that have been used in the last five years. Historical indicators no longer in use include Office Diesel and Cash Allowance Grey Fleet Petrol as well as Renewable solar heat generation.

<sup>22</sup> ESOS and the SECR reporting requirements for large unquoted companies, specifically require the inclusion of grey fleet fuel use and therefore it is included in our wider energy use reporting even though we consider it Scope 3 and not Scope 1.

<sup>23</sup> Pro-rated to only include the portion of renewable solar electricity that is consumed on site, not exported.

<sup>24</sup> Electric Grey Fleet energy use was previously included within grey fleet (mixed fuels) but since 2023 it has been separated out with its own indicator.

### 3.3 Estimations, limitations and assumptions

Actual data is to be used wherever possible. Estimate data may be used in reporting if actual data is unavailable at the time of submission. When estimated data is used, it's usage is kept to a minimum.

Data source assumptions:

- Fuel properties sourced from the latest UK Government GHG Conversion for Company Reporting - DESNZ (2025)
- Road vehicle properties sourced from latest Advisory Fuel Rates -UK GOV (2025)

Internal Combustion Engine (ICE) grey fleet has an assumed composition of 64.6% petrol and 31.2% diesel<sup>25</sup>.

## 4. Data quality, collection and reporting frequency

### 4.1 Reporting standards

Refer to Centrica's Group Sustainability Reporting Policy and HSES Reporting Standard 03 (available internally) in providing guidance on sustainability reporting metrics, process, principles and data quality to ensure robust reporting, which should be read in conjunction with this Basis of Reporting.

Centrica's total energy consumption is externally assured, demonstrating our commitment to the data quality that underpins our reported figures.

### 4.2 Data collection and reporting frequency

Total energy use is reported externally on an annual basis in the Annual Report and Accounts, alongside wider publications in our reporting suite.

Data is collected quarterly (fleet and UK offices) and biannually (European offices and upstream assets) via myHSES reporting system where it is calculated to provide the sum of our energy usage. Delegation links are sent via email to data owners from various business units. Once submitted, the data validators approve the delegation.

Power consumption and fuel use data for buildings and upstream assets is taken from half-hourly or monthly meter readings. For our smaller offices, electricity and fuel usage may be estimated using the full-time employee (FTE) equivalent, this estimation is provided by Concept Energy. Liquefied Natural Gas (LNG) data is sourced from a Power BI dashboard provided by the LNG team. Fleet data is sourced from expense reports provided by the Fleet Manager. Our electric fleet's mileage and energy consumption is provided by our vehicle leasing company, Novuna, using an external Power BI dashboard updated monthly.

---

<sup>25</sup> The composition of ICE grey fleet is based upon the UK average fleet composition (UK GOV Department for Transport – Licenced vehicles at the end of the quarter by body type and fuel type). The remaining 4.2% is accounted for by Battery Electric Vehicles, Fuel Cell Electric Vehicles and Gas Vehicles.

### 4.3 Data quality

Centrica is committed to high data quality standards. Centrica, including Business Units and relevant Group Functions responsible for data collection and reporting, must maintain reporting standards and efforts to enhance data quality and ensure alignment with the reporting principles outlined in Centrica's Group Sustainability Reporting Policy (available internally).

## 5. Material contributing assets

Energy consumption (all fuel, power and heat use) broken down by material assets (2025):

- Ireland Whitegate
- LNG Transport
- Easington Gas Terminal
- Spirit Energy Barrow Terminal
- Spirit Energy J6A
- Spirit Energy Morecambe Offshore
- Fleet<sup>26</sup>

Together, these assets represent more than 95% of Centrica's total energy use and comprise data that is either directly measured or calculated.

Please note that for some of our non-material assets, we rely on the best available data at the time of reporting. This may include information that is directly measured, calculated, or in certain cases, accurately estimated.

---

<sup>26</sup> Includes Partner Customer Delivery Travel (Centrica Business PH Jones) and Centrica Home (British Gas Services).

