Centrica

2024 CDP Corporate Questionnaire 2024

Word version

Important: this export excludes unanswered questions
This document is an export of your organization's CDP questionnaire response. It contains all data points for questions that are answered or in progress. There may be questions or data points that you have been requested to provide, which are missing from this document because they are currently unanswered. Please note that it is your responsibility to verify that your questionnaire response is complete prior to submission. CDP will not be liable for any failure to do so.
Terms of disclosure for corporate questionnaire 2024 - CDP

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10/01/2024, 01:35 pm

Contents

C1. Introduction

(1.1) In which language are you submitting your response?

Select from:

☑ English

(1.2) Select the currency used for all financial information disclosed throughout your response.

Select from:

☑ GBP

(1.3) Provide an overview and introduction to your organization.

(1.3.2) Organization type

Select from:

☑ Publicly traded organization

(1.3.3) Description of organization

About us - Centrica is a uniquely integrated energy company that operates across the energy value chain through distinct but complementary businesses, that all share the same purpose of energising a greener, fairer future. We make, store, move and sell energy, as well as mend, maintain and service energy-related solutions. As part of this, we serve millions of customers with energy, services and solutions through strong brands including British Gas in the UK, Bord Gáis Energy in Ireland and Centrica Business Solutions internationally. Meanwhile, our Centrica Energy business is one of Europe's largest energy wholesalers and a leading enabler of clean energy by providing a route-to-market for renewables. We also invest in energy infrastructure – from developing low carbon and flexible assets via Centrica Business Solutions and supporting nuclear with a 20% stake in the UK's existing nuclear power stations through Centrica Nuclear, to producing gas via Spirit Energy and operating the UK's largest gas storage facility under Centrica Energy Storage - all of which helps deliver the energy security we need today, whilst providing optionality to become the low carbon infrastructure we need for the future. Our impact and action on climate change - Our direct carbon emissions under scope 1 include sources we own or control such as power generation, gas production and storage alongside emissions arising from our property, fleet and travel. Indirect emissions under scope 2 come from electricity purchased and consumed across our offices and assets. Scope 3 emissions arise from the services and solutions we provide including electricity and gas sold to customers from wholesale markets alongside products purchased to run our business. We believe climate change is one of the greatest global challenges facing society and as an energy company, we're at the forefront of the response by helping drive the energy transition forward. Towards this, in 2021, we introduced our People & Planet Plan to create a more inclusive and sustainable future for communities, our planet and each other, by

advancing action through five Group-wide goals that matter deeply to our business and society. In 2021, we also published our Climate Transition Plan, which sets out our plan for achieving net zero whilst ensuring a fair and affordable transition for all. We're focused on: • Helping our customers be net zero by 2050 (28% GHG intensity reduction by 2030): With around 90% of our total GHG emissions coming from our customers, the biggest thing we can do is to help them use energy more sustainably. We've made good progress with the GHG intensity of customers' energy use reducing by 10% from 2019 – this is on track with our target and equivalent to the annual emissions of around 860,000 homes. To progress further, we've set 2025 ambitions including doubling the number of Hive customers, achieving annual installs of up to 100,000 electric vehicle charging points and 20,000 heat pumps. • Being a net zero business by 2045 (40% GHG reduction by 2034): Our total GHG emissions have decreased by 21% from 2019, which is on track with our target. To advance this and the 70% reduction in our emissions achieved over the last decade, we've ambitions to build a zero-emission road fleet by 2030, cut our UK property emissions by a further 50% by 2030, exit remaining activities in oil and gas exploration and production, and redirect investment into assets that drive the transition forward – whether that's securing 800MW of low carbon and transition assets by 2025 or exploring the conversion of our gas storage facility to store hydrogen and more. Our impact and action on wider environmental matters – Whilst climate change is our most material environmental issue, we take our responsibility seriously to manage, mitigate and reduce wider environmental footprint. As worldwide sources of clean water become increasingly under threat, we're committed to efficient and responsible water use. We continue to move away from water intensive large-scale upstream activities (power stations and gas production) which has meant that for a company our size and within our sector, we consume a relatively small amount of water and less than 1% of water withdrawn is from water-stressed areas. Moreover, the majority of water we withdraw is used rather than consumed, as it's returned to the same water catchment area within the same cycle period whilst ensuring minimal changes to characteristics. We additionally manage our business' impact on biodiversity, particularly in energy generation where the potential impact is greatest, running impact assessments and developing preservation action plans and strategies. And with more and more plastics produced each year, we're working to reduce impact including through reducing packaging, exploring more sustainable sources and working with supply chains to find the best solutions.
[Fixed row]

(1.4) State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.

(1.4.1) End date of reporting year

12/31/2023

(1.4.2) Alignment of this reporting period with your financial reporting period

Select from:

☑ Yes

(1.4.3) Indicate if you are providing emissions data for past reporting years

Select from:

☑ Yes

(1.4.4) Number of past reporting years you will be providing Scope 1 emissions data for

Select from:

☑ 4 years

(1.4.5) Number of past reporting years you will be providing Scope 2 emissions data for

Select from:

☑ 4 years

(1.4.6) Number of past reporting years you will be providing Scope 3 emissions data for

Select from:

☑ 4 years

[Fixed row]

(1.4.1) What is your organization's annual revenue for the reporting period?

26500000000

(1.5) Provide details on your reporting boundary.

(1.5.1) Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?

Select from:

☑ No

(1.5.2) How does your reporting boundary differ to that used in your financial statement?

Reporting is based on operator boundary which is the more commonly used approach for reporting environmental matters. Emissions, waste, water and other matters, are therefore comprised from all operated assets and activities, including the shipping of Liquified Natural Gas (LNG) alongside the retained Spirit Energy assets in the UK and Netherlands. Non-operated Nuclear and Spirit Energy emissions are excluded. This differs from our financial statements as Nuclear and Spirit Energy are reported based on percentage of equity stake and is irrespective of operational control. Emissions from those assets that we have equity in, but do not operate (UK nuclear and non-operated Spirit Energy), are captured in our Scope 3 (category 15 – Investment) emission reporting. Where relevant, we provide information on the value chain outside of the operator boundary in relation to dependencies, impacts, risks, and opportunities, that we have identified.

[Fixed row]

(1.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

ISIN code - bond

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

ISIN code - equity

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ Yes

(1.6.2) Provide your unique identifier

GB00B033F229

CUSIP number

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

Ticker symbol

(1.6.1) Does your organization use this unique identifier?

Select from:

☑ No

SEDOL code

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ No

LEI number

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ No

D-U-N-S number

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ No

Other unique identifier

(1.6.1) Does your organization use this unique identifier?

Select from:
☑ No
[Add row]

(1.7) Select the countries/areas in which you operate.

Select all that apply

☑ Italy
☑ Israel
☑ Norway
☑ Sweden
☑ Belgium
☑ Netherlands
☑ United States of America
☑ United Kingdom of Great Britain and Northern Ireland
☑ Denmark
☑ Germany
☑ Hungary
☑ Ireland
☑ Singapore

(1.8) Are you able to provide geolocation data for your facilities?

(1.8.1) Are you able to provide geolocation data for your facilities?

Select from:
☑ No, we do not have this data and have no plans to collect it

(1.8.2) Comment

We do not currently publish geolocation data relating to our facilities. Although we have no immediate plans to change our approach, we will review our position annually so this may change in the future.
[Fixed row]

(1.16) In which part of the electric utilities value chain does your organization operate?

Electric utilities value chain
☑ Electricity generation

Other divisions
☑ Battery storage
☑ Gas extraction and production
☑ Gas storage, transmission and distribution

☑ Smart grids/demand response

(1.16.1) For your electricity generation activities, provide details of your nameplate capacity and electricity generation specifics for each technology employed.

Coal - Hard

(1.16.1.1) Own or control operations which use this power generation source

Select from:
☑ No

(1.16.1.5) Comment

No Coal.

Lignite

(1.16.1.1) Own or control operations which use this power generation source

Select from:
☑ No

(1.16.1.5) Comment

No Lignite.

Oil

(1.16.1.1) Own or control operations which use this power generation source

Select from:
☑ No

(1.16.1.5) Comment

No Oil.

Gas

(1.16.1.1) Own or control operations which use this power generation source

Select from:
☑ Yes

(1.16.1.2) Nameplate capacity (MW)

499

(1.16.1.3) Gross electricity generation (GWh)

2296

(1.16.1.4) Net electricity generation (GWh)

2239

(1.16.1.5) Comment

We have two operational gas fuelled power generators, Brigg gas engine (49MW) and Whitegate Power station (450MW).

Sustainable biomass

(1.16.1.1) Own or control operations which use this power generation source

Select from:
☑ No

(1.16.1.5) Comment

No Sustainable Biomass generation.

Other biomass

(1.16.1.1) Own or control operations which use this power generation source

Select from:

☑ No

(1.16.1.5) Comment

No Other Biomass generation.

Waste (non-biomass)

(1.16.1.1) Own or control operations which use this power generation source

Select from:

☑ No

(1.16.1.5) Comment

No waste fuelled generation.

Nuclear

(1.16.1.1) Own or control operations which use this power generation source

Select from:

☑ No

(1.16.1.5) Comment

Following our move to an Operational Boundary approach in 2021, our nuclear interests are no longer included in our scope.

Fossil-fuel plants fitted with carbon capture and storage

(1.16.1.1) Own or control operations which use this power generation source

Select from:

☑ No

(1.16.1.5) Comment

We have no fossil fuelled plants fitted with CCS.

Geothermal

(1.16.1.1) Own or control operations which use this power generation source

Select from:

☑ No

(1.16.1.5) Comment

We have no geothermal.

Hydropower

(1.16.1.1) Own or control operations which use this power generation source

Select from:

☑ No

(1.16.1.5) Comment

We have no hydropower.

Wind

(1.16.1.1) Own or control operations which use this power generation source

Select from:

☑ No

(1.16.1.5) Comment

We have no wind power.

Solar

(1.16.1.1) Own or control operations which use this power generation source

Select from:

☑ Yes

(1.16.1.2) Nameplate capacity (MW)

18

(1.16.1.3) Gross electricity generation (GWh)

13

(1.16.1.4) Net electricity generation (GWh)

13

(1.16.1.5) Comment

Codford Solar farm started generating in Q1 2023.

Marine

(1.16.1.1) Own or control operations which use this power generation source

Select from:

☑ No

(1.16.1.5) Comment

We have no marine.

Other renewable

(1.16.1.1) Own or control operations which use this power generation source

Select from:

☑ No

(1.16.1.5) Comment

We have no other renewables.

Other non-renewable

(1.16.1.1) Own or control operations which use this power generation source

Select from:

☑ No

(1.16.1.5) Comment

We have no other non-renewables.

Total

(1.16.1.1) Own or control operations which use this power generation source

Select from:

☑ Yes

(1.16.1.2) Nameplate capacity (MW)

517

(1.16.1.3) Gross electricity generation (GWh)

2309

(1.16.1.4) Net electricity generation (GWh)

2252

(1.16.1.5) Comment

This constitutes our two gas fired power generation assets and our solar generation asset.
[Fixed row]

(1.24) Has your organization mapped its value chain?

(1.24.1) Value chain mapped

Select from:
☑ Yes, we have mapped or are currently in the process of mapping our value chain

(1.24.2) Value chain stages covered in mapping

Select all that apply
☑ Upstream value chain

(1.24.3) Highest supplier tier mapped

Select from:
☑ Tier 2 suppliers

(1.24.4) Highest supplier tier known but not mapped

Select from:

☑ Tier 4+ suppliers

(1.24.7) Description of mapping process and coverage

We map our supply chain in accordance with whether sections of the supply chain are based in higher-risk sectors and/or jurisdictions, such as Bangladesh, Cambodia, China, India and Pakistan. Based on this criteria, for example, we've identified that garment manufacturing is a higher risk area so we've worked with our clothing providers to map beyond Tier 1. Our third-party sustainability risk platform assisted our Responsible Sourcing team in this process by highlighting areas for improvement, supported with country and commodity risk indices, alongside engagement with wider internal stakeholders including Risk Management teams. This process provided greater visibility over Tier 2 and enabled us to better evaluate risk and target action to ultimately safeguard workers' rights as well as the environment. Gaining greater transparency and traceability across our solar supply chain beyond Tier 1, also remains a key focus so in 2023, we conducted a market review to establish a preferred supplier list using enhanced due diligence to assess potential exposure to the Xinjiang Uyghur Autonomous Region (XUAR), where there's potential links to forced labour in the manufacture of polysilicon. This was supported through our collaboration with the Solar Stewardship Initiative which includes Solar Energy UK and Solar Power Europe amongst others. And in 2024, we have started to map higher risk battery system suppliers through enhanced due diligence. Given the breadth of our supply chain and the challenges to gaining greater transparency, we recognise we've gaps in knowledge for parts of our supply chain, particularly across Tiers 2 and 3 as well as across broader areas. To ensure our efforts are best spent, we'll continue to maintain our approach of mapping focused on higher risk areas but look to extend mapping in the future as appropriate.
[Fixed row]

(1.24.1) Have you mapped where in your direct operations or elsewhere in your value chain plastics are produced, commercialized, used, and/or disposed of?

(1.24.1.1) Plastics mapping

Select from:

☑ Yes, we have mapped or are currently in the process of mapping plastics in our value chain

(1.24.1.2) Value chain stages covered in mapping

Select all that apply

☑ Upstream value chain

☑ End-of-life management

(1.24.1.4) End-of-life management pathways mapped

Select all that apply

☑ Recycling

☑ Waste to Energy

☑ Landfill

[Fixed row]

C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities

(2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?

Short-term

(2.1.1) From (years)

0

(2.1.3) To (years)

3

(2.1.4) How this time horizon is linked to strategic and/or financial planning

Short-term risks and opportunities (R&O) are defined as those that may materialise within a 0-3 year timeframe. These R&O are evaluated during monthly Business Unit performance reviews, which serve as a platform to oversee the execution of the Group Operating Plan. Additionally, climate-related R&O within this period are incorporated into the Business Unit's risk and control meetings, contributing to the Group Enterprise Risk management process.

Medium-term

(2.1.1) From (years)

4

(2.1.3) To (years)

5

(2.1.4) How this time horizon is linked to strategic and/or financial planning

Business units consider their R&O when developing their long term strategies. As part of their strategic planning process, which covers a five-year period, they identify potential risks, which include market trends among other factors. The key risks to the BU's achieving these strategic and operational objectives are shared with the central risk team. This team evaluates whether the levels of risk identified are appropriate and if the proposed mitigation plans are adequate. Current and emerging risks and issues are reviewed quarterly by the BU. The finalised risk reporting and assessment of each BU's control environment is then discussed at a Group Risk and Controls Review for each BU, chaired by the Chief Risk Officer. Our Enterprise Risk framework spans a five-year horizon, incorporating pertinent climate-related risks within our evaluation of Principal Risks that could influence our strategic direction. Recognising the significance of climate change, it was designated as a Principal Risk in 2021, a status it maintains to date. Risks and opportunities associated with climate over this period are integrated into our overarching Group Enterprise Risk Management strategy.

Long-term

(2.1.1) From (years)

6

(2.1.2) Is your long-term time horizon open ended?

Select from:

☑ Yes

(2.1.4) How this time horizon is linked to strategic and/or financial planning

We conduct an annual review of external trends that may pose emerging risks, as part of our Enterprise Risk Management process. These trends and associated risks are also examined during our strategic planning activities, which include the yearly Board Planning Conference. We update our climate change scenarios every 3 years, as per best practice, projecting from the current year as a baseline through to 2050. Recognizing the unique nature of climate-related risks, our Task Force on Climate-related Financial Disclosures (TCFD) scenario analysis is structured around 'long-term' periods. We've segmented these into three distinct phases: the 'near long-term' from 2023 to 2028, the 'medium long-term' from 2029 to 2038, and the 'far long-term' from 2039 to 2050, in accordance with our Climate Transition Plan. These timeframes align well with our five-year strategic planning process.
[Fixed row]

(2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?

(2.2.1) Process in place

Select from:

☑ Yes

(2.2.2) Dependencies and/or impacts evaluated in this process

Select from:

☑ Impacts only

(2.2.4) Primary reason for not evaluating dependencies and/or impacts

Select from:

☑ Other, please specify **:**We are evolving our processes to capture impacts and dependencies.

(2.2.5) Explain why you do not evaluate dependencies and/or impacts and describe any plans to do so in the future

Our initial approach to integrating environmental considerations into our processes involved establishing a robust Risk framework, and to understanding our impact (79% of our value chain GHG emissions are covered and EMS certified to ISO14001). Presently, we are refining our existing Enterprise Risk Management (ERM) framework to include social and tailored environmental impact criteria, which will include the consideration of dependencies. This new framework will provide us with a clearer picture of our overall impact. In 2024, we aim to utilise this framework to evaluate various sustainability issues, including environmental concerns like climate change and biodiversity, across the entire Centrica group.
[Fixed row]

(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?

(2.2.1.1) Process in place

Select from:

☑ Yes

(2.2.1.2) Risks and/or opportunities evaluated in this process

Select from:

☑ Both risks and opportunities

(2.2.1.3) Is this process informed by the dependencies and/or impacts process?

Select from:

☑ No

(2.2.1.6) Explain why you do not have a process for evaluating both risks and opportunities that is informed by a dependencies and/or impacts process

At Centrica, we recognise the importance of a robust process for evaluating risks and opportunities, informed by impacts and dependencies. Currently, our risk and opportunity assessment frameworks are undergoing continuous enhancements. The forthcoming advancement in our sustainability assessment will involve impact evaluations and dependencies. These will precede a comprehensive financial analysis that encapsulates the associated risks and opportunities. The insights from the impact assessments will be assessed and, where relevant, will be integrated into the financial evaluations to ensure a holistic approach. Currently, our process for identifying risks is more mature and embedded within the business than our process for identifying opportunities - which is currently covered by our climate scenario analysis for TCFD.
[Fixed row]

(2.2.2) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.

Row 1

(2.2.2.1) Environmental issue

Select all that apply

☑ Water

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Impacts

☑ Risks

☑ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

(2.2.2.4) Coverage

Select from:

☑ Full

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☑ More than once a year

(2.2.2.9) Time horizons covered

Select all that apply

☑ Short-term

☑ Medium-term

☑ Long-term

(2.2.2.10) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

☑ Site-specific

(2.2.2.12) Tools and methods used

Commercially/publicly available tools

☑ WRI Aqueduct

☑ WWF Water Risk Filter

☑ Other commercially/publicly available tools, please specify :Sea Level rise Projections

Enterprise Risk Management

☑ Enterprise Risk Management

International methodologies and standards

☑ IPCC Climate Change Projections

Databases

☑ Nation-specific databases, tools, or standards

Other

☑ Desk-based research

☑ Internal company methods

☑ Materiality assessment

☑ Partner and stakeholder consultation/analysis

☑ Scenario analysis

(2.2.2.13) Risk types and criteria considered

Acute physical

☑ Drought

☑ Flood (coastal, fluvial, pluvial, ground water)

☑ Pollution incident

☑ Toxic spills

Chronic physical

☑ Precipitation or hydrological variability

☑ Water availability at a basin/catchment level

☑ Water stress

(2.2.2.14) Partners and stakeholders considered

Select all that apply

☑ Customers

☑ Employees

☑ Investors

☑ Suppliers

☑ Regulators

☑ Local communities

☑ Water utilities at a local level

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☑ No

(2.2.2.16) Further details of process

Our ERM process is applicable to all environmental issues. Water risks, if identified are risk assessed through risk prioritisation. Each BU reports their top risks to Group Enterprise Risk, aligning them with Group Key Risks. The CFO, Chief Risk Officer, and others review these risks quarterly, focusing on major financial or strategic concerns. The Group Principal Risks, the top 10 risks, are scored and reviewed by the Centrica Leadership Team (CLT) and Audit and Risk Committee (ARC), ensuring risks are understood and properly mitigated. Impact and likelihood are assessed, using a 1-5 scale for both, with the product determining the overall rating. Criteria for impact include HSE, Regulatory, Legal, Stakeholder, and Financial factors. Financial impact ranges from negligible to severe, affecting in-year operating cash flow, with substantial impacts classified at levels 4 and 5, equating to 40–60m and over 60m, respectively. Supplier risk is evaluated using SEDEX and Ecovadis. We engaged with our top 50 suppliers this year to assess their water-related risks as part of our climate-related physical risk evaluation. Financial impacts as a result of risks are assessed using Gross Margin percentage, following TCFD recommendations In addition to ERM, we use other water assessment tools. We use the WRI Aqueduct Water Risk Atlas tool to assess the risk of droughts and heatwaves. It was concluded that less than 2% of Centrica's freshwater withdrawals used for routine operations will come from medium to high water stressed areas by 2030 and 2040 under RCP8.5 and no assets are at risk from heat waves. The Climate Central flood projection tool is used to assess flood risk that could lead to damage and operational difficulties for all our UK assets. We perform this analysis

under RCP4.5 and RCP8.5 scenarios, using asset value as a financial indicator to calculate overall risk impact. We also used the UK Met Office UKCP18 Marine Projections to assess risk of sea level rise which could affect our coastal assets through inundation. We perform this analysis under RCP2.6, RCP4.5 & RCP8.5 scenarios, using asset value as a financial indicator to calculate overall risk impact. We also use the WWF Water Risk Filter tool, in which we input each asset. This was used to assess the basin physical risk, as well as water scarcity. We assess water opportunities using our annual water spend and comparing to the risk severity matrix within our Enterprise Risk Management framework. With minimal water expenditure, our water spend has an impact rating of 1 (negligible). This means the cost of water is not currently significant enough to present substantive saving opportunities.