# Centrica net zero target

## 1. Target description

As we aim to inspire our customers to live more sustainably, it's important that we lead by example in reducing our own emissions. In the last decade we've cut our greenhouse gas (GHG) emissions from across Centrica's operations<sup>27</sup> by 70% over the last decade (Scope 1 and 2 emissions).

In our updated [Climate Transition Plan](#), we have committed to be a net zero business by 2040, with an interim target of reducing our total GHG emissions by 50% by 2032 from 2019 levels.

Our target aligns with the methodology of our total GHG emissions KPI, including:

- Operational control boundary which focuses on the emissions from the activities and assets we operate<sup>28</sup>
- Market-based Scope 2 approach which reflects the emissions from the electricity and heat we specifically use

The difference between the total GHG emissions metric and the Centrica net zero target, is that the net zero target scope, removes divestments and includes acquisitions back to the 2019 baseline. Conversely, the total GHG emissions metric is the gross emissions emitted from our assets in any given year, with no adjustments for divestments or acquisitions. The reason for the difference is that the target is designed to track the emission reductions as a result of operational decisions and is the most effective way to measure our progress towards net zero.

## 2. Scope

### 2.1 Period

2019 is the target base year. All data years are calendar years, January to December.

Emissions associated with the 12 months of the 2040 target year will be compared to those of 2019, to determine the overall percentage reduction.

Net zero by 2040

In January 2025 we published our updated Climate Transition Plan, in which we brought forward our net zero target to 2040, from our previous 2045 commitment. This reflects the increasing urgency to achieve net zero and the decarbonisation rate we believe we can achieve.

---

<sup>27</sup> Gross emissions differ from our net zero targets which are normalised for acquisitions and divestments against the 2019 base year.

<sup>28</sup> We define operational control as entities where Centrica has the authority to impose its operating policies, through its own workforce or that of a third party; and/or entities where Centrica has legal responsibility conveyed through environmental permits; environmental licences to operate, or equivalent; and/or where Centrica has influence through its role as operational agent.

50% reduction by 2032

Mid-term targets are as important as a net zero commitment and demonstrates that decarbonisation is progressing in a timely manner. In our updated Climate Transition Plan, we have increased the ambition and reduced the timeframes of our interim target. Our target is now to achieve a 50% reduction in emissions by 2032, compared to our previous target of 40% reduction by 2034.

**Table A – Scope overview**

	In scope	Out of scope
Geography	<ul style="list-style-type: none"> <li>Global</li> </ul>	<ul style="list-style-type: none"> <li>N/A</li> </ul>
Organisational	<ul style="list-style-type: none"> <li>All in-scope operated reporting entities across Centrica irrespective of equity and ownership</li> <li>Business acquisitions<sup>29</sup> and organic growth</li> </ul>	<ul style="list-style-type: none"> <li>Reporting entities where Centrica does not have operational control<sup>30</sup></li> <li>Independent franchisees of Centrica owned franchises</li> <li>Business divestments subsequent to 2019<sup>31</sup></li> </ul>
Operational	<ul style="list-style-type: none"> <li>Scope 1 emissions from the combustion of fuels in the premises, vehicles, equipment and machinery operated<sup>32</sup> by the reporting entity</li> <li>Combustion of hydrocarbons in flaring</li> <li>Release of unburnt hydrocarbons</li> <li>Scope 2 (market-based) emissions associated with the electricity, heat and steam we import for use in our premises, vehicles, equipment and machinery</li> </ul>	<ul style="list-style-type: none"> <li>Carbon dioxide emissions released during the combustion of biologically sequestered carbon – biomass and biofuels</li> </ul>

<sup>29</sup> Consistent with best practice, the emissions associated with business acquisitions will be incorporated back to the base year, irrespective of the acquisition date, resulting in the base year being restated.

<sup>30</sup> Reporting entities where we have equity but do not operate include Nuclear and Combined Heat & Power (CHP) units on customer sites. The emissions from our equity in these assets is included in our Scope 3, Category 15 (Investments) emissions.

<sup>31</sup> Emissions from businesses divested after 2019 will be excluded from the target reduction, as their disposal may be considered 'carbon leakage'. The sale of Direct Energy, Peterborough power station and King's Lynn power station are examples of key divestments made.

<sup>32</sup> Operated includes buildings and vehicles leased by Centrica.

**Table B – Scope 1 & 2 emissions**

Offices and other buildings	
<p>Scope 1</p> <p>Emissions from offices that we wholly or partially own or lease:</p> <ul style="list-style-type: none"> <li>• Gas use</li> <li>• Building gas oil use</li> <li>• Refrigerant loss</li> <li>• CH<sub>4</sub> and N<sub>2</sub>O emissions produced from biofuels</li> </ul> <p>Scope 2</p> <p>Emissions from offices that we wholly or partially own or lease:</p> <ul style="list-style-type: none"> <li>• Imported power (irrespective of whether it's from Centrica or third-party supplier)</li> <li>• Imported heat</li> </ul>	<p>Scope 1</p> <ul style="list-style-type: none"> <li>• Emissions from offices that we sub-lease to others</li> <li>• Emissions from non-operated customer/supplier properties where we have personnel based</li> <li>• CO<sub>2</sub> emissions produced from burning biofuels onsite to generate heat and power for on and offsite use (out of scope CO<sub>2</sub> reported under a separate scope)</li> </ul> <p>Scope 2</p> <ul style="list-style-type: none"> <li>• Emissions from offices that we sub-lease to others</li> <li>• Emissions from customer/supplier properties where we have personnel based</li> </ul>
Fleet	
<p>Scope 1</p> <p>Emissions from:</p> <ul style="list-style-type: none"> <li>• Commercial fleet vehicles owned or leased by Centrica<sup>33</sup> Company cars (business travel only)</li> <li>• Rental cars where the fuel is claimed back as expensed mileage</li> </ul> <p>Scope 2</p> <p>Emissions from:</p> <ul style="list-style-type: none"> <li>• Imported power for electric commercial vehicles</li> <li>• Imported power for electric company cars (business travel only)</li> </ul>	<p>Scope 1</p> <p>Emissions from:</p> <ul style="list-style-type: none"> <li>• Contractor's vehicles</li> <li>• Personal mileage in company cars, including commuting</li> <li>• Rental car fuel use unless claimed back as expensed mileage</li> <li>• Grey fleet (personally owned cars used for company business)</li> <li>• CO<sub>2</sub> emissions from biofuels in forecourt fuel</li> </ul> <p>Scope 2</p> <ul style="list-style-type: none"> <li>• Imported power for hybrid electric company cars<sup>34</sup></li> </ul>
Power generation reporting entities	
<p>Scope 1</p> <p>Emissions from power generating entities that we operate:</p> <ul style="list-style-type: none"> <li>• Combustion – GHG (CO<sub>2</sub>e) from fuel combustion</li> <li>• Fugitive emissions<sup>35</sup> - Fugitive GHG (incl. methane (CH<sub>4</sub>) from gas turbines, Sulphur Hexafluoride (SF<sub>6</sub>) leakage, fugitive natural gas emissions, refrigerant leakage (HFCS and PFCS) and emissions of Nitrous Oxide (N<sub>2</sub>O)</li> </ul> <p>Scope 2</p> <ul style="list-style-type: none"> <li>• Imported power for plant consumption (irrespective of whether it's from Centrica or a third-party supplier)</li> </ul>	<p>Scope 1</p> <p>N/A</p> <p>Scope 2</p> <p>N/A</p>

<sup>33</sup> CH<sub>4</sub> and N<sub>2</sub>O emissions from biofuels in forecourt fuel are included in Scope 1 emissions.

<sup>34</sup> Hybrid company cars are a small component of our company car fleet. Their emissions are captured in the Scope 1 vehicle emissions.

<sup>35</sup> Nitrogen Trifluoride (NF<sub>3</sub>) emissions are currently not relevant, but in the event that it is emitted, we will incorporate.