Row 2

(2.2.2.1) Environmental issue

Select all that apply

☑ Climate change

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Impacts

☑ Risks

☑ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

☑ Downstream value chain

(2.2.2.4) Coverage

Select from:

☑ Full

(2.2.2.5) Supplier tiers covered

Select all that apply

☑ Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☑ More than once a year

(2.2.2.9) Time horizons covered

Select all that apply

☑ Short-term

☑ Medium-term

☑ Long-term

(2.2.2.10) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

☑ Site-specific

(2.2.2.12) Tools and methods used

Commercially/publicly available tools

☑ LEAP (Locate, Evaluate, Assess and Prepare) approach, TNFD

☑ Other commercially/publicly available tools, please specify **:**Ecovadis and Sedex

Enterprise Risk Management

☑ Enterprise Risk Management

International methodologies and standards

☑ IPCC Climate Change Projections

Databases

☑ Nation-specific databases, tools, or standards

Other

☑ Desk-based research

☑ Internal company methods

☑ Materiality assessment

☑ Scenario analysis

☑ Other, please specify **:**TNFD

(2.2.2.13) Risk types and criteria considered

Acute physical

☑ Drought

☑ Cold wave/frost

☑ Cyclones, hurricanes, typhoons

☑ Heavy precipitation (rain, hail, snow/ice)

☑ Flood (coastal, fluvial, pluvial, ground water)

☑ Storm (including blizzards, dust, and sandstorms)

Chronic physical

☑ Changing temperature (air, freshwater, marine water)

☑ Heat stress

☑ Sea level rise
☑ Water availability at a basin/catchment level

Policy
☑ Carbon pricing mechanisms
☑ Changes to international law and bilateral agreements
☑ Lack of mature certification and sustainability standards
☑ Other policy, please specify **:**Emissions Trading Schemes, Energy Savings Opportunity Scheme (ESOS), Energy Company Obligation (ECO)

Market
☑ Availability and/or increased cost of raw materials
☑ Changing customer behavior
☑ Other market, please specify **:**Contracts for difference, Fuel prices, Market Trends

Reputation
☑ Increased partner and stakeholder concern and partner and stakeholder negative feedback
☑ Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)
☑ Other reputation, please specify **:**Shareholder Concern

Technology
☑ Transition to lower emissions technology and products
☑ Unsuccessful investment in new technologies

Liability
☑ Non-compliance with regulations

(2.2.2.14) Partners and stakeholders considered

Select all that apply
☑ Customers
☑ Employees
☑ Local communities

☑ Investors
☑ Suppliers
☑ Regulators

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:
☑ No

(2.2.2.16) Further details of process

Climate change is a principal risk in our Enterprise Risk Management, impacting various business aspects and the external environment. Risks are evaluated quarterly at all levels, using 'Our Approach to Enterprise Risk' for consistency. Significant risks inform our annual viability statement. Risk prioritisation considers impact and likelihood, using a 1-5 scale for both, with the product of the two determining the overall rating. Criteria for impact include HSE, regulatory, legal, stakeholder, and financial factors. Financial impact ranges from negligible to severe, affecting in-year operating cash flow, with substantial impacts classified at levels 4 and 5, equating to 40–60m and over 60m, respectively. Risk ratings are categorized on a heat map as low, moderate, or high. Risks exceeding the business's risk appetite are addressed by Risk Owners, who oversee the implementation of controls and mitigating actions. Risk Managers track and monitor this activity. These may include adopting standards, scenario planning, or accepting risks to leverage business opportunities. The Risk owner, with risk managers, assigns control ownership, reviews effectiveness, and ensures implementation in the BU Risks and Controls forum. Centrica continues to use tools Sedex and Ecovadis to evaluate supplier risk and impacts. And in 2023, to increase our understanding of our exposure to supply chain disruption from climate change, we surveyed our top 50 strategic suppliers (those that we have long term and critical partnerships with) on their exposure and preparedness to mitigate any physical or transitional risks. To assess financial effects from climate risks and assess opportunities, we conduct scenario analysis. We overlay our current business activities and strategic plans to third party scenarios and observe the impact to Gross Margin. The output of this analysis indicates the materiality of both the risks and opportunities, which are outlined in our TCFD report. Our gas storage business CES, risk management identifies extreme weather, like flooding at Easington terminal, as an external risk. Such events could necessitate operational shutdowns, impacting revenue. However, with a low likelihood score, it's not deemed a significant risk needing immediate action. Each BU reports top risks to Group Enterprise Risk, aligning them with Group Key Risks. The CFO, Chief Risk Officer, and others review these risks quarterly, focusing on major financial or strategic concerns. The Group Principal Risks, the top 10 risks, are reviewed by the Centrica Leadership Team (CLT) and Audit and Risk Committee (ARC), ensuring risks are understood and properly mitigated. In 2023, Centrica's Annual Report detailed Principal Risks, including climate change. The company conducts climate scenario analysis every three years to gauge unmitigated risks and their financial and strategic impacts. These insights contribute to understanding risk evolution and mitigation effectiveness, integrating into the Enterprise Risk Management (ERM) process.

Row 3

(2.2.2.1) Environmental issue

Select all that apply

☑ Plastics

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Risks

(2.2.2.3) Value chain stages covered

Select all that apply

☑ End of life management

(2.2.2.7) Type of assessment

Select from:

☑ Quantitative only

(2.2.2.8) Frequency of assessment

Select from:

☑ Annually

(2.2.2.9) Time horizons covered

Select all that apply

☑ Short-term

(2.2.2.10) Integration of risk management process

Select from:

☑ A specific environmental risk management process

(2.2.2.11) Location-specificity used

Select all that apply

☑ National

(2.2.2.12) Tools and methods used

Other

☑ Desk-based research

(2.2.2.13) Risk types and criteria considered

Policy

☑ Changes to national legislation

Market

☑ Availability and/or increased cost of raw materials

Technology

☑ Transition to reusable products

☑ Transition to recyclable plastic products

☑ Transition to increasing recycled content

Liability

☑ Non-compliance with regulations

(2.2.2.14) Partners and stakeholders considered

Select all that apply

☑ Employees

☑ Regulators

☑ Suppliers

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☑ No

(2.2.2.16) Further details of process

Plastics risks undergo a specific risk management process. Plastic packing sales are assessed qualitatively through Extended Producer Responsibility (EPR), in which we send off a bi-annual document detailing all plastic packaging imported and sold across the business. This is used to determine plastic packaging tax and ensure we are complying with national legislation. Plastic risks are assessed continuously within HIVE (a subsidiary of British Gas that sells the most packaged products). HIVE continuously make improvements to plastic packaging which form part of HIVE products. This process began with removing shrink wrap around products, before removing laminate packaging, and more recently engaging with suppliers to remove plastic packaging around products and replacing with paper bags. Since the launch of the Thermostat Mini in 2022, on this product alone, plastic waste volumes have reduced by 1.2 tonnes. HIVE have also reviewed box designs and stripped them back to ensure that the minimum amount of packaging is used, and resources are optimised. This process ensures we are complying with national legislation, reducing our plastic packaging sold and used as part of EPR, as well as reducing our cost associated with plastic packaging tax. We look to expand the process of taking findings from EPR to reduce plastic use into other parts of the business where larger volumes of plastic are used.

Row 4

(2.2.2.1) Environmental issue

Select all that apply

☑ Biodiversity

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Risks

☑ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

(2.2.2.4) Coverage

Select from:

☑ Full

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☑ As important matters arise

(2.2.2.9) Time horizons covered

Select all that apply

☑ Short-term

(2.2.2.10) Integration of risk management process

Select from:

☑ A specific environmental risk management process

(2.2.2.11) Location-specificity used

Select all that apply

☑ Site-specific

(2.2.2.12) Tools and methods used

Commercially/publicly available tools

☑ Encore tool

☑ IBAT – Integrated Biodiversity Assessment Tool

☑ LEAP (Locate, Evaluate, Assess and Prepare) approach, TNFD

☑ TNFD – Taskforce on Nature-related Financial Disclosures
☑ WWF Biodiversity Risk Filter

Other
☑ Materiality assessment

(2.2.2.13) Risk types and criteria considered

Chronic physical
☑ Change in land-use
☑ Declining ecosystem services
☑ Precipitation or hydrological variability
☑ Soil degradation

Policy
☑ Changes to international law and bilateral agreements
☑ Changes to national legislation
☑ Increased difficulty in obtaining operations permits
☑ Poor enforcement of environmental regulation

Market
☑ Availability and/or increased cost of certified sustainable material

Reputation
☑ Increased partner and stakeholder concern and partner and stakeholder negative feedback
☑ Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)
☑ Other reputation, please specify :stakeholder positive feedback

Liability
☑ Non-compliance with regulations

(2.2.2.14) Partners and stakeholders considered

Select all that apply

☑ Employees

☑ Investors

☑ Local communities

☑ Other water users at the basin/catchment level

☑ Other, please specify :wildlife and habitats

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☑ Yes

(2.2.2.16) Further details of process

Dependencies on biodiversity were not previously assessed. This assessment forms part of our plan to have greater understanding and oversight of our impacts, dependencies, risks and opportunities on biodiversity. We assessed the ways our operations depend on biodiversity and the materiality of these, it was deemed immaterial. TNFD guidance and the LEAP approach, alongside the WWF Biodiversity Risk Filter was used to identify high priority sites across all of our direct operations. These high priority sites were then the focus of an in-depth assessment on impacts, risks, dependencies and opportunities. Dependencies of specific activities on nature were assessed using the ENCORE tool. We then went out to colleagues who work with those assets to gain a greater understanding. It was concluded that none of these sites had a material dependency on biodiversity. This is because we do not rely on flora or fauna for our business activities. Of all ecosystem services, our main dependence is on water. However, this was deemed an immaterial dependency which does not pose a risk the company. For the assessment of biodiversity impacts, risks and opportunities, we used TNFD guidance and the LEAP approach, alongside the WWF Biodiversity Risk Filter was used to identify high priority sites across all of our direct operations. These high priority sites were then the focus of an in-depth assessment on impacts, risks, dependencies and opportunities. Impacts were assessed using CSRD guidance and a double materiality approach. This involved using a severity-likelihood matrix on each site deemed to be high priority. We then went out to colleagues who work with those assets to gain a greater understanding. It was concluded that none of these sites had a material impact on biodiversity, nor does biodiversity pose a financial risk to us as a business.

Row 5

(2.2.2.1) Environmental issue

Select all that apply

☑ Water

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Impacts

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Upstream value chain

(2.2.2.4) Coverage

Select from:

☑ Partial

(2.2.2.5) Supplier tiers covered

Select all that apply

☑ Tier 1 suppliers

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☑ Every two years

(2.2.2.9) Time horizons covered

Select all that apply

☑ Short-term

(2.2.2.11) Location-specificity used

Select all that apply

☑ Site-specific

(2.2.2.12) Tools and methods used

Commercially/publicly available tools

☑ EcoVadis

☑ SEDEX

☑ WRI Aqueduct

Other

☑ Partner and stakeholder consultation/analysis

(2.2.2.14) Partners and stakeholders considered

Select all that apply

☑ Local communities

☑ Suppliers

☑ Water utilities at a local level

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☑ No

(2.2.2.16) Further details of process

For our water impact assessment, we assess the impacts on water provision of local communities using the WRI aqueduct water risk atlas. This has been undertaken from all operating sites. No sites were in areas of Medium to High Risk or greater, therefore we do not pose a negative impact upon the water provision of local

communities. We also undertake supplier impact assessments. Suppliers are assessed on water usage, pollution and spills through SEDEX and Ecovadis tools. There is additional due diligence for suppliers operating in high-risk industries or geographies, in which audits take place and non-compliances are addressed.
[Add row]

(2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?

(2.2.7.1) Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed

Select from:

☑ No

(2.2.7.3) Primary reason for not assessing interconnections between environmental dependencies, impacts, risks and/or opportunities

Select from:

☑ Other, please specify **:**Our primary focus has been creating a process that effectively assesses risks and opportunities. However, we are currently building a process which addresses interconnections between dependencies, impacts, risks & opportunities.

(2.2.7.4) Explain why you do not assess the interconnections between environmental dependencies, impacts, risks and/or opportunities

We recognise that environmental dependencies, impacts, risks and opportunities are interconnected to varying degrees, and we acknowledge that this is currently a gap in our process. As we develop a new process for double materiality across Centrica, we will be considering these connections more closely, particularly to help identify financial risks and opportunities arising from impacts and dependencies.
[Fixed row]

(2.3) Have you identified priority locations across your value chain?

(2.3.1) Identification of priority locations

Select from:

☑ Yes, we have identified priority locations

(2.3.2) Value chain stages where priority locations have been identified

Select all that apply

☑ Direct operations

(2.3.3) Types of priority locations identified

Sensitive locations

☑ Areas important for biodiversity

Locations with substantive dependencies, impacts, risks, and/or opportunities

☑ Locations with substantive dependencies, impacts, risks, and/or opportunities relating to biodiversity

(2.3.4) Description of process to identify priority locations

Areas important for biodiversity: Locations across all direct operations were assessed to identify areas within sensitive/ priority locations. Exact outlines were assessed using outlines provided by the business. The IBAT TNFD tool was used, which contains data on key biodiversity areas, protected areas, rarity-weighted richness score and species threat abatement restoration score. These data points represented areas that are protected due to their landscape and ecological value and areas important for biodiversity. Locations with substantive dependencies, impacts, risks, and/or opportunities relating to biodiversity: Areas important for biodiversity were then assessed to identify whether these areas had substantive dependencies, impacts, risks and opportunities relating to biodiversity. Impacts and dependencies were assessed using the ENCORE open-source tool, as well as research from scientific journals and engagement with subject matter experts across the business. A double materiality assessment was undertaken using severity-likelihood matrices as well as a financial risk assessment, using CSRD guidance. It was concluded that of the 8 priority sites, none meet the materiality threshold for locations with substantive dependencies, impacts, risks and/ or opportunities relating to biodiversity.

(2.3.5) Will you be disclosing a list/spatial map of priority locations?

Select from:

☑ Yes, we will be disclosing the list/geospatial map of priority locations

(2.3.6) Provide a list and/or spatial map of priority locations

CDP Q2.3 upload.docx
[Fixed row]

(2.4) How does your organization define substantive effects on your organization?

Risks

(2.4.1) Type of definition

Select all that apply

☑ Qualitative

☑ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

☑ Other, please specify **:**in-year operating cash flow impact

(2.4.3) Change to indicator

Select from:

☑ Absolute decrease

(2.4.5) Absolute increase/ decrease figure

40000000

(2.4.6) Metrics considered in definition

Select all that apply

☑ Likelihood of effect occurring

(2.4.7) Application of definition

Risks related to, or influenced by, climate change are assessed alongside other business risks. A substantive financial or strategic impact on our business is defined through our Risk Assessment Criteria. In the Risk Assessment Criteria, risks are assessed using potential impact severity alongside the likelihood of materialisation. A 1-5 impact and 1-5 likelihood scale is used, with the overall risk rating (1-25) being the product of impact multiplied by likelihood. The impact score is derived using several criteria including Financial impact. Financial impact is scored on a scale of 1-5 from negligible to severe and is normally derived through consideration of

lifetime or in-year operating cash flow impact. A substantive financial impact on 'in-year operating cashflow' is defined as severity level 4 'Significant' (40–60m) and severity level 5 'Severe' (60m).

Opportunities

(2.4.1) Type of definition

Select all that apply

☑ Qualitative

☑ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

☑ Other, please specify :Gross Margin

(2.4.3) Change to indicator

Select from:

☑ % increase

(2.4.4) % change to indicator

Select from:

☑ 1-10

(2.4.6) Metrics considered in definition

Select all that apply

☑ Time horizon over which the effect occurs

☑ Other, please specify :size of potential opportunity

(2.4.7) Application of definition

Opportunities are categorized into three groups based on their potential impact on gross margin relative to our base year: low (lower than 5%), medium (between 5-10%), and high (over 10%). We evaluate these impacts across three time horizons: short-term (by 2028), mid-term (by 2038), and long-term (by 2050). We assess opportunities arising from anticipated growth in sectors like low carbon heating, electric vehicles, and renewable energy against these periods and benchmarks.
[Add row]

(2.5) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

(2.5.1) Identification and classification of potential water pollutants

Select from:
☑ Yes, we identify and classify our potential water pollutants

(2.5.2) How potential water pollutants are identified and classified

Prior to the building of our electric utility assets and in order to obtain operational permits, an Environmental Impact Assessment must be completed. This will identify potential water pollutants that could have a detrimental impact on water ecosystems or human health and mitigations of risk. These pollutants will be identified based on the materials used and activities to be undertaken on the proposed sites. Thermal pollution, hydrocarbons, biocides and boiler chemicals are all examples of typical pollutants that need to be managed. These can adversely affect aquatic life at low concentration levels and impact humans at higher levels. Facilities from which we discharge to receiving waters are highly regulated assets, subject to water-related permits, licenses or consents. These regulatory control mechanisms identify potential pollutants; set limits on discharge levels and specify monitoring and reporting requirements for us to meet. Water quality monitoring includes automatic monitoring and manually collected samples. The assets have water quality analysis capability and trained staff to undertake monitoring of a wide range of pollutants, where required. We follow an established standard working to the permit requirements and government guidance. In addition, there is a stringent audit program in place, which looks at the permit requirements and scrutinises how these are being met. This is a requirement of BS EN ISO 14001 in terms of controls and checking.
[Fixed row]

(2.5.1) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

Row 1

(2.5.1.1) Water pollutant category

Select from:

☑ Inorganic pollutants

(2.5.1.2) Description of water pollutant and potential impacts

Pollutants from our gas processing assets have the potential to pollute local ground water, adjacent water streams or other water bodies. Contaminated cooling water could reach these water bodies via discharges to streams or coastal waters via storm water drains. Impact is likely to be minor with regulatory standards and monitoring of water discharge in place. Glycol used in closed cooling water systems has the potential to be harmful to water ecosystems, if discharged at high concentration. Leakages on land could also be harmful to the environment. The inherent risk of impact from contaminated cooling water is medium because it could impact a large area, sensitive ecosystem or require remedial clean-ups. However, with controls in place and high levels of regulatory scrutiny, we believe the mitigated risk is low.

(2.5.1.3) Value chain stage

Select all that apply

☑ Direct operations

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

☑ Resource recovery

☑ Beyond compliance with regulatory requirements

☑ Implementation of integrated solid waste management systems

☑ Requirement for suppliers to comply with regulatory requirements

☑ Industrial and chemical accidents prevention, preparedness, and response

☑ Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience

(2.5.1.5) Please explain

Assets ensure compliance through strict adherence to the requirements of the licence issued by the regulatory body. Where applicable, we strive to implement guidance documents issued by the regulator and also seek to follow industry best practice where applicable. We use number of events and water quality discharge as indicators of success. Areas which contain glycol and storage areas are bunded and located inside buildings at our power stations with closed system cooling water to prevent any chance of escape to the environment. This cooling water is not discharged into the water course as it's only used in closed systems. There is a robust

maintenance schedule which prevents leaks from occurring, to both water bodies and land. There are also detection systems on the closed cooling systems which notify us of any water loss, this allows for immediate remedy. There are comprehensive emergency response procedures utilising spill kits and isolation valves where appropriate. To track against our inorganic pollutants, we use a number of events and water quality discharge as indicators of success.

Row 2

(2.5.1.1) Water pollutant category

Select from:

☑ Oil

(2.5.1.2) Description of water pollutant and potential impacts

Pollutants from our power generation and gas processing assets have the potential to pollute local groundwater, seawater (from offshore platforms) adjacent water streams or other water bodies. Oil and condensate could reach these water bodies via on-site spillages to ground outside of bunded areas, discharges to streams or coastal waters via storm water drains. The inherent risk of impact from these hydrocarbons is medium because it could impact a large area, sensitive ecosystem or require remedial clean-ups however with controls in place and high levels of regulatory scrutiny, we believe the mitigated risk is low.

(2.5.1.3) Value chain stage

Select all that apply

☑ Direct operations

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

☑ Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience

☑ Resource recovery

☑ Beyond compliance with regulatory requirements

☑ Implementation of integrated solid waste management systems

☑ Industrial and chemical accidents prevention, preparedness, and response

(2.5.1.5) Please explain

Assets ensure compliance through strict adherence to the requirements of the licence issued by the regulatory body. Where applicable, we strive to implement guidance documents issued by the regulator and also seek to follow industry best practice where applicable. To track against our oil volumes in water discharge we use a metric of m3/m3, with an upper limit of zero. We also use number of events and water quality discharge as indicators of success.
[Add row]

C3. Disclosure of risks and opportunities

(3.1) Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

Climate change

(3.1.1) Environmental risks identified

Select from:

☑ Yes, only within our direct operations

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

☑ Environmental risks exist, but none with the potential to have a substantive effect on our organization

(3.1.3) Please explain

Our analysis has identified certain environmental concerns within our supply chain; however, these risks are minimal and are mitigated at point of concern. Further information on this analysis and our proactive engagement can be found in the Business Strategy section.

Water

(3.1.1) Environmental risks identified

Select from:

☑ No

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

☑ Environmental risks exist, but none with the potential to have a substantive effect on our organization

(3.1.3) Please explain

Centrica is not currently exposed to substantive water-related risks. This is primarily because an immaterial proportion of our water withdrawals are in water-stressed areas, assessed using the WRI Aqueduct Water Risk Atlas tool. Using the water stress overlay, Glanford Brigg power station, as well as some smaller sites such as the Windsor office are classified as 'low to medium' risk. We do not consider the water-related risks posed by these assets as substantive due to their water demand accounting for less than 0.5% of our total water withdrawals. The most significant risk we are exposed to is the availability of water for cooling requirements at our gas production assets, which requires a large volume of water. However, all of our cooling water is abstracted from the open seas, which are sources associated with low risks regarding quantity and quality. Moreover, more than 99% of water we withdraw is not consumed, as it is discharged to the same area from which it was withdrawn within the same cycle period, further reducing the risks of supply interruption. This can also be demonstrated by our TCFD physical risk scenario analysis assessment for UK power assets which indicates that flood risk and water availability risk is immaterial across our sites, although this and other risks are still reviewed at quarterly risk meetings with input from environmental managers. Another inherent risk relates to the cost of water to our business. However, this is currently immaterial when compared with other commodity costs such as gas, but nevertheless we review the risk annually. Looking ahead, we do not foresee material tightening of relevant regulations and our risk profile is falling as we reduce our involvement in large-scale power generation and oil & gas operations.

Plastics

(3.1.1) Environmental risks identified

Select from:

☑ No

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

☑ Environmental risks exist, but none with the potential to have a substantive effect on our organization

(3.1.3) Please explain

We classify a substantive financial or strategic impact to be one that has a material impact on the company's ability to grow or become more efficient and we do not classify plastic-related risks to have such an impact. Plastic-related supplier assessments have been undertaken, with none having a material financial impact. However, improvements have been made in supplier plastic packaging for environmental benefit.
[Fixed row]

(3.1.1) Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.1.1.1) Risk identifier

Select from:

☑ Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Policy

☑ Changes to regulation of existing products and services

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ Ireland

☑ United Kingdom of Great Britain and Northern Ireland

(3.1.1.9) Organization-specific description of risk

The gross margin from natural gas sales. To align with the UK's net-zero objectives, a substantial reduction in natural gas usage is essential over time. The trajectory and extent of this reduction are subject to various influences and remain uncertain. The UK faces a significant challenge in decarbonising its heating systems to meet the 2050 net-zero target. Over 75% of UK households and 65% of commercial buildings rely on the methane gas network for heating. As the UK transitions to decarbonised heating, the energy source for most systems will shift towards low-carbon alternatives, leading to a decline in methane gas sales for Centrica. This

anticipated decrease in energy sales could be compounded by enhanced energy efficiency initiatives leading to lower energy consumption. However, this downturn may be mitigated, either partially or wholly, by a surge in demand for low-carbon hydrogen and electric heating solutions, coupled with an expected increase in customer base. Regulatory changes, such as adjustments to the price cap, influenced by consumer behaviour shifts, could also impact the business's financial outcomes, potentially offering some level of mitigation. For Centrica, energy supply constitutes a significant segment of its operations. British Gas Energy, our supply business, contributed over 17.7 billion to Centrica's revenue in 2023, which represents about half of the company's total earnings. c.50% of this revenue is attributed to heating services.

(3.1.1.11) Primary financial effect of the risk

Select from:

☑ Change in revenue mix and sources

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

☑ Medium-term

☑ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ Likely

(3.1.1.14) Magnitude

Select from:

☑ High

(3.1.1.16) Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons

By 2050, under the most ambitious decarbonisation scenario, the financial impact could be significant. Without mitigation, natural gas sales could dwindle, eroding the associated gross margin (GM). Nonetheless, this may be mitigated by rising demand for low carbon hydrogen and electricity for heating, coupled with Centrica's anticipated customer base expansion. Our projections suggest a maximum potential loss of 425 million in net annual GM in 2050. In the long-term, in the slowest

decarbonisation scenario, the financial impact is estimated to be negligible, maintaining current natural gas sales. Our analysis identified scenarios where energy sales could see net gains; however, these are not included here as they stem from demographic and market share growth rather than climate factors. We also examine the potential fluctuations in commodity prices as a result of climate change and assess the associated risks to our Gas Production field valuations. Despite the possibility of our field values changing under price assumptions that exclude further greenhouse gas emissions, our strategic plan involves utilising the remaining fields within the next five – ten years and fulfilling all cleanup obligations by the early 2030s. The worth of our nuclear investments also hinges on projected commodity prices. The nuclear stations in question, which generate electricity without carbon emissions, have varying operational lifespans, with the final station expected to shut down in 2055. In the long term, our nuclear investments could suffer an impairment of approximately 15 million, as the baseload power price projections marginally exceed those of net zero scenarios. This impact is considered to be minimal.

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ Yes

(3.1.1.19) Anticipated financial effect figure in the short-term – minimum (currency)

0

(3.1.1.20) Anticipated financial effect figure in the short-term – maximum (currency)

85000000

(3.1.1.21) Anticipated financial effect figure in the medium-term – minimum (currency)

0

(3.1.1.22) Anticipated financial effect figure in the medium-term – maximum (currency)

340000000

(3.1.1.23) Anticipated financial effect figure in the long-term – minimum (currency)

0

(3.1.1.24) Anticipated financial effect figure in the long-term – maximum (currency)

425000000

(3.1.1.25) Explanation of financial effect figure

Our Task Force on Climate-related Financial Disclosures (TCFD) analysis projects our energy sales operations up to 2050, aligning with four Future Energy Scenarios (FES) outlined by National Grid, which span from 1.5 to over 2-degree warming scenarios. This analysis forecasts a range for potential declines in natural gas heating revenue and increases in electricity and green/low carbon fuel sales for emerging low carbon heating technologies. We've modelled the gross margin for energy sales (excluding transport) to reflect our strategic plans, extending these projections to 2050 with a constant market share, set against the backdrop of the FES. The financial outcomes indicate the broadest and narrowest net margins possible from the four FES over the different time frames. These estimates are illustrative, assuming a static unit margin, which may not hold as markets evolve. Additionally, we may adjust the modelled market shares. The scenarios employed do not necessarily reflect Centrica's views. According to our analysis, the minimum impact is negligible under a two-degree scenario. Specifically, in the short term, we observe an increase in energy consumption, which presents a financial opportunity for our company. We have adjusted the minimum impact to zero to accurately represent this potential.

(3.1.1.26) Primary response to risk

Diversification

☑ Develop new products, services and/or markets

(3.1.1.27) Cost of response to risk

0

(3.1.1.28) Explanation of cost calculation

Centrica provides end users with both electricity and natural gas. However, as the UK transitions from natural gas, consumers will have to adopt different energy sources. It is anticipated that hydrogen gas and electricity will be the primary alternatives. Centrica, already an electricity supplier, is ready to add hydrogen gas to its offerings once the market emerges. It is crucial to prepare ourselves and establish the necessary supply chains to capitalize on the expanding market for low carbon energy resources. In the foreseeable future, the trend of energy transition is expected to predominantly involve the shift from natural gas to electric power. For a company with an established presence in the electricity market, this shift is not anticipated to significantly impact operational expenses (OPEX) or capital expenditures (CAPEX), due to the increased sales of electricity. The existing software, operational procedures, and workforce are projected to remain largely unchanged.

(3.1.1.29) Description of response

As outlined in our cost calculation breakdown, we possess the necessary technical resources and personnel to supply energy to our energy customers, encompassing both natural gas and low-carbon alternatives. In our commitment to progress, we are enhancing our services to meet the evolving demands of our customers. This includes introducing tariffs aimed at net-zero technologies and optimisation strategies. We've rolled out Electric Vehicle (EV) specific tariffs and Heat

Pump tariffs designed to make the operational costs of these technologies competitive with natural gas. Additionally, we've implemented the Smart Export Guarantee (SEG), rewarding customers for contributing their home-generated electricity to the grid. Our Peak Save initiative encourages customers to adjust their energy usage to off-peak times, saving money and promoting greener energy consumption. We're witnessing a shift in consumer behaviour, with a new generation of energy users eager to engage with their energy usage in innovative ways. We are confident in our ability to meet the current and future energy needs of our customers.
[Add row]

(3.1.2) Provide the amount and proportion of your financial metrics from the reporting year that are vulnerable to the substantive effects of environmental risks.

Climate change

(3.1.2.1) Financial metric

Select from:
☑ Other, please specify :Gross Margin

(3.1.2.2) Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)

1700000000

(3.1.2.3) % of total financial metric vulnerable to transition risks for this environmental issue

Select from:
☑ 31-40%

(3.1.2.4) Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)

0

(3.1.2.5) % of total financial metric vulnerable to physical risks for this environmental issue

Select from:

☑ Less than 1%

(3.1.2.7) Explanation of financial figures

In quantifying our vulnerability to climate-related risks, we've identified the main areas of Centrica's operations exposed to the risks outlined in our TCFD analysis. The two transition risks that could significantly affect Centrica are associated with the shift from fossil fuel-based heating, specifically the sale of gas and install and servicing of gas heating systems. These risks are deemed high over the long term in a scenario where global warming is limited to 1.5 degrees. We categorise risks as "substantive" or "high" impact in our TCFD analysis when there's a greater than 10% change. Our physical risk analysis resulted in no risks exceeding this threshold in any scenario across the timeframes and are therefore not deemed as "substantive" in this instance. We've aggregated the gross margin generated from the business segments which operate in areas exposed to these long-term risks (i.e. gas supply, gas boiler installs, etc). Our detailed TCFD analysis explores the possible effects on these areas under various long-term scenarios through 2050, with the degree of impact ranging significantly and sometimes being immaterial (see our Risk 1 response). It's crucial to understand that this vulnerability assessment isn't a precise prediction of impact but rather the maximum potential unmitigated negative risk across all evaluated scenarios. Notably, our analysis demonstrates a net positive outcome when mitigations are considered and within the current reporting period, we've detected no substantial impacts from climate-related risks.
[Add row]

(3.3) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

	Water-related regulatory violations	Comment
	Select from: ☑ No	*There were no fines, enforcement orders or other penalties for water-related regulatory violations across any of our business units in 2023.*

[Fixed row]

(3.5) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Select from:
☑ Yes

(3.5.1) Select the carbon pricing regulation(s) which impact your operations.

Select all that apply

☑ EU ETS

☑ UK ETS

(3.5.2) Provide details of each Emissions Trading Scheme (ETS) your organization is regulated by.

EU ETS

(3.5.2.1) % of Scope 1 emissions covered by the ETS

51

(3.5.2.2) % of Scope 2 emissions covered by the ETS

0

(3.5.2.3) Period start date

01/01/2023

(3.5.2.4) Period end date

12/31/2023

(3.5.2.5) Allowances allocated

11623

(3.5.2.6) Allowances purchased

842532

(3.5.2.7) Verified Scope 1 emissions in metric tons CO2e

854155

(3.5.2.8) Verified Scope 2 emissions in metric tons CO2e

0

(3.5.2.9) Details of ownership

Select from:

☑ Facilities we own and operate

(3.5.2.10) Comment

EU ETS relates to Whitegate Power station in Ireland and Spirit Energy's offshore platform J6A in Dutch waters.

UK ETS

(3.5.2.1) % of Scope 1 emissions covered by the ETS

19

(3.5.2.2) % of Scope 2 emissions covered by the ETS

0

(3.5.2.3) Period start date

01/01/2023

(3.5.2.4) Period end date

12/31/2023

(3.5.2.5) Allowances allocated

69053

(3.5.2.6) Allowances purchased

258471

(3.5.2.7) Verified Scope 1 emissions in metric tons CO2e

327524

(3.5.2.8) Verified Scope 2 emissions in metric tons CO2e

0

(3.5.2.9) Details of ownership

Select from:

☑ Facilities we own and operate

(3.5.2.10) Comment

These emissions are associated with CES gas terminal and offshore platform, Brigg gas peaking plant, and Spirit Energy's terminal and Morecambe Hub offshore platform.
[Fixed row]

(3.5.4) What is your strategy for complying with the systems you are regulated by or anticipate being regulated by?

UK & EU Emissions Trading System (ETS). The cost of carbon has become an important factor in all investment decisions taken by Centrica in the power and gas markets. We actively use all available methods to manage our exposure to the risk of rising carbon costs through abatement and emissions trading. Centrica has been actively trading in the ETS market for over ten years and has also been active in the international carbon credit market. We aim to meet the cost of our carbon emissions in the most economical manner for our customers and shareholders. Centrica believes that flexibility is important to help installations manage their carbon exposure. We are constantly looking to manage our carbon position using both abatement and carbon credits. Using the trading markets enables us to effectively manage cost exposures arising with regards to carbon pricing through the ETS. We also have in place robust procedures to ensure verification of our emissions and subsequent surrender of sufficient emissions allowances is carried out in line with the scheme requirements. An example of our strategy for complying with ETS is our CBS Centrica Energy Assets (CEA) Power business, which factors in a carbon escalator price (based on the ETS price) into the investment case for fossil fuelled assets to test the commercial viability of these projects going forward. Centrica's CEA power business is certified to ISO14001, the international standard for environmental management systems and is regularly audited by external specialists from an independent accredited certification body. The system for managing ETS uses a two-stage process comprising a portfolio level Standard that sets out the minimum requirements to be met across the portfolio for compliance with the ETS

regulations and the associated guidelines. This specifies the overarching requirements for compliance at installation level including the contents of the monitoring and reporting plan, the identification of emission sources, categorisation of tiers, uncertainty requirements, sampling plan requirements, data management/ control/ CO2 calculation requirements, risk assessment processes and training/ competency needs. This is then enacted by site level procedures that set out the details of the individual site processes used to satisfy the company Standard including the roles and responsibilities and the data flow activities. The two-stage process ensures a uniformity of approach for Centrica and optimum use of resources for ensuring compliance. The ETS has an annual regulatory compliance cycle with defined dates for submission to the regulator of an annual emission report that quantifies emissions for the calendar year. The emission statement has to be subjected to independent verification by an approved external verifier prior to submission. Following completion of verification and the submission to the regulator the final task associated with compliance for the calendar year is surrender of emission allowances to match the actual installation emissions. Centrica was fully compliant across all relevant power station with the above in 2024.

(3.6) Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

Climate change

(3.6.1) Environmental opportunities identified

Select from:

☑ Yes, we have identified opportunities, and some/all are being realized

Water

(3.6.1) Environmental opportunities identified

Select from:

☑ No

(3.6.2) Primary reason why your organization does not consider itself to have environmental opportunities

Select from:

☑ Opportunities exist, but none anticipated to have a substantive effect on organization

(3.6.3) Please explain

Centrica defines substantive opportunities as one that provides a material basis for the corporation to grow or become more efficient. Water is not material to the growth or cost saving opportunities for the business. We assess water opportunities using our annual water spend and its associated financial impact level in our risk matrix. With minimal water expenditure, our water spend has an impact rating of 1 (negligible). This means the cost of water is not currently significant enough to present substantive saving opportunities and we expect this to continue to decrease as we reduce our involvement in water-intensive assets. We have yet to identify major commercial, competitive, or other opportunities related to water. While our approach to water-related biodiversity and habitat protection provides local engagement opportunities, these are not substantive as they do not provide a material basis for the corporation to grow or become more efficient. We have formed a strategic partnership with Thames Water to engage with consumers on water-related issues through the provision of leakage finding and fixing services through our British Gas and Dyno Rod engineers, however the associated commercial opportunity is not yet deemed financially substantive. We hold an annual Board Planning Conference during which opportunities are examined including any related to water in new markets, potential investments, and technologies. Due diligence to assess commercial viability, market landscapes and future regulation is then conducted before strategies are presented to the Executive team who meet monthly. Opportunities to reduce office water consumption have been found and implemented across Centrica offices, for example, waterless urinals have been installed across many of our offices, as well as infrared toilet cubicles and Dyson taps which automate water use. However, as water is not a material consideration at Centrica, this opportunity did not have a substantive financial or strategic impact on the business, nor do any other opportunities.
[Fixed row]

(3.6.1) Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.6.1.1) Opportunity identifier

Select from:
☑ Opp1

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services
☑ Ability to diversify business activities

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:
☑ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ United Kingdom of Great Britain and Northern Ireland

(3.6.1.8) Organization specific description

The UK is facing a significant challenge in reducing carbon emissions from heating systems as part of its commitment to achieve net-zero by 2050. Heating contributes to roughly one-third of the nation's emissions, a figure that is expected to rise. The Government stresses the need to move away from gas boilers to heat pumps for heating in the home. With a target of 600,000 annually by 2028. To facilitate this shift, the government has introduced measures such as mandating manufacturers to sell a certain percentage of low-carbon heat pumps and offering financial incentives to consumers through the Boiler Upgrade Scheme. Centrica's British Gas Services and Solutions (BG S&S) is the UK's leading gas boiler service and installation provider, with around 7,000 engineers. In 2023, BG S&S serviced 2.9 million customers and completed 313,000 jobs related to natural gas boilers, generating approximately 1.5 billion in revenue—over 5% of Centrica's total revenue. The impending ban on new natural gas boiler installations poses a risk to this income. To respond to this, and to enhance our strategic resilience, we have launched a new business unit, New Business and Net Zero, which is dedicated to delivering low carbon solutions to both residential and business customers, which provides some fossil fuel-based solutions but specialises in helping large scale energy users with the creation of bespoke net zero action plans and the adoption of low carbon energy solutions.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Increased revenues through access to new and emerging markets

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

☑ Medium-term

☑ Long-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ Likely (66–100%)

(3.6.1.12) Magnitude

Select from:

☑ High

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Our New Business and Net Zero division is strategically positioned to lead the market in the installation of advanced low-carbon heating systems, moving away from traditional natural gas boilers. We also foresee an opportunity to provide insurance for electric heating units, as we currently do as part of our "homecare" offerings to gas boiler customers. This prospect is expected to start materialising within the next few years, acknowledging that while the market is in its infancy, its growth is contingent upon consumer demand and government incentives designed to stimulate market activity. As we look ahead, we anticipate steady growth in our business, projecting that this sector will gain considerable traction by 2028. Concurrently, we predict a gradual decline in the natural gas boiler market as consumers increasingly choose low-carbon heating solutions, which provide opportunities for Centrica to install, service and optimise. The most favourable scenario would be one of modest decarbonisation, where the decline in boiler sales is slower in the short term, yet the adoption of heat pumps continues to rise. From an installation perspective, given that heat pumps typically have a longer lifespan of approximately 25 years, compared to the 15-year average for boilers, we expect volumes to surge initially, then taper off and level out. Therefore, financial scenario analysis suggests a potential increase in value up to 110 million by 2028, compared to the 2022 baseline, with growth peaking at 130 million in the medium term before stabilising at 35 million by 2050. However, we also anticipate a growing revenue stream from service and repair contracts of older heat pumps and further opportunities from optimisation. It is important to note that these projections do not factor in long-term expansion strategies.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ Yes

(3.6.1.17) Anticipated financial effect figure in the short-term - minimum (currency)

85000000

(3.6.1.18) Anticipated financial effect figure in the short-term – maximum (currency)

110000000

(3.6.1.19) Anticipated financial effect figure in the medium-term - minimum (currency)

30000000

(3.6.1.20) Anticipated financial effect figure in the medium-term - maximum (currency)

130000000

(3.6.1.21) Anticipated financial effect figure in the long-term - minimum (currency)

0

(3.6.1.22) Anticipated financial effect figure in the long-term – maximum (currency)

35000000

(3.6.1.23) Explanation of financial effect figures

In the FES, we see a shift in the heating technologies needed in the home. The FES provide us with four distinct pathways ranging from 1.5 to over 2 degrees. We have applied the majority of the groups operations to these scenarios to test the businesses resilience, and quantify the financial impact of trends such as the shift towards low carbon heating. The progression and intensity of this shift will vary based on the actual transition scenario, influenced by factors such as government policies, technological advancements, cost trends, and public sentiment. The calculations encompass both the risks to our current business model, which includes gas boiler services, and the prospects of tapping into emerging markets, which includes installing and servicing heat pumps. To model the impact, we have maintained a consistent unit margin, which may fluctuate as market regulations change and costs reduce due to efficiencies made by the business, and a consistent market share, which could also shift, as our growth strategies are implemented and the competitor landscape changes. The FES, while not a precise forecast of Centrica's expectations, provide a spectrum of credible future developments. We've observed in the results of this analysis, a future decline in GM coming from natural gas boiler installation and servicing sales, counterbalanced by an increase in the sales and servicing of electric and hydrogen-fuelled heating systems to different degrees in the different scenarios and timeframes. The above figures represent the minimum (typically the most aggressive decarbonisation scenario) and the maximum impact (typically the most modest path to net zero). As expected, the impact is greatest in the medium term as the nation shifts for the first time to the new technologies, after which we see a stabilising of the market and subsequent financial impact. This analysis does not overlay long term strategies and mitigation. And it's important to note that these figures are illustrative only.

(3.6.1.24) Cost to realize opportunity

23000000

(3.6.1.25) Explanation of cost calculation

In line with the FES most aggressive decarbonisation scenario in which heat pumps are the most likely technology for the majority of UK households, we have modelled the costs to re-skill our existing engineering workforce to install and maintain heat pumps. The approximate direct cost to upskill a trained gas engineer to be able to survey, design, maintain, and install a basic mono block heat-pump is currently, and provisionally, 3000. With an additional indirect cost of lost margin opportunity for this training period of 2500 per engineer. With 7k engineers in service at present, and requirement to upskill 60% in the most bullish scenario, the reskilling of British gas' work force would cost a total of 23m. We estimate no additional net cost of upskilling an apprentice to install and maintain heat pumps compared to gas boilers. The costs to realise this opportunity, as per the above calculation will fall into OPEX rather than CAPEX. Note that our current workforce will require minimal retraining to manage hydrogen boiler installation and maintenance, and this could well play a meaningful role in the technology mix. This would result in a reduced cost to realise.