**Table B continued – Scope 1 & 2 emissions**

Hydrocarbon production, transport & storage reporting entities	
Scope 1	Scope 1
GHG emissions from reporting entities we operate:	N/A
<ul style="list-style-type: none"> <li>• Combustion – GHG (CO<sub>2</sub>e) from fuel combustion (incl. flaring)</li> <li>• Process emissions - Venting natural gas (mainly methane (CH<sub>4</sub>) and Carbon dioxide (CO<sub>2</sub>) from hydrocarbon processing</li> <li>• Fugitive emissions<sup>36</sup> - Fugitive GHG (incl. methane (CH<sub>4</sub>) from gas turbines, Sulphur Hexafluoride (SF<sub>6</sub>) leakage, fugitive natural gas emissions, refrigerant leakage (HFCS and PFCs) and emissions of Nitrous Oxide (N<sub>2</sub>O)</li> </ul>	
Scope 2	Scope 2
<ul style="list-style-type: none"> <li>• Imported power for plant (whether from Centrica or another supplier)</li> </ul>	N/A

### 3. Calculation methodology

We proactively drive reductions in our total GHG emissions by:

1. Identifying energy efficiency opportunities
2. Maximising renewable power and heat generation at our sites
3. Procuring lower carbon power and gas
4. Fuel switch from fossil fuels to low carbon electricity e.g. electrifying our vehicle fleet
5. Reducing output and closing our higher carbon assets
6. Carbon neutralisation through removal of carbon dioxide from the atmosphere (CDR)<sup>35</sup> to counter 'hard to treat' emissions

We follow the [mitigation hierarchy](#), prioritising elimination of emissions over CDR.

The targets are supported by net zero ambitions (refer to our [Climate Transition Plan 2024](#)) that are narrower in scope and with shorter timeframes. These will help drive the reductions to achieve the mid and long-term targets.

#### 3.1 Unit of measure

Percentage (%) reduction of tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e).

#### 3.2 Re-stating base year for acquisitions

To maintain consistency over time, Centrica will recalculate its base year emissions to take into account the acquisition and divestment of businesses<sup>37</sup>.

<sup>36</sup> The IPCC defines CDR as "anthropogenic activities removing CO<sub>2</sub> from the atmosphere and durably storing it in geological, terrestrial, or ocean reservoirs, or in products."

<sup>37</sup> In line with the GHG protocol: Corporate Standard.

### 3.3 Equation

The emission reduction will be calculated as:

$$\frac{(\text{target year emissions} - \text{base year emissions})}{\text{base year emissions}} * 100$$

In addition, the carbon budget reduction will be tracked. This reflects how our overall emissions perform against the overall emissions of a well-below 2°C linear reduction pathway. Whilst in some years we may emit over the annual budget for the linear reduction pathway, other years we may emit less. Therefore, by tracking the carbon budget over the target period, we can confirm if we have met the total GHG budget reduction required.

$$\frac{\text{Aggregate TCO2e subsequent to baseyear}}{\text{Aggregate TCO2e for a 2° linear pathway}} * 100$$

### 3.4 Calculation

**Table C<sup>38</sup> - Constituent Indicators**

Gas Flared <sup>39</sup>
Oil Flared <sup>39</sup>
Fuel Oil Use <sup>39</sup>
Plant Gas Use <sup>39 and 40</sup>
Plant Diesel Use <sup>39</sup>
LPG Fuel use
LNG Fuel use
Marine Gas Oil use
Marine Fuel Oil use
Formation Emissions <sup>41</sup>
AGR Reactor Emissions
Methane from Gas Turbines/Engines
Fugitive Emissions
Nitrogen Removal Units (as CH <sub>4</sub> )
Product Gas Compressors (as CH <sub>4</sub> )
SF <sub>6</sub>
N <sub>2</sub> O Nitrous Oxide
PFC's
HFC's
Freon (R22)
Vented Gas
HFC blends
Total Methane Emissions

Upstream Scope 1 total emissions

= Total GHG emissions (tCO<sub>2</sub>e)

<sup>38</sup> Indicators included here are those that have been used in the last five years.