(3.6.1.26) Strategy to realize opportunity

Centrica's workforce capability is currently mainly focused on incumbent technology in line with current market conditions and customer demand. However, we are technology agnostic, and therefore focussed on building a workforce that can deliver any heating solution to our customers. We believe that a range of solutions will be deployed, with regional considerations influencing the technology deployed, and stand ready to play a critical role any pathway. We will need to upskill our workforce with the capabilities required to service and install future low-carbon technologies to meet the needs of future customers. This initial training cost is currently embedded within our forward-looking financial plans to maintain a fully trained workforce of our size. Recognising that our teams will evolve over the next 30 years, in addition to providing opportunities to the existing workforce to retrain and acquire green skills, when demand is high enough, we will also take a phased approach to training new recruits to service heat pumps to ensure we capture cost efficiencies. Beyond the training cost, we have also launched New Business and Net Zero, which is dedicated to delivering low carbon solutions to both residential and business customers, which provides some fossil fuel-based solutions but specialises in helping large scale energy users with the creation of bespoke net zero action plans and the adoption of low carbon energy solutions. We anticipate this division serving our customers needs of the future.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp2

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

☑ Ability to diversify business activities

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ United Kingdom of Great Britain and Northern Ireland

(3.6.1.8) Organization specific description

In recent years, the UK has seen a remarkable surge in the adoption of electric vehicles (EVs), both by private individuals and businesses. The year 2023 saw 314,000 new EV registrations, accounting for 18% of total car registrations and they now represent about 7% of all vehicles in the UK. With the impending 2035 government ban on the sale of new petrol and diesel cars, projections, including those from the National Grid's Future Energy Scenarios, anticipate a substantial increase in EVs, potentially reaching millions, even under a conservative decarbonisation model. This EV expansion presents multiple opportunities for Centrica, particularly in emerging markets such as home EV charger installations, charger operation and maintenance. And through our existing energy supply customer base, and planned customer growth, we are well placed to capture the opportunity that will arise from supplying the energy to run EVs. And with the development of our new internal department dedicated to the install of low-carbon technology, including EVs, in customer homes, we are prepared to scale up our operations. However, public charging infrastructure has not delivered as expected, which is a critical dependency for market development. Consequently, we have reset our ambition for a zero-emission van fleet to 2030 (previously 2025), which remains five years ahead of the stated UK ban, and in line with best practice.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Increased revenues through access to new and emerging markets

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

☑ Medium-term

☑ Long-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ Likely (66–100%)

(3.6.1.12) Magnitude

Select from:

☑ High

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Anticipated growth in the electric vehicle (EV) sector is expected to drive an increase in revenue streams, particularly through the installation of EV chargers, their operation and maintenance (O&M), and associated energy management services. The expansion of the EV charger market is already evident, and we foresee this trend intensifying as we approach the 2035 ban on non-electric vehicles. Our established presence in the market through our Hive brand positions us to further capitalize on this opportunity, aiming to become the preferred choice for domestic EV charging solutions, especially for customers with private parking. As a provider of homecare products akin to insurance, our expertise extends to offering comprehensive O&M services for EVs, either through contracts or on-demand. Additionally, our unique ability to provide specialised EV tariffs ensures competitive energy rates for our customers. Leveraging demand-side response technology, we are poised to enhance charging efficiency, yielding cost savings for both our customers and our company. We anticipate that the market will adapt to new regulations over a medium to long-term period, which will coincide with enhancements in public charging infrastructure and other critical dependencies.

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ Yes

(3.6.1.17) Anticipated financial effect figure in the short-term - minimum (currency)

170000000

(3.6.1.18) Anticipated financial effect figure in the short-term – maximum (currency)

175000000

(3.6.1.19) Anticipated financial effect figure in the medium-term - minimum (currency)

225000000

(3.6.1.20) Anticipated financial effect figure in the medium-term - maximum (currency)

300000000

(3.6.1.21) Anticipated financial effect figure in the long-term - minimum (currency)

325000000

(3.6.1.22) Anticipated financial effect figure in the long-term – maximum (currency)

375000000

(3.6.1.23) Explanation of financial effect figures

Our TCFD scenario analysis modelled our UK&I operations (95% group gross margin) out to 2050 against four different Future Energy Scenarios (FES) from National Grid (ranging from 1.5 to 2 degree scenarios). This provided indicative scale to the potential growth in revenue and margin from our EV associated activities. The financial benefit from this EV associated activities, from both new and growing value pools relating to EV charger installs, the operation and maintenance (O&M) of these charge points, and concurrent energy supply and demand-side response services for the EVs themselves, was modelled in line with our current strategic plans for the next 5 years. They were then extrapolated out to 2050 with a static market share to provide the given financial figures. These represent the highest and lowest figures from the 4 different plausible FES scenarios. They are potential growth in annual gross margins for this opportunity in 2050, and do not represent the entire gross margin for these business areas. There is minimal variation expected between the four scenarios due to similar outcomes across them all, with the electrification of transport a very likely occurrence. With the "falling short" scenario (2 degrees) having most EVs on roads at 2050. It should be noted that these figures are indicative of scale only. We have held unit margin static, which is unlikely as markets evolve. We may also choose to increase or lower market shares from that which was modelled. The FES scenarios used are also not necessarily in line with what Centrica actually expect to occur, rather they offer a broad range of plausible pathways to model.

(3.6.1.24) Cost to realize opportunity

50000000

(3.6.1.25) Explanation of cost calculation

Over the forthcoming five years, an estimated total capital expenditure of 50 million is allocated for a range of Hive products, encompassing EV chargers and associated offerings like the app facilitating the customer experience and demand-side response technology. This investment is integrated into our strategic financial projections for the next half-decade and is anticipated to decrease expenses while enhancing the customer experience for those utilising EV chargers on the Hive platform and using the associated services. This strategic move is expected to bolster revenue within our designated EV market segments.

(3.6.1.26) Strategy to realize opportunity

At Hive, we are committed to facilitating the installation, optimisation, and management of home EV chargers for our customers. Our goal is to provide a smooth experience that not only aligns with our customers' lifestyles but also offers cost-saving opportunities. To achieve this, we are expanding our product offerings, enhancing our service propositions, and stimulating interest through targeted marketing initiatives. Our ongoing projects are designed to bring this vision to life, including: - Developing innovative propositions like EV charging plans with complimentary charging periods. - Streamlining the customer experience for newcomers. - Advancing our demand response capabilities for EV charger users. - Further automating our internal processes to expedite service delivery.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp3

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

☑ Increased sales of existing products and services

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Direct operations

(3.6.1.5) Country/area where the opportunity occurs

Select all that apply

☑ Ireland

☑ United Kingdom of Great Britain and Northern Ireland

(3.6.1.8) Organization specific description

The British government has announced an initiative to secure affordable, sustainable, and reliable electricity for the nation's homes and businesses by the year 2030. Home-grown, green technologies will support the UK to transition away from reliance on fossil fuels. This, coupled with the necessary market dynamics for a fully decarbonised power grid, is expected to surge the demand for low carbon electricity production. In response to the growing market need for low-carbon generation technologies, Centrica is expanding its investments and expertise to satisfy consumer needs for assets and to enhance its own asset portfolio. The investment

strategy includes a variety of transitional and low carbon technologies, positioned both behind and in front of the meter, with a particular emphasis on solar energy and battery storage, as well as adaptable resources like peak-time generators. This increased demand, aligned with Centrica's capacity and ambition in this sector, is anticipated to boost its revenue streams.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Increased revenues through access to new and emerging markets

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

☑ Medium-term

☑ Long-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ More likely than not (50–100%)

(3.6.1.12) Magnitude

Select from:

☑ High

(3.6.1.14) Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

We foresee a continuous rise in market demand for low-carbon generation and flexible technology, presenting numerous opportunities for Centrica. We anticipate an increase in gross margin from the installation, operation, maintenance, and ownership of these assets. The need for energy security necessitates flexible assets such as batteries and gas peaking plants, particularly in the short and medium term, to ensure an uninterrupted energy supply to the nation. Our growth in this area is supported by a robust pipeline of low-carbon assets, which we are evaluating on a case-by-case basis and expect to bring online in the near future. The increasing demand for low-carbon power, coupled with Centrica's capability and ambition to deliver in this area, will result in increased revenue

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ Yes

(3.6.1.17) Anticipated financial effect figure in the short-term - minimum (currency)

60000000

(3.6.1.18) Anticipated financial effect figure in the short-term – maximum (currency)

130000000

(3.6.1.19) Anticipated financial effect figure in the medium-term - minimum (currency)

100000000

(3.6.1.20) Anticipated financial effect figure in the medium-term - maximum (currency)

190000000

(3.6.1.21) Anticipated financial effect figure in the long-term - minimum (currency)

90000000

(3.6.1.22) Anticipated financial effect figure in the long-term – maximum (currency)

200000000

(3.6.1.23) Explanation of financial effect figures

Our TCFD scenario analysis mapped our UK&I operations out to 2050 against four different Future Energy Scenarios (FES) from National Grid (ranging from 1.5 to 2 degrees scenarios). This provided indicative scale to the growth from Centrica's increased activity due to the growth in demand from low carbon generation assets. To provide plausible financial impact we modelled the gross margin expected from the installation, O&M and ownership of transition and low carbon generation technologies, in line with our current strategic plans for the next 5 years. We then extrapolated out to 2050 with a static market share to provide the given financial figures. These represent the highest and lowest figures from our interpretation of the 4 different plausible FES scenarios. They are potential growth in annual gross

margins for this opportunity in 2050, and do not represent the entire gross margin for these business areas. The low and high scenarios vary based on the scale of build out of technologies that we are focusing on, these include battery storage solar, and peaking gas generation, among others. Different scenarios have different build out profiles for the UK&I energy system. It should be noted that these figures are indicative of scale only. We have held unit margin static, which is historically unreliable for generation assets, particularly those such as batteries which operate in an extremely flexible manner. We may also choose to increase or lower market shares from that which was modelled or focus on deploying capital in different geographies as we see opportunities arise. The FES used are also not necessarily in line with what Centrica actually expect to occur, rather they offer a broad range of plausible pathways to model.

(3.6.1.24) Cost to realize opportunity

100000000

(3.6.1.25) Explanation of cost calculation

We recognise that delivering this strategy, particularly the asset ownership component of Centrica's ambitions, will require significant capital to allow the construction of such assets, as well as resource and capability. We have publicly announced plans to invest up to 100 million a year by 2025, with the ambition of securing up to 800MW of low carbon and transition assets such as solar and battery. This will be deployed through our established sub-business unit 'Centrica Energy Assets' where we have developed the expertise to deliver in this area. This figure is an annual one rather than the cumulative total to achieve the targeted 800MW by 2025.

(3.6.1.26) Strategy to realize opportunity

The UK's commitment to a sustainable future is underscored by the 2030 target for a fully renewable electricity grid. This necessitates the development of new low-carbon generation technologies to replace the current large-scale, carbon-heavy power generation infrastructure. Additionally, the integration of small, adaptable generators is essential to smooth the transition to a renewable grid, which are known to be intermittent. Home-grown, green technologies will support the UK to transition away from reliance on fossil fuels and Centrica's investment will ensure we play a meaningful role in facilitating this. There will be a corresponding growth in revenue from this investment. A specific example of previous investment in this area was our commissioning of one of the largest battery storage facilities in Europe. The 49MW Roosecote battery in Cumbria is able to come online in less than a second to meet fluctuations in demand. It is able to hold enough power for around 50,000 homes. In 2023, Centrica also opened the 18MW Codford Solar Farm in Wiltshire, marking the company's first significant investment in solar energy. Vodafone has committed to a long-term Power Purchase Agreement, ensuring the acquisition of 50% of the farm's energy production for the next decade. This strategic partnership underscores both companies' dedication to sustainable development and clean energy solutions. We have a full pipeline of similar such projects as we build out are own renewable and low-carbon asset portfolio.
[Add row]

(3.6.2) Provide the amount and proportion of your financial metrics in the reporting year that are aligned with the substantive effects of environmental opportunities.

Climate change

(3.6.2.1) Financial metric

Select from:

☑ CAPEX

(3.6.2.2) Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

130000000

(3.6.2.3) % of total financial metric aligned with opportunities for this environmental issue

Select from:

☑ 31-40%

(3.6.2.4) Explanation of financial figures

Centrica has an ambition to that more than 50% of our capital is expected to go into "green" projects, such as solar and batteries between 2024 and 2028. That's up from less than 5% in 2019. To align with best practice, we use a company framework guided by the EU's Sustainable Taxonomy to categorise our investments. We class an investment as green if it is eligible and expected to meet the technical screening criteria for alignment based on available information. Note that we also recognise financial investment beyond Capex in this figure by including M&A costs and investments in green funds.
[Add row]

C4. Governance

(4.1) Does your organization have a board of directors or an equivalent governing body?

(4.1.1) Board of directors or equivalent governing body

Select from:

☑ Yes

(4.1.2) Frequency with which the board or equivalent meets

Select from:

☑ More frequently than quarterly

(4.1.3) Types of directors your board or equivalent is comprised of

Select all that apply

☑ Executive directors or equivalent

☑ Non-executive directors or equivalent

☑ Independent non-executive directors or equivalent

(4.1.4) Board diversity and inclusion policy

Select from:

☑ Yes, and it is publicly available

(4.1.5) Briefly describe what the policy covers

We operate in increasingly diverse communities which is evident across our team, customers, suppliers and wider stakeholders. To ensure we reflect the full diversity of the world around us, our Board diversity policy exists to drive an inclusive and equitable approach during the nomination and appointment processes relating to the Board and its Committees. The policy scope therefore extends across many diverse characteristics including gender, ethnicity, sexual orientation, disability, ability and age, as well as professional and socio-economic backgrounds. It does this by primarily committing to an inclusive recruitment strategy, raising awareness of the benefits of diversity through learning and development opportunities, alongside growing a diverse talent pipeline through long-term succession planning. This

approach helps ensure every candidate is assessed fairly and on merit through the consideration of skills, experiences, competencies and the recognition of the value difference can bring to the business. We believe this approach helps us secure the diversity of thought, experience and capability, that is needed to realise our purpose of energising a greener, fairer future as well as gain a competitor advantage.

(4.1.6) Attach the policy (optional)

Centrica-board-diversity-policy.pdf
[Fixed row]

(4.1.1) Is there board-level oversight of environmental issues within your organization?

	Board-level oversight of this environmental issue
Climate change	*Select from:* ☑ Yes
Water	*Select from:* ☑ Yes
Biodiversity	*Select from:* ☑ Yes

[Fixed row]

(4.1.2) Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board's oversight of environmental issues.

Climate change

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

☑ Director on board
☑ Chief Executive Officer (CEO)
☑ Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:
☑ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply
☑ Board Terms of Reference
☑ Board mandate

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:
☑ Scheduled agenda item in every board meeting (standing agenda item)

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply
☑ Overseeing and guiding scenario analysis
☑ Overseeing the setting of corporate targets
☑ Monitoring progress towards corporate targets
☑ Approving corporate policies and/or commitments
☑ Reviewing and guiding innovation/R&D priorities
☑ Monitoring supplier compliance with organizational requirements
☑ Overseeing and guiding the development of a climate transition plan
☑ Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities
☑ Approving and/or overseeing employee incentives
☑ Overseeing reporting, audit, and verification processes
☑ Monitoring the implementation of a climate transition plan
☑ Overseeing and guiding the development of a business strategy
☑ Overseeing and guiding acquisitions, mergers, and divestitures

(4.1.2.7) Please explain

Our Group Chief Executive Officer (CEO) has overall responsibility for climate-related issues and is responsible for setting and gaining Board approval on strategy. Through Board membership and sub-committee attendance, the CEO supported by the Chairman, ensures climate change is represented at the highest level. During 2023, the Board maintained oversight across climate strategy, approved Centrica's People & Planet Plan reporting, reviewed strategic and financial planning to ensure integration of climate considerations in the transition to net zero, and discussed energy transition investment opportunities alongside strategic plans including net zero strategy and longer-term risks relating to market, competition, technology and policy, at the annual Board Planning Conference. All businesses assessed net zero and the energy transition as part of their strategic proposals. The Board is primarily supported in its climate-related duty by the Safety, Environment and Sustainability Committee (SESC). SESC is chaired by an independent Non-Executive Director and is well-placed to oversee the adequacy and effectiveness of climate strategy, action plans and effectiveness of internal controls and risk management. At its three annual meetings, SESC reviews progress towards net zero targets and climate transition ambitions, whilst holding deep dives at least annually. In 2023, deep dives included the implications of strategic investment decisions against the Climate Transition Plan, responsible sourcing strategy, and reporting requirements like TCFD alongside associated climate scenario analysis and CSRD. Trade-offs were considered – from investment in gas to support energy security during the energy crisis, to the risk of human rights in the production of polysilicon for solar panels or in cobalt extraction for batteries. The Board and SESC also approve policies and commitments. The Audit and Risk Committee further aids the Board in reviewing stated matters quarterly. The CEO additionally hosts a quarterly Risk & Controls Review with the Group CFO and BU Managing Directors. Likewise, the Remuneration Committee ensures Executive Directors and other employees are appropriately rewarded, with climate change considered within arrangements. The Committee meets at least four times a year to review and assess performance across a range of financial and nonfinancial KPIs that incorporate our Climate Transition Dashboard. Furthermore, the CEO chairs the Centrica Leadership Team (CLT), which meets around eight times a year and has delegated authority to set objectives, targets and policies. At the Centrica Investment Committee, a sub-committee of the CLT, investment opportunities are reviewed with regard to net zero delivery. Across each Committee, the Group Head of Environment typically provides updates on climate-related matters. Committee Chair's then provide reports to the Board following each meeting, ensuring a continuous information flow.

Water

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

☑ Board chair

☑ Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

☑ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

☑ Other policy applicable to the board, please specify **:**Centrica's Health, Safety and Environment policy

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☑ Sporadic – agenda item as important matters arise

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

☑ Overseeing and guiding scenario analysis

☑ Overseeing and guiding the development of a business strategy

☑ Monitoring the implementation of the business strategy

☑ Other, please specify **:**Reviewing the adequacy and effectiveness of the company's internal control and risk management systems

(4.1.2.7) Please explain

The SESC has oversight of environmental matters including water and meets three times annually. The Committee's duties include reviewing the adequacy and effectiveness of the Company's internal controls and risk management systems in respect of, amongst other things, environmental matters including water. Each meeting will have a standing agenda item, on significant HSE incidents which will include water related issues, as appropriate. Water performance data is captured through our global reporting tool 'MyHSES', approved by the relevant business unit leadership team.

Biodiversity

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

☑ Chief Sustainability Officer (CSO)

☑ Board-level committee

(4.1.2.2) Positions' accountability for this environmental issue is outlined in policies applicable to the board

Select from:

☑ Yes

(4.1.2.3) Policies which outline the positions' accountability for this environmental issue

Select all that apply

☑ Other policy applicable to the board, please specify **:**Centrica's Health, Safety and Environmental policy

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☑ Sporadic – agenda item as important matters arise

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

☑ Overseeing and guiding the development of a climate transition plan

(4.1.2.7) Please explain

As the signatory of Centrica's Health, Safety and Environment policy, our CEO has management level responsibility for biodiversity related issues across the organisation. He is also a member of our Board which has oversight of all our environmental matters including those related to biodiversity as appropriate. The inclusions of biodiversity into any externally published papers, such as the Climate Transition Plan, will be guided and overseen by the board.
[Fixed row]

(4.2) Does your organization's board have competency on environmental issues?

Climate change

(4.2.1) Board-level competency on this environmental issue

Select from:

☑ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

☑ Integrating knowledge of environmental issues into board nominating process

☑ Having at least one board member with expertise on this environmental issue

☑ Consulting regularly with an internal, permanent, subject-expert working group

☑ Engaging regularly with external stakeholders and experts on environmental issues

☑ Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)

☑ Other, please specify :Regular updates on climate matters at SESC by internal experts to drive awareness and knowledge as well as running an annual Board Evaluation process that assess effectiveness and highlight gaps in knowledge/expertise that can be addressed.

(4.2.3) Environmental expertise of the board member

Experience

☑ Experience in the environmental department of a government (national or local)

☑ Experience in an organization that is exposed to environmental-scrutiny and is going through a sustainability transition

☑ Active member of an environmental committee or organization

Water

(4.2.1) Board-level competency on this environmental issue

Select from:

☑ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

☑ Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)

☑ Having at least one board member with expertise on this environmental issue

(4.2.3) Environmental expertise of the board member

Experience

☑ Management-level experience in a role focused on environmental issues

[Fixed row]

(4.3) Is there management-level responsibility for environmental issues within your organization?

	Management-level responsibility for this environmental issue
Climate change	*Select from:* ☑ Yes
Water	*Select from:* ☑ Yes
Biodiversity	*Select from:* ☑ Yes

[Fixed row]

(4.3.1) Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Assessing future trends in environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

☑ Managing supplier compliance with environmental requirements

Policies, commitments, and targets

☑ Monitoring compliance with corporate environmental policies and/or commitments

☑ Measuring progress towards environmental corporate targets

☑ Setting corporate environmental policies and/or commitments

☑ Setting corporate environmental targets

Strategy and financial planning

☑ Implementing a climate transition plan

☑ Implementing the business strategy related to environmental issues

(4.3.1.4) Reporting line

Select from:

☑ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ Quarterly

(4.3.1.6) Please explain

The CEO chairs the CLT meetings. As Chairman, he is ultimately accountable for ensuring that the CLT is effective in discharging its duties. Chairing enables the CEO to assess, monitor and inform progress and plans relating to net zero targets and ambitions as well as Principal Risks and opportunities, through the support of relevant technical and business leads as required. Meetings are held roughly eight times a year with climate-related matters discussed at around half of them. The CEO also sits on the SESC which has oversight of climate-related matters and meets three times a year. The Committee's duties include reviewing the adequacy and effectiveness of the Company's internal controls and risk management systems in respect of environmental matters. Each meeting has a standing agenda item to update on progress against net zero targets and climate transition ambitions, with a deeper dive occurring at least annually. Updates on climate change are submitted and presented by the Group Head of Environment. Supporting emissions data is captured through 'MyHSES', our global reporting tool, which is approved by the

relevant business unit leadership team. Underpinning this is external assurance undertaken across our total carbon emissions annually and our net zero targets on a rotational basis, to ensure data remains robust. Activities relating to assessment and plans to manage impacts, risks and opportunities, are delivered through strong day-to-day governance structures. This includes a working group for TCFD alongside a working group and steering group for Modern Slavery as well as CSRD.

Water

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Policies, commitments, and targets

☑ Monitoring compliance with corporate environmental policies and/or commitments

(4.3.1.4) Reporting line

Select from:

☑ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ As important matters arise

(4.3.1.6) Please explain

The SESC has oversight of environmental matters including water and meets 3 times annually. The committee's duties include reviewing the adequacy and effectiveness of the Company's internal controls and risk management systems in respect of, amongst other things, environmental matters including water. Each meeting will have a standing agenda item, on significant HSE incidents which will include water related issues, as appropriate. A deeper review of environmental

performance, which may include water related performance matters, is undertaken annually as presented by the Group Head of Environment. Water performance data is captured through our global reporting tool 'MyHSES', approved by the relevant business unit leadership team and presented at the committee by the Group Head of Environment when appropriate.

Biodiversity

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Other

☑ Other, please specify **:**Oversight of biodiversity issues and disclosure mandating as required.

(4.3.1.4) Reporting line

Select from:

☑ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ As important matters arise

(4.3.1.6) Please explain

As the signatory of Centrica's Health, Safety and Environment policy our Chief Executive Officer has management level responsibility for biodiversity related issues across the organisation. He is also a member of our Board which has oversight of all our environmental matters including those related to biodiversity as appropriate. [Add row]

(4.5) Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?

Climate change

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☑ Yes

(4.5.2) % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

0

(4.5.3) Please explain

Remuneration plans for Executive Directors are tied to short and long-term performance incentives across a range of balanced financial and non-financial scorecard metrics like engagement, safety, complaints and the transition to net zero. The Annual Incentive Plan (AIP) has targets and weightings allocated annually by the independent Remuneration Committee, whilst the Restricted Share Plan (RSP) 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, ensuring consideration of sanctions/fines and/or a major safety incident alongside overall progress against ESG KPIs. Across AIP and RSP, climate change targets and ambitions are one of 14 KPIs considered collectively weighted at 37.5% – as there's no set formula or weighting applied to each KPI in scope, we aren't able to provide a specific percentage attributed solely to the environment despite their active contribution to incentives

Water

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☑ No, and we do not plan to introduce them in the next two years

(4.5.3) Please explain

Water related issues are not a material risk for Centrica and hence we do not provide incentives for management in this area.
[Fixed row]

(4.5.1) Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals).

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Chief Executive Officer (CEO)

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

☑ Reduction in absolute emissions in line with net-zero target

☑ Other targets-related metrics, please specify **:**Progress against our climate transition dashboard which includes net zero targets as well as operational ambitions

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

Centrica's Executives are granted incentives via a short-term AIP and a longer-term RSP. Across both plans, awards considered by the Remuneration Committee take into account a range of financial and non-financial measures including progress against our Climate Transition Plan – this spans our targets to be a net zero business by 2045 and help our customers be net zero by 2050, alongside eight supporting climate transition ambitions to drive action towards our net zero targets - from installing 100,000 electric vehicle charging points and 20,000 heat pumps by 2025, to securing 800MW in low carbon and transition assets by 2025 and having a zero emission road fleet by 2030. The AIP has targets and weighting agreed annually by the Remuneration Committee which focuses on short term performance measures that are linked to the long-term financial goals and Group priorities. 75% of the award is based on a mix of financial and business performance whilst 25% is tied to individual objectives. Based on maximum outcomes, the CEO can receive 200% of salary and the CFO 150% of salary. Meanwhile, the RSP vests after three years and a two-year additional holding period, with the Committee making decisions on targets and performance that are subject to a performance underpin to ensure consideration of any sanctions or fines, a major safety incident and/or progress against KPIs such as those relating to our Climate Transition Plan. The CEO is eligible to secure 150% of salary and the CFO 125% of salary. Our long-term aspirational goals for LTIP is generally aligned with upper quartile market performance, driving progress and accountability.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

Our Board and Executive Directors recognise the strategic importance of delivering our Climate Transition Plan out to 2050, and they are in a unique position to influence our progress via their decision-making power. Establishing an incentive simply furthers their commitment to making top-level decisions aligned to our carbon transition plan, ensures near-term accountability, and helps apply pressure to the business to accelerate the delivery of the plan.

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Chief Financial Officer (CFO)

(4.5.1.2) Incentives

Select all that apply

☑ Bonus - % of salary

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

☑ Achievement of environmental targets

☑ Reduction in absolute emissions in line with net-zero target

☑ Other targets-related metrics, please specify **:**Progress against our climate transition dashboard which includes net zero targets as well as operational ambitions

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Both Short-Term and Long-Term Incentive Plan, or equivalent

(4.5.1.5) Further details of incentives

Centrica's Executives are granted incentives via a short-term AIP and a longer-term RSP. Across both plans, awards considered by the Remuneration Committee take into account a range of financial and non-financial measures including progress against our Climate Transition Plan – this spans our targets to be a net zero business by 2045 and help our customers be net zero by 2050, alongside eight supporting climate transition ambitions to drive action towards our net zero targets - from installing 100,000 electric vehicle charging points and 20,000 heat pumps by 2025, to securing 800MW in low carbon and transition assets by 2025 and having a zero emission road fleet by 2030. The AIP has targets and weighting agreed annually by the Remuneration Committee which focuses on short term performance measures that are linked to the long-term financial goals and Group priorities. 75% of the award is based on a mix of financial and business performance whilst 25% is tied to individual objectives. Based on maximum outcomes, the CEO can receive 200% of salary and the CFO 150% of salary. Meanwhile, the RSP vests after three years and a two-year additional holding period, with the Committee making decisions on targets and performance that are subject to a performance underpin to ensure consideration of any sanctions or fines, a major safety incident and/or progress against KPIs such as those relating to our Climate Transition Plan. The CEO is eligible to secure 150% of salary and the CFO 125% of salary. Our long-term aspirational goals for LTIP is generally aligned with upper quartile market performance, driving progress and accountability.

(4.5.1.6) How the position’s incentives contribute to the achievement of your environmental commitments and/or climate transition plan

Our Board and Executive Directors recognise the strategic importance of delivering our Climate Transition Plan out to 2050, and they are in a unique position to influence our progress via their decision-making power. Establishing an incentive simply furthers their commitment to making top-level decisions aligned to our carbon transition plan, ensures near-term accountability, and helps apply pressure to the business to accelerate the delivery of the plan.
[Add row]

(4.6) Does your organization have an environmental policy that addresses environmental issues?

	Does your organization have any environmental policies?
	Select from: ☑ Yes

[Fixed row]

(4.6.1) Provide details of your environmental policies.

Row 1

(4.6.1.1) Environmental issues covered

Select all that apply

☑ Climate change

☑ Water

☑ Biodiversity

(4.6.1.2) Level of coverage

Select from:

☑ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

☑ Downstream value chain

(4.6.1.4) Explain the coverage

Our policy helps ensure the protection of the environment for current and future generations. The policy spans our value chain, including all colleagues, business partners, customers and others. This includes helping our customers transition to net zero through our products and services, preventing pollution, efficient use of resources and the reduction of waste and carbon emission, and avoiding environmental damage.

(4.6.1.5) Environmental policy content

Environmental commitments

☑ Commitment to comply with regulations and mandatory standards

☑ Commitment to take environmental action beyond regulatory compliance

☑ Commitment to respect legally designated protected areas

☑ Commitment to stakeholder engagement and capacity building on environmental issues

Climate-specific commitments

☑ Commitment to net-zero emissions

Water-specific commitments

☑ Commitment to reduce water consumption volumes

☑ Commitment to reduce water withdrawal volumes

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

☑ Yes, in line with the Paris Agreement

(4.6.1.7) Public availability

Select from:

☑ Publicly available

[Add row]

(4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

(4.10.1) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

Select from:

☑ Yes

(4.10.2) Collaborative framework or initiative

Select all that apply

☑ Task Force on Climate-related Financial Disclosures (TCFD)

☑ UN Global Compact

☑ Other, please specify **:**EV100, United Nations Sustainable Development Goals, Business Ambition for 1.5

(4.10.3) Describe your organization's role within each framework or initiative

As steadfast endorsers of the UN Global Compact, we are committed to the core principles that foster a better future, including human rights, environmental stewardship, and the eradication of discrimination and corruption. Our annual reports detail our strategies and advancements in these critical areas. Our support for the UN Sustainable Development Goals (SDGs) is unwavering, as we join governments, businesses, and civil society in addressing the most pressing global challenges by 2030. Our efforts are concentrated on a select group of SDGs through our People & Planet Plan, notably contributing to SDG 7 'Affordable and Clean Energy', and supporting SDGs 9, 11, and 13, which focus on innovation, sustainable communities, and climate action, respectively. Our specific contributions to these SDGs can be found at centrica.com/SDGs. Participating in the EV100 initiative, we are at the forefront of the shift to electric vehicles, aiming to transition our fleet by 2030, in line with the EV100 commitment. Despite supply chain disruptions from the Covid pandemic and geopolitical events, we advocate for a robust demand signal to manufacturers to secure a resilient supply chain. We trust that initiatives like EV100 will also encourage governments to expedite the development of public infrastructure in the UK. In 2020, we joined the Task Force on Climate-related Financial Disclosures (TCFD), and have since adhered to its guidelines in our financial reporting for 2021-23 whilst complying with the wider CfD in 2023 too. In 2021, our company became a signatory to the Business Ambition for 1.5C campaign, aligning with global business leaders dedicated to establishing objectives consistent with the urgency and scale dictated by climate science. We anticipate further instructions from the Science Based Targets initiative (SBTi) on the necessary steps to accomplish our goals in the coming year.
[Fixed row]

(4.11) In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?

(4.11.1) External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment

Select all that apply

☑ Yes, we engaged directly with policy makers

☑ Yes, we engaged indirectly through, and/or provided financial or in-kind support to a trade association or other intermediary organization or individual whose activities could influence policy, law, or regulation

(4.11.2) Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals

Select from:

☑ Yes, we have a public commitment or position statement in line with global environmental treaties or policy goals

(4.11.3) Global environmental treaties or policy goals in line with public commitment or position statement

Select all that apply

☑ Paris Agreement

(4.11.4) Attach commitment or position statement

our-approach-to-political-involvement.pdf

(4.11.5) Indicate whether your organization is registered on a transparency register

Select from:

☑ Yes

(4.11.6) Types of transparency register your organization is registered on

Select all that apply

☑ Mandatory government register

(4.11.7) Disclose the transparency registers on which your organization is registered & the relevant ID numbers for your organization

Centrica is registered with the EU Transparency Register. Responses to EU consultations must include Centrica's EU Transparency register ID: 577829817108-84.

(4.11.8) Describe the process your organization has in place to ensure that your external engagement activities are consistent with your environmental commitments and/or transition plan

To better manage risks and seize opportunities related to climate change, we ensure we have a consistent and robust approach to external engagement on climate change. One of the ways we do this is by actively contributing to the development of public policy by engaging key stakeholders such as government and regulators across the UK, Republic of Ireland and Europe, as well as the Danish and Belgian Government. We ensure our engagements on policy across the business are consistent with our overall approach to climate change and Group strategy, by establishing agreed policy positions. To do this, we have dedicated policy groups that develop detailed policy positions which are taken to the CEO/executive for review and approval via a dedicated policy and engagement meeting that typically occurs on a monthly basis. The CEO has ultimate ownership in setting the company's position on public policy for key issues like climate change, which subsequently filters out into the business and ensures we have a consistent and established policy position on climate change across our global geographies. Policy positions are also shared with the Board to ensure oversight and alignment. Similarly, our key climate change policies are agreed internally through our regular policy and engagement meetings. And for the second year running, we have enhanced our approach by conducting a Trade Associations Review, which ensures that each association that represents Centrica, engages in advocacy that's aligned with the goals of the Paris Agreement for consistency. Moreover, applications to join new trade associations are assessed for alignment with the Paris Agreement alongside our own climate reduction targets and ambitions, with approval from Centrica's Corporate Affairs Director. Underpinning all of this is Our Approach to Political Involvement, which supports Our Code of conduct, and sets out our approach and parameters for Group-wide political involvement. Across these activities and more, we hope to advance the delivery of our strategy to energise a greener, fairer future as well as progress our commitment to be a net zero business by 2045 and help our customers be net zero by 2050.
[Fixed row]

(4.11.1) On what policies, laws, or regulations that may (positively or negatively) impact the environment has your organization been engaging directly with policy makers in the reporting year?

Row 1

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

Reform to the grid connections process: we worked with the previous government on delivering its Connections Action Plan. We will work with the new government on its plan for grid connections. Apprenticeship Levy: engaged with the former civil servants on reforms to the Apprenticeship Levy, to allow businesses to access a portion of the unspent funds to use for upskilling their existing workforces. REMA: provided a response to the consultation and have been engaging with civil servants.

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply
☑ Climate change

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Energy and renewables

☑ Electricity grid access for renewables

☑ Renewable energy generation

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:

☑ National

(4.11.1.5) Country/area/region the policy, law, or regulation applies to

Select all that apply

☑ United Kingdom of Great Britain and Northern Ireland

(4.11.1.6) Your organization’s position on the policy, law, or regulation

Select from:

☑ Support with minor exceptions

(4.11.1.7) Details of any exceptions and your organization’s proposed alternative approach to the policy, law, or regulation

We fully endorse the reforms proposed by Ofgem and urge for their swift implementation without further postponement. We advocate for enhanced clarity and transparency from Ofgem regarding the execution of options, particularly in the endorsement of ESO and SCG initiatives, and prompt action to address any stagnation in industry projects. It is crucial for Ofgem to actively participate in industry dialogues to maintain momentum and intervene when necessary to catalyse progress on complex issues. Our appreciation extends to Ofgem's support for certain aspects of the interim strategies, notably the ESO's provisional two-step offer in England and Wales, which has proven beneficial. We call for unequivocal guidance from Ofgem on these interim measures, with a special emphasis on intricate matters. For instance, while we back the objectives set forth in Annex D of the open letter concerning Distribution Queue Optimisation, we believe it should have explicitly empowered DNOs to effectively manage backlogged projects with contracts predating 2017. Urgent enhancements are needed for the transmission-distribution interface, particularly the 'Statement of Works' process. Distribution Network Operators (DNOs) have committed to these improvements since summer 2015. Key desired improvements not addressed in the open letter are: allowing distributed generation (DG) to access earlier connection dates under the ESO's 5-Point Plan, despite mixed messages from the ESO; requiring DNOs to promptly submit Project Progression requests to the ESO, ensuring DG projects don't lag behind later transmission projects in the queue; and improving transparency for DG projects regarding transmission work status, as current contracts between DNOs and the ESO leave DG in the dark, with DNO account managers often lacking detailed information. The Statement of Works requires reform, particularly in the areas

of Super Grid Transformer (SGT) Charging and the distinction between Infrastructure and Customer Grid Supply Point (GSP) Sites. Current SGT charging policies unfairly burden single customers with costs and risks, hindering net-zero projects. A fixed sum based on project size, such as a 20MW project covering 10% of a new 200MW SGT, is suggested. Also, the 'postcode lottery' affecting connection viability due to the Infrastructure and Customer GSP Sites distinction should be eliminated, applying a uniform infrastructure charging methodology to all sites supporting net-zero development.

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

☑ Participation in working groups organized by policy makers

☑ Responding to consultations

☑ Submitting written proposals/inquiries

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

To expedite the decarbonization of the electricity grid, it's crucial that renewable energy projects are not delayed and are connected to the grid swiftly. The current duration for connections is excessively prolonged. Reducing the average time for connections is essential for low-carbon generation, which will contribute to achieving net-zero targets, ensuring consumer affordability, and securing energy supply. We endorse the primary goal of diminishing the average time for grid connections, which aligns with customer needs and facilitates a prompt shift towards net-zero emissions. We agree with the proposed reform outcomes that support this aim, including enhanced network data accessibility for applicants, reforms for rapid enhancements—particularly in connection times, the necessity for more comprehensive connection applications, and the advancement of well-developed projects, as well as improved coordination between system boundaries, notably between transmission and distribution networks. We fully subscribe to the guiding principles outlined. Achieving these objectives requires ongoing dialogue with Ofgem and relevant stakeholders to sustain progress and implement the necessary reforms.

(4.11.1.11) Indicate if you have evaluated whether your organization’s engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Select all that apply

☑ Paris Agreement

Row 2

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

Hydrogen Blending into GB Gas Distribution Networks.

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply

☑ Climate change

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Energy and renewables

☑ Alternative fuels

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:

☑ National

(4.11.1.5) Country/area/region the policy, law, or regulation applies to

Select all that apply

☑ United Kingdom of Great Britain and Northern Ireland

(4.11.1.6) Your organization’s position on the policy, law, or regulation

Select from:

☑ Support with minor exceptions

(4.11.1.7) Details of any exceptions and your organization's proposed alternative approach to the policy, law, or regulation

We urge Government to reconsider the use of certificates in association with hydrogen blends and the proposed trading restrictions. The role of certificates is to create a market pull and drive demand for low carbon hydrogen which in turn can provide investment signals and help support the growth of the nascent hydrogen market. Being able to trade certificates is key to support a liquid market and increase their value. Recognition of certificates under regulatory schemes such as the UK Emissions Trading Scheme could also help create an important market pull for the certificates. Additionally, we request that the government make a definitive decision regarding the integration of hydrogen into the transmission network, aligning its initiation with the commencement of blending at the distribution level.

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

☑ Responding to consultations

☑ Submitting written proposals/inquiries

(4.11.1.9) Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)

0

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

We believe that Hydrogen is a crucial element in the UK's transition to a low-carbon economy, offering a complementary solution to electrification and optimization efforts. It holds particular promise for sectors where decarbonisation poses significant challenges, such as industrial operations, heavy-duty transportation, and residential heating. While the precise role of hydrogen in the future energy landscape remains to be fully determined, pending further analysis of cost-effectiveness and practical applications, the blending of hydrogen into the existing gas network represents a prudent and forward-looking step. The government's initiative to blend hydrogen into the gas distribution network has our strong endorsement. We are encouraged by the Department's receptiveness to industry insights regarding the strategic importance of hydrogen blending, which is instrumental in accelerating the development of the hydrogen industry and achieving broader systemic advantages across the UK. We will see the anticipated milestone of hydrogen being blended into the distribution and transmission networks as "success" of our engagement.

(4.11.1.11) Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Select all that apply

☑ Paris Agreement

[Add row]

(4.11.2) Provide details of your indirect engagement on policy, law, or regulation that may (positively or negatively) impact the environment through trade associations or other intermediary organizations or individuals in the reporting year.

Row 1

(4.11.2.1) Type of indirect engagement

Select from:

☑ Indirect engagement via a trade association

(4.11.2.4) Trade association

Europe

☑ Other trade association in Europe, please specify **:**Hydrogen UK

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☑ Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☑ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☑ No, we did not attempt to influence their position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

Hydrogen UK is committed to the development and deployment of Hydrogen solutions, as is Centrica. The trade association is committed to a set of defined goals aimed at expanding the hydrogen industry. These include accelerating production through the dissemination of Hydrogen Business Models to manufacturers, boosting hydrogen demand via the creation of specific policy and regulatory frameworks that foster market growth in various sectors, and connecting supply with demand by setting up support systems for distribution and storage infrastructure. Additionally, the association is focused on building a skilled workforce in the UK to meet the needs of the hydrogen sector and ensuring that no one is left behind by working with a wide range of stakeholders to build a hydrogen society. Centrica also views hydrogen as an essential element in achieving net-zero emissions targets by enhancing electrification, optimizing energy use, and providing solutions for traditionally difficult-to-decarbonise sectors like industrial manufacturing, heavy-duty transportation, and residential heating. Hydrogen also plays a crucial role in long-term energy storage, aiding the power sector's transition to decarbonisation. While supporting large-scale production of low-carbon hydrogen, particularly green hydrogen from renewable sources. Membership in trade associations like Hydrogen UK is instrumental in elevating our policy initiatives, staying informed of industry advancements, and promoting collaboration across the business sector to advance the development of the hydrogen industry. Centrica stands as one of the original members since the inception of Hydrogen UK. We continue to actively participate in their various working groups, including the Electrolytic working group. Moreover, our Head of Hydrogen holds the position of co-vice president. This involvement ensures that our perspectives are well-integrated and heard within the organisation.

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☑ Paris Agreement

Row 2

(4.11.2.1) Type of indirect engagement

Select from:

☑ Indirect engagement via a trade association

(4.11.2.4) Trade association

Europe

☑ Other trade association in Europe, please specify **:**Energy UK

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☑ Climate change

(4.11.2.6) Indicate whether your organization's position is consistent with the organization or individual you engage with

Select from:

☑ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual's position in the reporting year

Select from:

☑ No, we did not attempt to influence their position

(4.11.2.8) Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position

Energy UK serves as the pivotal trade association within the energy sector in the UK, representing a diverse group of over 100 members that includes generators, and suppliers of gas and electricity, along with various other entities engaged in the energy field. The organisation, along with its affiliates, is dedicated to advancing the sustainability cause by mitigating the industry's environmental footprint. Energy UK's strategic vision encompasses a transition towards a more decarbonised energy system that is also secure, varied, and economically accessible, enhancing local heat and power generation. A suite of initiatives is in progress to actualise these goals, aiming to foster a positive impact on the community, the economy, and the environment. Centrica holds a strategic position on Energy UK's Board. Our active participation extends to various committees and groups that concentrate on subjects like power production, customer protection and energy efficiency. Although there is a broad consensus within Energy UK regarding climate change, member opinions sometimes differ, for example on whether locational wholesale pricing should be introduced into the GB electricity market. Centrica and the majority of Energy UK members do not support the introduction of locational wholesale pricing as it risks undermining investment in renewables and flexible generation assets by adding to revenue uncertainty from electricity generation.