<sup>39</sup> Where EU Emissions Trading System (ETS) data is available, this value will replace Gas Flared, Oil Flared, Fuel Oil Use, Plant Gas Use, Plant Diesel Use.

<sup>40</sup> Includes non-CO<sub>2</sub> emissions (CH<sub>4</sub> and N<sub>2</sub>O) from Plant Landfill Gas Use.

<sup>41</sup> From April 2025 Formation Emissions are now included in ETS emissions under UK ETS regulations and are no longer reported separately.

Table C continued

Building Gas Use	Downstream Scope 1 total emissions	= <i>Continued</i> Total GHG emissions (tCO <sub>2</sub> e)
Building Gas Oil Use		
Biofuel use <sup>42</sup>		
Company Car (Fuel Card) - Petrol		
Company Car (Fuel Card) – Diesel		
Commercial Fleet - Diesel		
Commercial Fleet – Petrol		
Company Car Expensed Dist. Diesel		
Company Car Expensed Dist. Petrol		
Refrigerants (blended and HFCs)		
Building Electricity use	Scope 2 (marked- based total emissions)	
Plant Electricity imported		
Electric Commercial Vehicle Electricity use		
Electric Company Car Electricity use		
District Heating use		

### 3.5 Estimations, limitations and assumptions

Where fuel activity data is submitted in energy units (e.g. kWh of gas consumption), the emission factor applied is based on the assumption that the energy units are the gross calorific value, unless otherwise specified. This is based on natural gas suppliers typically quoting gas consumption in gross energy units and natural gas being the main fuel source used.

Future projections are based on business units central case projections.

Actual data is to be used wherever possible. Estimate data may be used in reporting if actual data is unavailable at the time of submission. When estimated data is used, it's usage is kept to a minimum.

## 4. Data quality, collection and reporting frequency

### 4.1 Reporting standards

Refer to Centrica's Group Sustainability Reporting Policy and HSES Reporting Standard 03 (available internally) in providing guidance on sustainability reporting metrics, process, principles and data quality to ensure robust reporting, which should be read in conjunction with this Basis of Reporting.

Centrica's progress against its net zero target is externally assured on a triennial basis, demonstrating our commitment to the data quality that underpins our reported figures.

### 4.2 Data Collection and Reporting frequency

Progress against the target is reported internally three times a year to the Centrica Leadership Team and Safety, Environment and Sustainability Committee.

Progress is reported externally on an annual basis in the Annual Report and Accounts, alongside wider publications in our reporting suite.

<sup>42</sup> Includes non-CO<sub>2</sub> emissions (CH<sub>4</sub> and N<sub>2</sub>O) from Biofuel and Biomass Use.

The data for this target is collected quarterly and biannually via the MyHSES reporting system. Delegation links are sent via email to data owners from various business units. Once submitted, the data validators approve the delegation.

Imported power (market-based), emissions are calculated based on the following premise:

- Green tariff at zero emissions
- Supplier specific emission factor
- Residual emission factor where power source is unknown
- Grid average in North America and Israel.

Site specific emission factors are used where available and when there is site specific variation (e.g. unprocessed natural gas) to convert activity data into GHGs. Where there is negligible site-specific variation, latest available standard emission factors from published sources are applied, including:

- UK Government GHG Conversion Factors for Company Reporting (2025) - AR5 aligned
- Environmental Protection Agency - EPA (2023) -AR5 aligned
- International Energy Agency - IEA (2025) - AR6 Aligned
- Association of Issuing Bodies European Residual Mixes – AIB (2024)

#### **4.4 Data quality**

Centrica is committed to high data quality standards. Centrica, including Business Units and relevant Group Functions responsible for data collection and reporting, must maintain reporting standards and efforts to enhance data quality and ensure alignment with the reporting principles outlined in Centrica's Group Sustainability Reporting Policy (available internally).