(4.11.2.11) Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☑ Paris Agreement

Row 3

(4.11.2.1) Type of indirect engagement

Select from:

☑ Indirect engagement via a trade association

(4.11.2.4) Trade association

Europe

☑ Other trade association in Europe, please specify **:**Association for Decentralised Energy (ADE)

(4.11.2.5) Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position

Select all that apply

☑ Climate change

(4.11.2.6) Indicate whether your organization’s position is consistent with the organization or individual you engage with

Select from:

☑ Consistent

(4.11.2.7) Indicate whether your organization attempted to influence the organization or individual’s position in the reporting year

Select from:

☑ No, we did not attempt to influence their position

(4.11.2.8) Describe how your organization’s position is consistent with or differs from the organization or individual’s position, and any actions taken to influence their position

The ADE champions a localised energy delivery model tailored to user needs, promoting an integrated approach. As a strong force in the industry, ADE unites stakeholders to foster a conducive environment for the advancement of decentralised and low carbon combined heat and power, district heating and cooling systems, and demand-side energy solutions. Our stance aligns with ADE's endorsement of decentralised energy generation expansion. As an active ADE member, we collaborate closely to advance decentralised energy offerings and energy efficiency. The ADE promotes policies that will help decarbonise heat, for example incentives to customers to take up energy efficiency measures. It also promotes policies that will reduce electricity consumption and costs, such as ensuring that demand-side response can access flexibility markets. Centrica participates actively on the ADE Strategy workgroup to contribute towards the definition of the organisation strategic priorities. This is turn supports the ADE overall positioning and approach towards the new Government’s policies for heat decarbonisation. This will overtime also encompass the advancement of the technical, commercial and financial feasibility of heat networks as a solution to decarbonise heat.

(4.11.2.11) Indicate if you have evaluated whether your organization’s engagement is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.2.12) Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Select all that apply

☑ Paris Agreement

[Add row]

(4.12) Have you published information about your organization's response to environmental issues for this reporting year in places other than your CDP response?

Select from:

☑ Yes

(4.12.1) Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.

Row 1

(4.12.1.1) Publication

Select from:

☑ In mainstream reports, in line with environmental disclosure standards or frameworks

(4.12.1.2) Standard or framework the report is in line with

Select all that apply

☑ TCFD

☑ Other, please specify **:**Non-Financial Reporting Directive and Companies Act 2006 and Climate-related Financial Disclosures

(4.12.1.3) Environmental issues covered in publication

Select all that apply

☑ Climate change

☑ Water

(4.12.1.4) Status of the publication

Select from:

☑ Complete

(4.12.1.5) Content elements

Select all that apply

☑ Strategy

☑ Governance

☑ Emission targets

☑ Emissions figures

☑ Risks & Opportunities

☑ Value chain engagement

☑ Dependencies & Impacts

☑ Public policy engagement

☑ Water accounting figures

☑ Content of environmental policies

(4.12.1.6) Page/section reference

Pages 5, 8, 10-13, 15-17, 24-25, 29, 31-32, 34, 44-45, 47-55, 249 and 251

(4.12.1.8) Comment

Climate change information is integrated throughout the Annual Report and Accounts 2023 – from a statement of commitment in the Chairman's and Chief Executive introduction at the start of the report, to our GHG performance in the Strategic Report. With the Strategic Report, our climate reporting is focused around our People & Planet Plan and Task Force on Climate-related Financial Disclosures as well as our wider KPI disclosure that closes the filing. Our disclosure against the TCFD achieved full compliance with the recommendations for the third year running whilst including progress against our climate transition ambitions which were set out in our Climate Transition Plan 2021. We also disclose information about our wider environmental impact within the Report.

Row 2

(4.12.1.1) Publication

Select from:

☑ In voluntary sustainability reports

(4.12.1.3) Environmental issues covered in publication

Select all that apply

☑ Climate change

☑ Water

(4.12.1.4) Status of the publication

Select from:

☑ Complete

(4.12.1.5) Content elements

Select all that apply

☑ Strategy

☑ Governance

☑ Emission targets

☑ Emissions figures

☑ Value chain engagement

☑ Dependencies & Impacts

☑ Public policy engagement

☑ Water accounting figures

☑ Content of environmental policies

(4.12.1.6) Page/section reference

Pages 2, 4-14, 20, 22, 24-25, 27-28, 33 and 37-40

(4.12.1.7) Attach the relevant publication

people-planet-plan-report-2023.pdf

(4.12.1.8) Comment

Climate and water information is shared in our People & Planet Plan Report 2023. The Plan sets out five Group-wide goals that are energising a greener, fairer future that supports communities, our planet and each other. Introduced in 2021, the Plan builds off progress made under our Responsible Business Ambitions and

accelerates action through goals such as being a net zero business by 2045 and helping our customers be net zero by 2050 at the latest. We also report how our Plan supports and contributes to the United Nations Sustainable Development Goals. Our wider environmental impact is shared within the Report too.

Row 3

(4.12.1.1) Publication

Select from:

☑ In voluntary sustainability reports

(4.12.1.3) Environmental issues covered in publication

Select all that apply

☑ Climate change

☑ Water

(4.12.1.4) Status of the publication

Select from:

☑ Complete

(4.12.1.5) Content elements

Select all that apply

☑ Emissions figures

☑ Emission targets

☑ Water accounting figures

(4.12.1.6) Page/section reference

Planet tab

(4.12.1.7) Attach the relevant publication

data-centre-2023.xlsx

(4.12.1.8) Comment

The Data Centre contains over 150 metrics and forms part of our wider reporting suite. It enables us to transparently report a fuller picture of our non-financial impact and shows trends over time. The metrics span all of our impact areas – from safety and customer satisfaction to carbon emissions and community investment.

Row 4

(4.12.1.1) Publication

Select from:

☑ In mainstream reports, in line with environmental disclosure standards or frameworks

(4.12.1.2) Standard or framework the report is in line with

Select all that apply

☑ Other, please specify **:**Voluntary best practice principles

(4.12.1.3) Environmental issues covered in publication

Select all that apply

☑ Climate change

(4.12.1.4) Status of the publication

Select from:

☑ Complete

(4.12.1.5) Content elements

Select all that apply

☑ Strategy

☑ Governance

☑ Emission targets

☑ Emissions figures

☑ Value chain engagement

☑ Dependencies & Impacts

☑ Public policy engagement

☑ Water accounting figures

☑ Risks & Opportunities

☑ Content of environmental policies

(4.12.1.6) Page/section reference

Full report

(4.12.1.7) Attach the relevant publication

climate-transition-plan-2021.pdf

(4.12.1.8) Comment

Our first Climate Transition Plan 2021-23 sets out our plan for achieving our net zero targets, whilst ensuring a fair and affordable transition for all. We've committed to review our Plan in full every three years and publish an update. The Plan was updated in 2022 to take into account retained Spirit Energy assets and was supported by the overwhelming majority of shareholders following the shareholder advisory vote with a79.96% approval rate at our AGM later that year.

Row 5

(4.12.1.1) Publication

Select from:

☑ In voluntary communications

(4.12.1.3) Environmental issues covered in publication

Select all that apply

☑ Climate change

(4.12.1.4) Status of the publication

Select from:

☑ Complete

(4.12.1.5) Content elements

Select all that apply

☑ Public policy engagement

(4.12.1.6) Page/section reference

Full document

(4.12.1.7) Attach the relevant publication

centricas-climate-policy-positions.pdf

(4.12.1.8) Comment

The policy environment is a key determinant of whether we can deliver net zero. In this document, we have set out our policy positions on key areas that we feel will enable the transition to net zero. Our position is subject to change as the policy and energy landscape evolves.
[Add row]

C5. Business strategy

(5.1) Does your organization use scenario analysis to identify environmental outcomes?

Climate change

(5.1.1) Use of scenario analysis

Select from:
☑ Yes

(5.1.2) Frequency of analysis

Select from:
☑ Annually

Water

(5.1.1) Use of scenario analysis

Select from:
☑ Yes

(5.1.2) Frequency of analysis

Select from:
☑ Annually
[Fixed row]

(5.1.1) Provide details of the scenarios used in your organization’s scenario analysis.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

☑ Customized publicly available climate transition scenario, please specify :National Grid, Future Energy Scenarios 2022 – Leading the Way

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Policy

☑ Market

☑ Technology

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 1.5°C or lower

(5.1.1.7) Reference year

2022

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2025
☑ 2030
☑ 2040
☑ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Speed of change (to state of nature and/or ecosystem services)
☑ Climate change (one of five drivers of nature change)

Stakeholder and customer demands

☑ Consumer sentiment

Regulators, legal and policy regimes

☑ Global regulation
☑ Level of action (from local to global)
☑ Global targets

Direct interaction with climate

☑ On asset values, on the corporate

Macro and microeconomy

☑ Domestic growth

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

The "Leading the Way" scenario mainly aligned with the CCC's Widespread Innovation pathway, aiming for net zero emissions by 2047, ahead of the 2050 target. However there are some areas where there are differences: - In aviation, a 63% reduction in emissions is anticipated despite a 50% rise in demand from 2018 levels. This will be achieved through the use of 25% carbon-neutral synthetic jet fuel, 25% biofuels, and advancements in aircraft efficiency. - For shipping, the transition to low-carbon fuels is expected to be widespread throughout the 2030s, leading to near-zero emissions by 2040. - In agriculture, emissions are projected to decrease by 55% by 2050 compared to 2018. This includes a 50% reduction in meat and dairy consumption, with lab-grown meat comprising 30% of meat production. - Land use changes include the planting of 70,000 hectares of trees annually by 2035, full restoration of peatlands by 2045, and the cultivation of 1.4

million hectares of energy crops by 2050. - Lastly, waste management will see a 50% reduction in edible food waste by 2050, alongside enhanced wastewater treatment processes, resulting in an overall emissions reduction of just over 75% from 2022 levels by 2050.

(5.1.1.11) Rationale for choice of scenario

Our decision to choose FES for assessing transitional risks was based on several compelling reasons. Firstly, FES is recognized for its independent and authoritative scenarios, which are crucial for unbiased analysis. The comprehensive range of scenarios provided by FES enables us to evaluate not only our resilience to temperature changes but also the impact of diverse decarbonization strategies for heating in our key markets. This variety allows us to confirm our stance on being technology-neutral. Moreover, FES offers an extensive level of detail on critical themes such as the expansion of the low-carbon market and the shift from fossil fuel-based heating, particularly the move away from natural gas. Additionally, the increasing market for electric vehicles and the rising demand for renewable energy sources are well-covered, aligning with our need to examine these significant trends. The "Leading the Way" scenario typically aligns with the CCC's Widespread Innovation pathway, achieving net zero before 2050, specifically by 2047. This represents the quickest plausible route to decarbonization, realized through a combination of heightened consumer involvement, new technology, and robust investment. Adopting this scenario enables us to evaluate Centrica's strategy against a fast-tracked transition to net zero, ensuring vigilance over any potential escalated risks or opportunities that may arise at varying intervals.

Water

(5.1.1.1) Scenario used

Physical climate scenarios

☑ RCP 2.6

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☑ SSP1

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Acute physical

☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 1.6ºC - 1.9ºC

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2025

☑ 2030

☑ 2040

☑ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Changes in ecosystem services provision

Finance and insurance

☑ Other finance and insurance driving forces, please specify :Rising fossil fuel prices

Stakeholder and customer demands

☑ Other stakeholder and customer demands driving forces, please specify :Customer uptake of low-carbon technology

Regulators, legal and policy regimes

☑ Global regulation

☑ Other regulators, legal and policy regimes driving forces, please specify :Stringent carbon neutral policies

Relevant technology and science

☑ Other relevant technology and science driving forces, please specify :Renewable generation, use of bio-energy and carbon capture technology

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

This scenario is one of the future emissions pathways used in the IPCC's 5th Assessment report. RCP 2.6 represents an ambitious scenario, as outlined by the IPCC. It necessitates a reduction in carbon dioxide emissions, aiming for a net-zero target by the year 2100. This scenario also involves halving methane emissions from their 2020 levels and reducing sulphur dioxide emissions to a mere 10% of what they were between 1980 and 1990. Additionally, RCP 2.6 assumes the implementation of negative carbon dioxide emissions, averaging 2 Gigatons annually, through natural processes like afforestation. Adhering to this pathway is considered crucial for limiting the global temperature increase to under 2C by the end of the century. Assumptions: 1. Mitigation Objective: RCP2.6 represents a mitigation scenario aiming to limit the increase of global mean temperature to around 2C above preindustrial levels. 2. Mid-Range Climate Sensitivity: It assumes mid-range climate sensitivity, which influences how the Earth system responds to greenhouse gas emissions. 3. Emission Reductions: RCP2.6 assumes aggressive emission reductions, including substantial shifts toward renewable energy and carbon capture technologies. Uncertainties: 1. Baseline Emissions: Uncertainties exist regarding baseline emissions and the effectiveness of mitigation policies. 2. Technological Advances: The scenario relies on advancements in clean energy technologies and widespread adoption. 3. Socioeconomic Factors: Assumptions about population growth, economic development, and policy implementation introduce uncertainties. Constraints: 1. Stringent Policies: RCP2.6 assumes stringent climate policies, including global cooperation to reduce emissions. 2. Land Use and Food Security: Uncertainties surround land-use changes, food crop yields, and food demand. 3. In summary, RCP2.6 offers a pathway toward a more sustainable future, emphasising the importance of ambitious climate action and global collaboration.

(5.1.1.11) Rationale for choice of scenario

IPCC Representative Concentration Pathway (RCP) 2.6. The scenario was used to assess physical risks and opportunities for Centrica in a 1.5ºC pathway. The RCP pathways were selected as a credible description of different climate futures linked to the radiative forcing values and we used them to assess the potential risks from aspects including rising mean temperatures and sea levels, flooding, extreme and volatile weather, droughts and heatwaves on our material activities and assets out to 2050. Potential impacts were assessed both quantitatively such as impact on flood risk and qualitatively such as potential impacts on supply chains.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

☑ Customized publicly available climate transition scenario, please specify :National Grid, Future Energy Scenarios 2022 – System Transformation

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Policy

☑ Market

☑ Technology

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 1.6°C - 1.9°C

(5.1.1.7) Reference year

2022

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2025

☑ 2030

☑ 2040
☑ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Speed of change (to state of nature and/or ecosystem services)
☑ Climate change (one of five drivers of nature change)

Stakeholder and customer demands

☑ Consumer sentiment

Regulators, legal and policy regimes

☑ Global regulation
☑ Level of action (from local to global)
☑ Global targets

Macro and microeconomy

☑ Domestic growth

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

The "System Transformation" scenario mainly aligned with the CCC's Balanced Pathway, aiming for net zero emissions by 2050. Key Assumptions: - In aviation, 41% emissions reduction (compared to 2018) due to slower demand growth (only 25% increase compared to forecast 65%), improvements in aircraft efficiency and a modest share of sustainable aviation fuels at 25%. - For shipping, emissions reduce to close to zero by 2050 using zero carbon fuels, 87% of the emissions savings come from using ammonia and the remaining reductions come from electrification. - In agriculture, there is a 35% reduction in emissions by 2050 (compared to 2018) and reduction by a third for weekly meat consumption and 20% reduction for dairy. - Land use changes include 50,000 hectares of trees planted annually by 2035 and 79% of peat land restored. With 700,000 of perennial energy crops by 2050. - Lastly, waste management follows the Widespread innovation pathway, with 51% fall in edible food waste by 2030 and 61% by 2050 (compared to 2007).

(5.1.1.11) Rationale for choice of scenario

'System Transformation,' serves as a quantitative tool for evaluating the transition risks and opportunities facing Centrica. This analysis is crucial for Centrica's main operations in energy provision, services, and solutions, particularly within a high-hydrogen, low-carbon pathway that aligns with the sub-2ºC climate goal. The chosen

scenario offers detailed data, enabling an examination of its influence on Centrica's gross margin and capital investments up to the year 2050. Key trends include the total shift from fossil fuel-based home heating to hydrogen alternatives by 2050, the surge in electric vehicle adoption, and advancements in energy efficiency. Additionally, it is presumed that natural gas will continue to be a primary source for hydrogen production and that there will be a growing demand for renewable electricity, such as solar power. For the purposes of this scenario, Centrica's market share and unit gross margin are projected to remain constant, extending beyond their current five-year strategic forecasts.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

☑ Customized publicly available climate transition scenario, please specify **:**National Grid, Future Energy Scenarios 2022 – Consumer Transformation

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Policy

☑ Market

☑ Technology

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 1.6ºC - 1.9ºC

(5.1.1.7) Reference year

2022

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2025

☑ 2030

☑ 2040

☑ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Speed of change (to state of nature and/or ecosystem services)

☑ Climate change (one of five drivers of nature change)

Stakeholder and customer demands

☑ Consumer sentiment

Regulators, legal and policy regimes

☑ Global regulation

☑ Level of action (from local to global)

☑ Global targets

Macro and microeconomy

☑ Domestic growth

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

The "Consumer Transformation" scenario mainly aligned with the CCC's Balanced Pathway, aiming for net zero emissions by 2050. Home heating, transport, and industry are largely electrified. High levels of energy efficiency combined with large-scale electrification lead to the lowest end-user energy demands across the

scenarios. Electricity generation capacity and output are highest in this scenario to meet high annual electricity demands. High levels of renewable generation with low hydrogen production lead to the highest levels of electricity curtailment across the scenarios. This scenario assumes the highest levels of consumer engagement.

(5.1.1.11) Rationale for choice of scenario

National Grid, Future Energy Scenarios 2022 – Consumer transformation. Scenario used to quantitatively assess transition risks and opportunities for Centrica in its core business activities of energy supply, services and solutions in a high-electrification decarbonisation pathway keeping to well-below 2ºC. The scenario was selected as it provides a very granular data set through which the potential impact on Centrica's gross margin (GM) and capital expenditure assessed out to 2050 can be assessed through trends such as complete replacement of fossil based domestic heating solutions primarily with electric based alternatives by 2050, strong growth in electric vehicles and energy efficiency. Almost complete cessation of the use of unabated natural gas, with very significant increase in demand for renewable electricity including solar generation are also assumed. Centrica's market share and unit GM were kept flat beyond current 5-year strategic plans.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

☑ Customized publicly available climate transition scenario, please specify **:**National Grid, Future Energy Scenarios 2022 – Falling Short

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Policy

☑ Market

☑ Technology

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 2.0ºC - 2.4ºC

(5.1.1.7) Reference year

2022

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2025

☑ 2030

☑ 2040

☑ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Speed of change (to state of nature and/or ecosystem services)

☑ Climate change (one of five drivers of nature change)

Stakeholder and customer demands

☑ Consumer sentiment

Regulators, legal and policy regimes

☑ Global regulation

☑ Level of action (from local to global)

☑ Global targets

Macro and microeconomy

☑ Domestic growth

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Falling Short has the slowest credible level of decarbonisation. Based on current policy the power sector still reaches Net Zero but not until 2046, much later than the other scenarios. This is partly due to some continued reliance on unbated gas generation, and the slowest deployment of BECCS for the power sector. Road transport decarbonises almost to zero by 2050 but again is slower than other scenarios with the ban on the sale of new petrol/diesel cars not happening until 2040. Out to 2050, residential and industrial heat as well as non-energy sectors decarbonise significantly less than in the other scenarios. As Falling Short does not reach Net Zero, CCC pathway assumptions were not used. Instead, they assumed slower rates of emission reductions in line with the wider scenario narrative that Falling Short represents the credible slowest decarbonisation.

(5.1.1.11) Rationale for choice of scenario

National Grid, Future Energy Scenarios 2022 – Falling Short. Scenario used to quantitatively assess transition risks and opportunities for Centrica in its core business activities of energy supply, services and solutions in a low decarbonisation pathway leading to over 2ºC of warming. The scenario was selected as it provides a very granular data set through which the potential impact on Centrica's gross margin (GM) and capital expenditure assessed out to 2050 can be assessed through trends such as reduced but enduring use of fossil based domestic heating solutions with partial replacement with electrified alternatives by 2050. Strong growth in electric vehicles and to a lesser extent energy efficiency. Enduring use of natural gas to 2050, with modest increase in the demand for renewable electricity including solar generation are also assumed. Centrica's market share and unit GM were kept flat beyond current 5 year strategic plans.

Climate change

(5.1.1.1) Scenario used

Climate transition scenarios

☑ IEA NZE 2050

(5.1.1.3) Approach to scenario

Select from:

☑ Quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Policy

☑ Market

☑ Technology

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 1.5°C or lower

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2025

☑ 2030

☑ 2040

☑ 2050

(5.1.1.9) Driving forces in scenario

Regulators, legal and policy regimes

☑ Global regulation

Relevant technology and science

☑ Other relevant technology and science driving forces, please specify **:**Technology maturity

Macro and microeconomy

☑ Domestic growth

☑ Globalizing markets

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

The Net Zero Emissions by 2050 Scenario (NZE Scenario) is a normative scenario that shows a pathway for the global energy sector to achieve net zero CO2 emissions by 2050, with advanced economies reaching net zero emissions in advance of others. This scenario also meets key energy-related Sustainable Development Goals (SDGs), in particular universal energy access by 2030 and major improvements in air quality. It is consistent with limiting the global temperature rise to 1.5 C (with at least a 50% probability), in line with emissions reductions assessed in the Intergovernmental Panel on Climate Change (IPCC)'s Sixth Assessment Report.

(5.1.1.11) Rationale for choice of scenario

Global energy sector net zero by 2050. Scenario was selected and used to test potential risk of asset impairment on Centrica's hydrocarbon production division, Spirit Energy in a 1.5 ºC scenario. Impact on asset Net Present Value (NPV) through changes in commodity demand and prices through the following key trends was quantified: ban on fossil boilers by 2025, 60% car sales EV and 850GW of Hydrogen electrolysers by 2030, net zero power in our key markets by 2035, 50% heating from Heat pumps by 2045. Liquid prices were used for first 4 years and then blended to external Net zero price scenarios out to 2050.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☑ RCP 2.6

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☑ SSP1

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Acute physical

☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 2.0ºC - 2.4ºC

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2025

☑ 2030

☑ 2040

☑ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Changes in ecosystem services provision

Finance and insurance

☑ Other finance and insurance driving forces, please specify :rising fossil fuel prices

Stakeholder and customer demands

☑ Other stakeholder and customer demands driving forces, please specify :customer uptake of low-carbon technology

Regulators, legal and policy regimes

☑ Global regulation

☑ Other regulators, legal and policy regimes driving forces, please specify :stringent carbon neutral policies

Relevant technology and science

☑ Other relevant technology and science driving forces, please specify :renewable generation, use of bio-energy, carbon capture technology

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

This scenario is one of the future emissions pathways used in the IPCC's 5th Assessment report. It represents a mitigation scenario aiming to limit the increase of global mean temperature to around 2C above preindustrial levels for mid-range climate sensitivity. RCP 2.6 represents an ambitious scenario, as outlined by the IPCC. It necessitates a reduction in carbon dioxide emissions, aiming for a net-zero target by the year 2100. This scenario also involves halving methane emissions from their 2020 levels and reducing sulphur dioxide emissions to a mere 10% of what they were between 1980 and 1990. Additionally, RCP 2.6 assumes the implementation of negative carbon dioxide emissions, averaging 2 Gigatons annually, through natural processes like afforestation. Adhering to this pathway is considered crucial for limiting the global temperature increase to under 2C by the end of the century. 1.Assumptions: - Mitigation Objective: RCP2.6 represents a mitigation scenario aiming to limit the increase of global mean temperature to around 2C above preindustrial levels. - Mid-Range Climate Sensitivity: It assumes mid-range climate sensitivity, which influences how the Earth system responds to greenhouse gas emissions. - Emission Reductions: RCP2.6 assumes aggressive emission reductions, including substantial shifts toward renewable energy and carbon capture technologies. 2.Uncertainties: - Baseline Emissions: Uncertainties exist regarding baseline emissions and the effectiveness of mitigation policies. - Technological Advances: The scenario relies on advancements in clean energy technologies and widespread adoption. - Socioeconomic Factors: Assumptions about population growth, economic development, and policy implementation introduce uncertainties. 3.Constraints: - Stringent Policies: RCP2.6 assumes stringent climate policies, including global cooperation to reduce emissions. - Land Use and Food Security: Uncertainties surround land-use changes, food crop yields, and food demand. In summary, RCP2.6 offers a pathway toward a more sustainable future, emphasising the importance of ambitious climate action and global collaboration.

(5.1.1.11) Rationale for choice of scenario

IPCC Representative Concentration Pathway (RCP) 2.6. The scenario was used to assess physical risks and opportunities for Centrica in a 1.5ºC pathway. The RCP pathways were selected as a credible description of different climate futures linked to the radiative forcing values and we used them to assess the potential risks from aspects including rising mean temperatures and sea levels, flooding, extreme and volatile weather, droughts and heatwaves on our material activities and assets out to 2050. Potential impacts were assessed both quantitatively such as impact on gross margin or sea level rise and qualitatively such as potential impacts on supply chains.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☑ RCP 4.5

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☑ SSP2

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Acute physical

☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 2.0ºC - 2.4ºC

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2025

☑ 2030

☑ 2040

☑ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Changes in ecosystem services provision

Finance and insurance

☑ Other finance and insurance driving forces, please specify :Carbon emissions pricing

Regulators, legal and policy regimes

☑ Global regulation

Direct interaction with climate

☑ Other direct interaction with climate driving forces, please specify :air pollution (SO2, NOx, VOCs)

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

The IPCC characterizes RCP 4.5 as a moderate trajectory, where greenhouse gas emissions are projected to peak around 2040 before decreasing. This scenario assumes a significant reliance on fossil fuels, suggesting that current estimates of fuel availability may be overstated. Under RCP 4.5, without additional climate policies, CO2 emissions are expected to start falling by 2045, aiming to halve 2050 levels by the century's end. Methane emissions should cease to rise by 2050 and reduce to 75% of 2040 levels, while sulphur dioxide emissions are anticipated to drop to 20% of the levels recorded between 1980 and 1990. RCP 4.5 also presupposes the implementation of negative CO2 emissions strategies, such as afforestation, targeting an annual reduction of 2 Gigatons of CO2. Projections indicate that this scenario could lead to a global temperature increase of 2 to 3 degrees Celsius by 2100, with sea levels rising 35% more than under the RCP 2.6 scenario. The ecological impact of RCP 4.5 could be significant, with many species potentially unable to adapt to the rapid environmental changes. 1.Assumptions: - Stabilisation Objective: RCP4.5 aims to stabilise radiative forcing by 2100. It is based on the MiniCAM Level 3 stabilisation scenario. - Non-CO2 Emissions: The scenario incorporates detailed assumptions about non-CO2 emissions and pollution control measures. - Land Use and Carbon Pricing: RCP4.5 considers updated land use modelling and terrestrial carbon emissions pricing. 2.Uncertainties: - Model Assumptions: Like any scenario, RCP4.5 has inherent uncertainties related to model assumptions, especially regarding economic and technological developments. - Policy Pathways: Uncertainties exist around the effectiveness of climate policies in achieving the desired stabilisation. 3.Constraints: - Mitigation Efforts: RCP4.5 assumes moderate climate change mitigation efforts, leading to a pathway that stabilises radiative forcing. - Socioeconomic Factors: The scenario considers socioeconomic factors that influence emissions and energy use. In summary, RCP4.5 provides a pathway for stabilisation while acknowledging the complexities and uncertainties inherent in modelling future climate scenarios.

(5.1.1.11) Rationale for choice of scenario

IPCC Representative Concentration Pathway (RCP) 4.5. The scenario was used to assess physical risks and opportunities for Centrica in an intermediate pathway aligned with 2.4ºC of warming. The RCP pathways were selected as a credible description of different climate futures linked to the radiative forcing values and we used them to assess the potential risks from aspects including rising mean temperatures and sea levels, flooding, extreme and volatile weather, droughts and heatwaves on our material activities and assets out to 2050. Potential impacts were assessed both quantitatively such as impact on gross margin or sea level rise and qualitatively such as potential impacts on supply chains.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☑ RCP 8.5

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☑ SSP5

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Acute physical

☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 4.0°C and above

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2025

☑ 2030

☑ 2040

☑ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Changes in ecosystem services provision

Stakeholder and customer demands

☑ Consumer sentiment

Regulators, legal and policy regimes

☑ Global regulation

Relevant technology and science

☑ Other relevant technology and science driving forces, please specify **:**technology improvements

Direct interaction with climate

☑ Other direct interaction with climate driving forces, please specify **:**air pollution (SO2, NOx, VOCs)

Macro and microeconomy

☑ Domestic growth

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

Assumptions: - High Population and Slow Income Growth: RCP8.5 assumes a world with high population growth and relatively slow income increases. - Modest Technological Change: The scenario incorporates modest rates of technological advancements and energy intensity improvements. - Energy Demand: Over the long term, RCP8.5 predicts high energy demand due to these assumptions. - No Climate Change Policies: RCP8.5 assumes no significant climate change mitigation efforts, resulting in high greenhouse gas emissions. - Assumes coal use and future emissions. In summary, RCP8.5 serves as a worst-case scenario, emphasising the need for climate action to avoid such outcomes. It is not a "current policy" scenario.

(5.1.1.11) Rationale for choice of scenario

IPCC Representative Concentration Pathway (RCP) 8.5. The scenario was used to assess physical risks and opportunities for Centrica in an extreme warming future aligned with a 4.3ºC pathway. The RCP pathways were selected as a credible description of different climate futures linked to the radiative forcing values and we used them to assess the potential risks from aspects including rising mean temperatures and sea levels, flooding, extreme and volatile weather, droughts and heatwaves on our material activities and assets out to 2050. Potential impacts were assessed both quantitatively such as impact on gross margin or sea level rise and qualitatively such as potential impacts on supply chains.

Water

(5.1.1.1) Scenario used

Physical climate scenarios

☑ RCP 4.5

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☑ SSP2

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Acute physical

☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 2.5ºC - 2.9ºC

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2025

☑ 2030

☑ 2040

☑ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Changes in ecosystem services provision

Finance and insurance

☑ Other finance and insurance driving forces, please specify :Carbon emissions pricing

Regulators, legal and policy regimes

☑ Global regulation

Direct interaction with climate

☑ Other direct interaction with climate driving forces, please specify :Air pollution from SO2, NOx and VOCs

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

RCP 4.5 is a moderate trajectory, where greenhouse gas emissions are projected to peak around 2040 before decreasing. This scenario assumes a significant reliance on fossil fuels, suggesting that current estimates of fuel availability may be overstated. Under RCP 4.5, without additional climate policies, CO2 emissions are expected to start falling by 2045, aiming to halve 2050 levels by the century's end. Methane emissions should cease to rise by 2050 and reduce to 75% of 2040 levels, while sulphur dioxide emissions are anticipated to drop to 20% of the levels recorded between 1980 and 1990. RCP 4.5 also presupposes the implementation of negative CO2 emissions strategies, such as afforestation, targeting an annual reduction of 2 Gigatons of CO2. Projections indicate that this scenario could lead to a global temperature increase of 2 to 3 degrees Celsius by 2100, with sea levels rising 35% more than under the RCP 2.6 scenario. The ecological impact of RCP 4.5 could be significant, with many species potentially unable to adapt to the rapid environmental changes. Assumptions: 1. Stabilisation Objective: RCP4.5 aims to stabilise radiative forcing by 2100. It is based on the MiniCAM Level 3 stabilisation scenario. 2. Non-CO2 Emissions: The scenario incorporates detailed assumptions about non-CO2 emissions and pollution control measures. 3. Land Use and Carbon Pricing: RCP4.5 considers updated land use modelling and terrestrial carbon emissions pricing. Uncertainties: 1. Model Assumptions: Like any scenario, RCP4.5 has inherent uncertainties related to model assumptions, especially regarding economic and technological developments. 2. Policy Pathways: Uncertainties exist around the effectiveness of climate policies in achieving

the desired stabilisation. Constraints: 1. Mitigation Efforts: RCP4.5 assumes moderate climate change mitigation efforts, leading to a pathway that stabilises radiative forcing. 2. Socioeconomic Factors: The scenario considers socioeconomic factors that influence emissions and energy use. In summary, RCP4.5 provides a pathway for stabilisation while acknowledging the complexities and uncertainties inherent in modelling future climate scenarios.

(5.1.1.11) Rationale for choice of scenario

IPCC Representative Concentration Pathway (RCP) 4.5. The scenario was used to assess physical risks and opportunities for Centrica in an intermediate pathway aligned with 2.4ºC of warming. The RCP pathways were selected as a credible description of different climate futures linked to the radiative forcing values and we used them to assess the potential risks from aspects including rising mean temperatures and sea levels, flooding, extreme and volatile weather, droughts and heatwaves on our material activities and assets out to 2050. Potential impacts were assessed both quantitatively such as impact on flood risk and qualitatively such as potential impacts on supply chains.

Water

(5.1.1.1) Scenario used

Physical climate scenarios

☑ RCP 8.5

(5.1.1.2) Scenario used SSPs used in conjunction with scenario

Select from:

☑ SSP5

(5.1.1.3) Approach to scenario

Select from:

☑ Qualitative and quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Organization-wide

(5.1.1.5) Risk types considered in scenario

Select all that apply

☑ Acute physical

☑ Chronic physical

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 4.0ºC and above

(5.1.1.7) Reference year

2023

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2025

☑ 2030

☑ 2040

☑ 2050

(5.1.1.9) Driving forces in scenario

Local ecosystem asset interactions, dependencies and impacts

☑ Changes in ecosystem services provision

Stakeholder and customer demands

☑ Consumer sentiment

Regulators, legal and policy regimes

☑ Global regulation

Relevant technology and science

☑ Other relevant technology and science driving forces, please specify **:**Technology improvements

Direct interaction with climate

☑ Other direct interaction with climate driving forces, please specify :Air pollution from SO2, NOx and VOCs.

Macro and microeconomy

☑ Domestic growth

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

RCP 8.5 assumes: 1. High Population and Slow Income Growth: RCP8.5 assumes a world with high population growth and relatively slow income increases. 2. Modest technological change: The scenario incorporates modest rates of technological advancements and energy intensity improvements. 3. Energy Demand: Over the long term, RCP8.5 predicts high energy demand due to these assumptions. 4. No Climate Change Policies: RCP8.5 assumes no significant climate change mitigation efforts, resulting in high greenhouse gas emissions. In summary, RCP8.5 serves as a worst-case scenario, emphasising the need for climate action to avoid such outcomes. It is not a "current policy" scenario.

(5.1.1.11) Rationale for choice of scenario

IPCC Representative Concentration Pathway (RCP) 8.5. The scenario was used to assess physical risks and opportunities for Centrica in an extreme warming future aligned with a 4.3ºC pathway. The RCP pathways were selected as a credible description of different climate futures linked to the radiative forcing values and we used them to assess the potential risks from aspects including rising mean temperatures and sea levels, flooding, extreme and volatile weather, droughts and heatwaves on our material activities and assets out to 2050. Potential impacts were assessed both quantitatively such as impact on flood risk and qualitatively such as potential impacts on supply chains.
[Add row]

(5.1.2) Provide details of the outcomes of your organization's scenario analysis.

Climate change

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

☑ Risk and opportunities identification, assessment and management

☑ Strategy and financial planning

☑ Resilience of business model and strategy

(5.1.2.2) Coverage of analysis

Select from:

☑ Organization-wide

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

The results of our scenario analysis show that we have a strong strategic resilience to climate change and can adapt to the challenges and opportunities it brings as we pursue our net zero goal. Our in-house model projects that our gross margin (GM) across our key lines of business will grow or shrink depending on the external scenario, while keeping our market share and unit margin constant. We use three time horizons for our analysis: 2028, 2038 and 2050, which reflect our latest business plan, our net zero targets and Climate Transition Plan, and the expected lifespan of most of our assets and the emergence of key transitional risks and opportunities. Our analysis suggests that we can achieve a net positive financial impact for the Group under all scenarios, thanks to our unique integration across the energy value chain and our market-leading positions in various segments. Our business model is flexible and responsive to the changing needs of the energy transition, and we are committed to our Purpose of energising a greener, fairer future. However, we also recognise the uncertainty of the transition, and take this into account when assessing our strategic resilience to decarbonisation. We identify some parts of our business that are exposed to potential transitional risks and opportunities, ranging from 'low' to 'high' in significance over the long term. These are mainly related to policy and regulatory changes that may affect the demand and supply of different energy sources and services. For example, a key risk for British Gas and Bord Gáis Energy is the gradual phase-out of natural gas in heating, which may require us to offer different solutions and services to our customers. However, we believe that we are well positioned to capture the opportunities created by this shift, as our brands have the systems and capabilities to adapt from the trading and sale of gas and electricity, to a system that relies more on electricity and hydrogen. Besides transitional risks and opportunities, we also consider physical risks, which are related to the impacts of climate change on the environment and infrastructure. We focus on acute physical risks, such as extreme weather events, and chronic physical risks, such as long-term changes in climate patterns, that may affect our energy assets in Centrica Energy Storage, Centrica Business Solutions, Bord Gáis and Spirit Energy. These assets are typically more vulnerable to physical risks due to the nature of their operations. In 2023, we expanded our analysis to include new sites, such as our solar farm in Codford and our distribution centre in Leicester. The analysis confirmed that our exposure to physical acute risks is generally 'low' in the short and long term. The only potential 'medium' risk we identified was a physical chronic risk, where a rise in mean temperature in a 4C warming scenario by 2050 reduces energy demand for heating. However, this risk would be partly offset by an increase in cooling demand and would also reduce some of the transitional risks, providing a natural hedge for the Group. We also analysed the impact of rising mean temperatures on our energy supply businesses across the UK and Ireland, and found this to be the only material physical risk – we estimate a loss of margin from lower energy consumption over the next 30 years, which would be slightly offset by higher demand for cooling technology. However, we expect that the regulatory framework would adjust to reflect significant changes in consumption patterns. Our asset impairment analysis showed that our most exposed assets were our gas production fields alongside our investment in nuclear. We found that the value of our gas assets was relatively 'low' impacted by both existing impairment headroom and the fact that most fields are expected to have produced most of their reserves within the next five years. Our investment in nuclear would be further impaired by around 15 million, as baseload power price scenarios are slightly above net zero price forecasts. Our assessment of the capital expenditure required to manage potential risks and opportunities, remains in line with our current plans and balance sheet. We've also identified numerous opportunities for capital investment into new and existing assets and technologies through the process. For example, through our green-focused investment strategy, we'll build investment levels to 600-800 million per year through to 2028, with at least 50% of capital expenditure due to go into green taxonomy eligible projects compared to 5% only two years ago. This will help us meet our targets to achieve net zero and our climate transition ambitions, including our aim to invest up to 100 million in low carbon and transition assets annually from 2020 to 2025, whilst exploring longer term optionality at assets for hydrogen storage and carbon capture and storage.

Water

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

☑ Scenario analysis has not influenced our business processes

[Fixed row]

(5.2) Does your organization’s strategy include a climate transition plan?

(5.2.1) Transition plan

Select from:

☑ No, but we have a climate transition plan with a different temperature alignment

(5.2.2) Temperature alignment of transition plan

Select from:

☑ Well-below 2°C aligned

(5.2.3) Publicly available climate transition plan

Select from:

☑ Yes

(5.2.4) Plan explicitly commits to cease all spending on, and revenue generation from, activities that contribute to fossil fuel expansion

Select from:

☑ No, and we do not plan to add an explicit commitment within the next two years

(5.2.6) Explain why your organization does not explicitly commit to cease all spending on and revenue generation from activities that contribute to fossil fuel expansion

We have committed to not investing in exploring for new oil & gas reserves. We are also committed to responsibly managing the remaining gas fields still in the Group until the end of their operational life which may require some capital investment into extraction infrastructure in the short term. The cash flow produced will be allocated to fulfil the outstanding decommissioning responsibilities. We anticipate that this process will be substantively concluded by the late 2030s to early 2040s. In the meantime, we are actively pursuing opportunities to convert existing infrastructure to aid the transition to net zero, including carbon capture and storage. In the shift towards a grid dominated by renewable energy, rapid-response, short-run 'peaking' gas-fired power stations will play a pivotal role in stabilizing the UK's energy needs. They will provide essential backup power during periods when renewable sources are insufficient. Our strategy includes the development of a suite of assets including both peaking and storage assets that will serve as a reliable safety net for the grid. This approach not only advances our journey to net zero emissions but also ensures a sustained and secure energy supply for the future whilst lowering bills. The peaking gas engines are also capable of running on a blended fuel mix of natural gas and hydrogen, which will future proof the sites, and further contribute towards a decarbonised grid.

(5.2.7) Mechanism by which feedback is collected from shareholders on your climate transition plan

Select from:

☑ Our climate transition plan is voted on at Annual General Meetings (AGMs)

(5.2.10) Description of key assumptions and dependencies on which the transition plan relies

Centrica has identified four key decarbonisation levers: enhancing energy efficiency, fuel switching, and decarbonising gas and electricity grids. Our success depends on broader initiatives involving policymakers, regulators, customers, partners, suppliers, and competitors. We engage in collaborative efforts and advocate for policy reforms. Our progress in decarbonising the electricity grid relies on governmental goals and policies that expedite new connections and remove barriers for renewable projects. The establishment of a hydrogen economy also depends on governmental support. We're exploring the integration of low-carbon gases like hydrogen with methane to reduce emissions from gas-fired power. Progress requires a fair levy system, investment in infrastructure, and a sustainable hydrogen production model. Market receptivity to electrification is crucial. We've introduced propositions for low-carbon heating and EV charging, assuming customer adoption will drive market growth. Overcoming planning restrictions and cost barriers is essential for the full potential of electric heating. We rely on upskilling our workforce to deliver low-carbon technologies. We're positioned to provide top-tier training for engineers on green skills. Our efforts align with national strategies to improve home insulation. Effective funding and incentives for energy efficiency are vital for progress. Our green-focused investment strategy aims to invest 600-800 million per year through 2028, with at least 50% of capital expenditure on green projects, up from 5% two years ago. This supports our net zero and climate transition goals.

(5.2.11) Description of progress against transition plan disclosed in current or previous reporting period

We on track against our customer emission reduction target. In 2023, our energy supply, services, and solutions facilitated a 10% reduction in the greenhouse gas (GHG) intensity of our customers' energy consumption (vs 2019). This improvement was primarily attributed to our renewable energy offerings and low-carbon energy tariffs, complemented by energy efficiency and optimisation solutions such as heat pumps and the Hive smart thermostat. This marks an increase from the 6% reduction recorded in 2022, largely due to the zero-carbon proportion of our electricity fuel mix increasing from 5% to 80%. We have: - Rolled out leading incentives to

promote the uptake of low-carbon technologies, including heat pump price and performance assurances, as well as offering a year of complimentary EV charging for a year upon purchasing a Hive charger, coupled with the most economical EV charging rates. - Installed c.3,000 heat pumps for customers who are self-funding and through the Energy Company Obligation (ECO), positioning us as a frontrunner in the UK heat pump market. - Since 2013, we have installed over 34,000 EV charging points. - Maintained our status as a prominent facilitator of clean energy in Europe by managing a route-to-market for 13GW of renewable energy, sufficient to supply power to roughly 12 million households. - Initiated PeakSave Sundays, motivating over half a million customers to adjust their energy consumption away from peak times, thereby reducing both carbon emissions and costs. Like many organisations, we purchased energy certificates such as Renewable Energy Guarantees of Origin and Nuclear Declarations, to back both our green and standard tariffs during the year. We're aware that the debate around the value of these certificates is evolving with recent research studies and broader expert opinion, identifying issues including the risk that certificates don't incentivise the building of renewable or zero carbon power generation that's needed. In 2024, we're engaging a range of stakeholders on the issue and will use their views to inform whether certificates are right thing for our customers and our business. In 2023, Centrica cut GHG emissions by 21% from 2019 levels, up from 5% the previous year. This was due to lower emissions at Whitegate power station and in gas production, as well as reduced office occupancy from flexible working. The EV van fleet expansion faced delays due to charging challenges, leading to a revised zero-emission fleet target by 2030, ahead of the UK's vehicle ban. The path to net zero is complex, influenced by geopolitical factors and energy security needs. Centrica increased LNG activities and initiated two new gas-fired plants in Ireland, set to operate in 2024. These measures, while supporting energy affordability and renewable energy backup, are expected to temporarily increase emissions.

(5.2.12) Attach any relevant documents which detail your climate transition plan (optional)

climate-transition-plan-2021.pdf

(5.2.13) Other environmental issues that your climate transition plan considers

Select all that apply

☑ No other environmental issue considered

(5.2.15) Primary reason for not having a climate transition plan that aligns with a 1.5°C world

Select from:

☑ Other, please specify **:**Our strategic focus remains decarbonising at the most ambitious pace for our sector while balancing the need for energy security and a smooth and just transition.

(5.2.16) Explain why your organization does not have a climate transition plan that aligns with a 1.5°C world

Our strategic alignment will be consistent with the 1.5-degree target starting from the mid-2030s. However, prior to this period, our approach is more closely aligned with the WB2 scenario, mainly due to the integration of gas peakers. As explained, in the shift towards a grid dominated by renewable energy, rapid-response, short-run 'peaking' gas-fired power stations will play a pivotal role in stabilizing the UK's energy needs. They will provide essential backup power during periods when renewable sources are insufficient. Our strategy includes the development of a suite of assets including both peaking and storage assets that will serve as a reliable safety net for the grid. This approach not only advances our journey to net zero emissions but also ensures a sustained and secure energy supply for the future whilst

lowering bills. The peaking gas engines are also capable of running on a blended fuel mix of natural gas and hydrogen, which will future proof the sites, and further contribute towards a decarbonised grid. As we integrate these assets and contribute to the UK's journey towards net zero, committing independently to a 1.5-degree target in the immediate future presents challenges. However, we are in agreement with the Transition Pathway Initiative's view that a transition strategy must be bold, economy-wide, and aligned with the Paris Agreement. We see this as aligning with WB2, advocating for a strategy that supports the national endeavour to reduce carbon emissions to net zero by 2050.
[Fixed row]

(5.3) Have environmental risks and opportunities affected your strategy and/or financial planning?

(5.3.1) Environmental risks and/or opportunities have affected your strategy and/or financial planning

Select from:

☑ Yes, both strategy and financial planning

(5.3.2) Business areas where environmental risks and/or opportunities have affected your strategy

Select all that apply

☑ Products and services

☑ Upstream/downstream value chain

☑ Investment in R&D

☑ Operations

[Fixed row]

(5.3.1) Describe where and how environmental risks and opportunities have affected your strategy.

Products and services

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Our latest product and services strategic plans have been heavily influenced by our assessment of climate risks and opportunities and the energy transition out to 2025 and beyond. Centrica Business Solutions has created an integrated solutions platform to help customers better manage their energy use, through insights using our Panoramic Power sensors, optimisation through our demand side response platform and generation or storage with solar or battery, effectively creating clean 'virtual power plants'. In 2020 we developed and launched an 'Net Zero Pathways' service for customers mapping out a pathway to net zero for their energy needs. In 2022, our Board approved investment of up to 100m p.a. to build over 1GW of solar, battery and transition assets and in 2023 we announced a green-focused investment strategy to build investment levels to 600-800 million per year through to 2028, with at least 50% of capital expenditure due to go into green projects compared to 5% only two years ago For domestic customers, we are developing a suite of low carbon and smart home energy management products and services allowing them to take greater control of their energy use and lower their emissions. In 2023 we launched British Gas New Business & Net Zero, a new business unit to support customers with the journey to net-zero and services in solar, home energy efficiency, insulation and electric vehicles. An example product is our remote heating control Hive Active Heating, which enables significant reduction in energy usage simply through greater control with just a tap on the app. Our Energy 2.0 service addresses customers' evolving needs, especially during the cost of living crisis. It empowers customers with greater control over their energy use through new tariffs and features. The Peak Save option offers reduced rates during low-demand periods, promoting grid stability and sustainable energy use by capitalising on abundant renewable power. This reduces reliance on peak times and lessens the need for gas-powered backup. We strategically decided to build EV enablement capabilities for domestic and business customers. We've built this through acquisitions and retraining in-house engineers, working with car manufacturers to support their customers and dealerships. We provide a one-stop shop for charging solutions, including infrastructure, energy management, financing, and optimisation. Recognising the need to decarbonise heating, we launched a commercial proposition for Air Source Heat Pumps in 2021. Having now installed more heat pumps than any other UK supplier to date, we have recently launched a lowest price-match guarantee and an innovative Warm Home performance promise to drive up demand. Finally, the Board approved the development of a low-carbon certification and offsetting business within our energy trading arm, to help customers with their net zero goals

Upstream/downstream value chain

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Research indicates that energy efficiency and decarbonisation is a priority for business and that concern on climate change is changing individuals' values and actions. Responding to these opportunities, in 2021 we upgraded our climate targets as part of our People and Planet Plan and set targets based on science for around 95% of our value chain covering our own emissions (scope 1&2) and our customers emissions (scope 3). Our most substantive strategic focus area across our value chain is helping our customers reduce their emissions. We have committed to helping our customers reduce their emissions by 28% by 2030 and to net zero by 2050. We aim to do this in the areas of power, heat and transport through providing customers with energy efficiency and optimisation services, clean energy generation and storage, clean energy supply and fuel switching solutions. On efficiency and optimisation, Centrica Business Solutions has created an integrated solutions platform which helps business customers better manage their energy use, through insights, optimisation via demand side response and generation or storage with solar or battery, effectively creating clean 'virtual power plants.' We have also developed a suite of home energy management tools such as Hive Active Heating which allow customers to take control of their energy like never before. On clean energy, we provide zero carbon power to many of our UK customers and ensure our standard tariffs remain significantly cleaner than the UK average. And as per our answer above, we now offer flexible energy offerings which allow customers to save money and alleviates pressure on the grid, and specific tariffs to support low-carbon technology such as heat pumps and EVs. Beyond the supply of energy, we also provide low-carbon technologies such as heat pumps, EV chargers, Solar panels and thermostats. In 2023 we continued our climate focus in our upstream supply chain. We have placed a requirement on all large contracts to develop a Carbon Reduction Plans, mitigating our exposure to supply chain disruption from climate-related risks.

Investment in R&D

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

The journey to net zero is dependent on the development of new technologies and the growth of completely new markets/industries. There is a risk that these technologies don't progress quick enough and become financially viable, and there is a large opportunity for Centrica to play a role as first in market and leader in new sectors. We have a comprehensive R&D to support these efforts. Alternative fuels such as the use of green Hydrogen as a low-carbon substitute for natural gas require lots of development to get to a place where it can economically be used across industry. In 2023 we continued a significant R&D programme exploring the feasibility of converting our Rough gas storage facility into a Hydrogen storage facility as part of the Zero Carbon Humber project which aims to create the world's first net zero carbon industrial cluster by 2040, located in the Humber region, with the potential to capture and store around 10% of UK carbon dioxide emissions per year. Our Gas Peaking Plant in Brigg has reached a pivotal milestone through the integration of Hydrogen, facilitated by our partnership with HiiROC, a pioneer in hydrogen production technology. This collaboration is a significant step towards mitigating climate change, offering a scalable solution for hydrogen generation without CO2 emissions. This year marked the arrival of four state-of-the-art engines at the plant, signifying the commencement of construction for the plant's expansion. These engines are instrumental in generating approximately 100MW of rapid-response power to balance the grid during periods of low renewable energy output. The expanded power plant will be hydrogen blend-ready, and form part of a trial due to start in late 2024 to blend hydrogen into the gas, ramping up from a three per cent blend to 20 per cent, with a long term vision to move towards 100 per cent hydrogen and to deploy similar technology across all peaking plants Centrica's new research venture, Energised Futures, is set to revolutionise the retail energy sector by making energy more accessible and affordable. This initiative will drive innovation, offering customers greater control over their energy usage and contributing to the UK's decarbonisation efforts. Energised Futures is already leading projects like the Interoperable Residential Energy Flexibility project and participating in the BD4NRG consortium, both aimed at enhancing energy management and supporting a sustainable energy future. Finally, Centrica's social impact grant programme, Energy for Tomorrow, is helping to build more inclusive and sustainable communities through innovation, support and funding. We aim to invest 1.5m over the next 3 years into community projects that are working towards net zero and can demonstrate a social impact.

Operations

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Scenario analysis has identified risks and opportunities related to climate change with the potential to impact our operations in several ways, including physical risks related to extreme weather and transitional risks related to adapting our operations to deliver lower-carbon solutions for customers. For our remaining energy generation and production assets, we have identified risks relating to the increasing frequency and intensity of extreme weather events, such as flooding. Whilst these

risks remain unlikely, there is precedent, for example, in 2008 our Brigg power station was closed for a short duration due to flooding leading to reduced output impacting profitability (there have been no more recent climate driven events for our assets). The time horizon for these risks relate primarily to the individual asset life and is most relevant for Centrica out to the mid 2030's. To mitigate these risks, flood and extreme weather risks assessments are undertaken to ensure preparedness for such events.
[Add row]

(5.3.2) Describe where and how environmental risks and opportunities have affected your financial planning.

Row 1

(5.3.2.1) Financial planning elements that have been affected

Select all that apply
☑ Direct costs
☑ Capital expenditures
☑ Capital allocation
☑ Acquisitions and divestments
☑ Assets

(5.3.2.2) Effect type

Select all that apply
☑ Risks
☑ Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply
☑ Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

In alignment with the energy transition, and considering Centrica's climate-related risks and opportunities, our company has undergone a strategic transformation. Our investment strategy, dedicating 600-800 million yearly until 2028, supports building a sustainable energy system and achieving net zero emissions. We aim to allocate 50% of our capital to green projects, with a steadfast commitment to value and set return thresholds for renewable and flexible assets. We have net zero "guardrails" embedded within our investment decision making to drive this transition. A notable investment in the past year contribution to our 50% ambition, has been the formation of our Meter Asset Provider (MAP) business, underscoring the critical role of smart meters in advancing our customers' journey to net zero. We plan to invest 100-150 million per year on this initiative to 2035, maintaining flexibility to adjust the investment based on market dynamics. We are realigning our infrastructure for future demands, focusing on sustainable energy and security. Investments support grid-scale storage, with Centrica funding Highview's UK liquid air energy storage facility. Bord Gais collaborates on the Kestrel Project, to convert Kinsale Head gas fields into green hydrogen storage. Our power generation investments include ventures with Lhyfe for offshore green hydrogen and a partnership with Mitsubishi Power Europe to explore ammonia-powered plants. We're also repurposing assets for Carbon Capture and Storage (CCS), planning to transform Spirit's gas fields into a CCS facility, marking our shift from E&P to emerging markets and ending new exploration investments. Our M&A strategy has proven effective, with key acquisitions like Restore, a premier demand response aggregator in Europe. Our portfolio, including Neas Energy and SmartWatt, reflects our commitment to energy optimisation and services. We plan to continue strategic investments to support our transition. We've also invested in green funds, such as the 65 million in Gresham House Secure Income Renewable Energy & Storage LP in 2023, to aid the energy transition towards a net-zero electricity grid. This complements our traditional investment strategies. While we've not experienced direct cost increases this year, climate change and erratic weather present forecasting challenges. We estimate this could lead to an annual cost of around 150,000, highlighting the financial implications of environmental unpredictability.
[Add row]

(5.4) In your organization's financial accounting, do you identify spending/revenue that is aligned with your organization's climate transition?

	Identification of spending/revenue that is aligned with your organization's climate transition
	Select from: ☑ No, but we plan to in the next two years

[Fixed row]

(5.5) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

(5.5.1) Investment in low-carbon R&D

Select from:

☑ Yes

(5.5.2) Comment

Centrica's new research venture, Energised Futures, is set to revolutionise the retail energy sector by making energy more accessible and affordable. This initiative will drive innovation, offering customers greater control over their energy usage and contributing to the UK's decarbonisation efforts. Energised Futures is already leading projects like the Interoperable Residential Energy Flexibility project and participating in the BD4NRG consortium, both aimed at enhancing energy management and supporting a sustainable energy future. This program will help develop products that will help our customers manage their energy and ultimately reduce consumption and costs. Our R&D spend in Hydrogen production will help position us as one of the first to offer Hydrogen to industries who will rely on the fuel to decarbonise.
[Fixed row]

(5.5.7) Provide details of your organization's investments in low-carbon R&D for your sector activities over the last three years.

Row 1

(5.5.7.1) Technology area

Select from:

☑ Demand response

(5.5.7.2) Stage of development in the reporting year

Select from:

☑ Pilot demonstration

(5.5.7.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

At the start of 2024, Centrica announced the set-up of Energised Futures, which is an R&D focussed unit within its residential net zero business. The unit grew from the Centrica Demand Side Response team that was set up in 2016, and while it will continue to undertake R&D work in the DSR space, our new unit aims to also focus on thought leadership and academic engagement through building an advisory board with leading experts across the field, publishing peer-reviewed papers and rolling out blogs and videos. Additionally, it has expanded its focus to beyond DSR by also working on projects related to energy networks, engaging communities and increasing accessibility of low-carbon products. Energised Futures and its predecessor Centrica Demand Side Response has been active in both the UK and Europe in various government funded initiatives. Some examples of recently completed and ongoing projects are below. These projects all help improve the accessibility of low-carbon and energy efficiency technologies and address how we can best use technology to help more communities reduce emissions • EUniversal UMEI (EU): Built a standard API for energy market integration for Europe's DNOs. API Specification has been open-sourced, with Energised Futures as joint-owners • LocalRES (EU): How solar power can be shared via communities and households through using algorithms to pinpoint when and where there is additional need/excess power through household incentives • Dedalus (EU): How best to optimise and control heat pump use such as through identifying and heating when prices are cheaper • MESH (UK): Research into simplifying the heat pump installation process through a potential virtual buffer for the hot water tank needed, which reduces cost and the space needed and opens up the market to more consumers

Row 2

(5.5.7.1) Technology area

Select from:

☑ Other, please specify **:**Hydrogen transport, storage and production

(5.5.7.2) Stage of development in the reporting year

Select from:

☑ Applied research and development

(5.5.7.6) Explain how your R&D investment in this technology area is aligned with your climate commitments and/or climate transition plan

Centrica has been a firm supporter in hydrogen's role in helping the UK reach net zero. In the recent years, we have developed various partnerships with hydrogen firms such as HiiROC and Ryze Hydrogen to help advance the use and production of hydrogen. More recently, we have commissioned FTI Consulting on a piece to better understand how converting Rough into a hydrogen storage facility could impact the future of hydrogen's role in the GB energy system. The work required collaboration with parties such as DESNZ, SSE, National Gas, and National Grid to build a holistic view. Our latest findings suggest hydrogen and storage will be critical to balancing the future GB system during volatile periods and stabilising hydrogen and electricity prices, resulting in lower consumer costs, a cleaner power grid and a higher ability to meet hydrogen and power demand to help our customers and the grid decarbonise. In addition to understanding the contribution of Rough, we also have various early-stage projects that aim to boost the UK's hydrogen production and transport capacity through participating in various HAR funding rounds and undertaking studies with Equinor and SSE on hydrogen pipelines around the Humber. We believe that these initiatives will help advance the role of hydrogen in the energy transition.

[Add row]

(5.7) Break down, by source, your organization’s CAPEX in the reporting year and CAPEX planned over the next 5 years.

Coal – hard

(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)

0

(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

(5.7.5) Explain your CAPEX calculations, including any assumptions

Does not form part of Centrica’s current operations or near-term strategy.

Lignite

(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)

0

(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

(5.7.5) Explain your CAPEX calculations, including any assumptions

Does not form part of Centrica's current operations or near-term strategy.

Oil

(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)

0

(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

(5.7.5) Explain your CAPEX calculations, including any assumptions

Does not form part of Centrica's current operations or near-term strategy.

Gas

(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)

91000000

(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

48

(5.7.4) Most recent year in which a new power plant using this source was approved for development

2023

(5.7.5) Explain your CAPEX calculations, including any assumptions

In Centrica's Climate Transition Plan we announced the ambition to invest up to 100m annually in low carbon and flexible generation. While the actual figure invested each year will vary, we are hoping to increase investment to around this level rapidly and seize any opportunities we identify. Centrica recognises the need for Gas Peaking Plants in the short/medium term to smooth intermittency from renewable power generation as the industry scales. We also include an estimated cost of conversion for each peaking plant to run on hydrogen. The three key technologies we are currently focusing our CAPEX planning around are solar, battery and flexible gas peakers (with the potential for hydrogen conversion). The proportion of these technologies our investment will deploy is highly contingent on market conditions and is not certain, it will likely vary over the next five years. Under current market conditions we anticipate that approximately 15 % will go towards batteries, 40% to flexible gas peakers, 25% to Nuclear and 20% to solar.

Sustainable biomass

(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)

0

(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

(5.7.5) Explain your CAPEX calculations, including any assumptions

Does not form part of Centrica's current operations or near-term strategy.

Other biomass

(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)

0

(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

(5.7.5) Explain your CAPEX calculations, including any assumptions

Does not form part of Centrica's current operations or near-term strategy.

Waste (non-biomass)

(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)

0

(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

(5.7.5) Explain your CAPEX calculations, including any assumptions

Does not form part of Centrica's current operations or near-term strategy.

Nuclear

(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)

72000000

(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

38

(5.7.4) Most recent year in which a new power plant using this source was approved for development

2009

(5.7.5) Explain your CAPEX calculations, including any assumptions

Please note that figures are Centrica's 20% share of EDF's British nuclear fleet. This is considered as indirect capex. Centrica completed the purchase of this stake in 2009. As with our other investments, proportion of planned capex spent on our 20% stake is highly contingent upon market conditions and is not certain.

Geothermal

(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)

0

(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

(5.7.5) Explain your CAPEX calculations, including any assumptions

Does not form part of Centrica's current operations or near-term strategy.

Hydropower

(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)

0

(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

(5.7.5) Explain your CAPEX calculations, including any assumptions

Does not form part of Centrica's current operations or near-term strategy.

Wind

(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)

0

(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

(5.7.5) Explain your CAPEX calculations, including any assumptions

Does not form part of Centrica's current operations or near-term strategy.

Solar

(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)

26000000

(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

14

(5.7.4) Most recent year in which a new power plant using this source was approved for development

2023

(5.7.5) Explain your CAPEX calculations, including any assumptions

In Centrica's Climate Transition Plan, we announced the ambition to invest up to 100m annually in low carbon and flexible generation. While the actual figure invested each year will vary, we are hoping to increase investment to around this level rapidly and seize any opportunities we identify. Centrica recognises the need for Gas Peaking Plants in the short/medium term to smooth intermittency from renewable power generation as the industry scales. We also include an estimated cost of conversion for each peaking plant to run on hydrogen. The three key technologies we are currently focusing our CAPEX planning around are solar, battery and flexible gas peakers (with the potential for hydrogen conversion). The proportion of these technologies our investment will deploy is highly contingent on market conditions and is not certain, it will likely vary over the next five years. Under current market conditions we anticipate that approximately 15 % will go towards batteries, 40% to flexible gas peakers, 25% to Nuclear and 20% to solar.

Marine

(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)

0

(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

(5.7.5) Explain your CAPEX calculations, including any assumptions

Does not form part of Centrica's current operations or near-term strategy.

Fossil-fuel plants fitted with CCS

(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)

0

(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

(5.7.5) Explain your CAPEX calculations, including any assumptions

Does not form part of Centrica's current operations or near-term strategy.

Other renewable (e.g. renewable hydrogen)

(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)

0

(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

(5.7.5) Explain your CAPEX calculations, including any assumptions

Centrica's investment in Hydrogen is currently treated as R&D (see appropriate section) due to the nascency of the technology.

Other non-renewable (e.g. non-renewable hydrogen)

(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)

0

(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

0

(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

0

(5.7.5) Explain your CAPEX calculations, including any assumptions

Does not form part of Centrica's current operations or near-term strategy
[Fixed row]

(5.7.1) Break down your total planned CAPEX in your current CAPEX plan for products and services (e.g. smart grids, digitalization, etc.).

Row 1

(5.7.1.1) Products and services

Select from:
☑ Other, please specify **:**Smart meters, heat pumps, EV chargers, solar PV

(5.7.1.2) Description of product/service

In 2023, Centrica unveiled its green-focused investment strategy, committing to a multi-year expenditure plan of approximately 1 billion through 2029. Detailed in our interim results, our strategy is broad-based, spanning various sectors and industries, yet with a sharp emphasis on sustainable investments. A prime example is our move into financing smart meters, a venture we term our "MAP" (Meter Asset Provider) business. This initiative is crucial to the smart meter value chain, essential for the success of the national deployment. Smart meters are pivotal to the energy transition, enabling flexible energy use and enhanced management, thereby reducing consumption and alleviating grid stress. Furthermore, we have introduced a new consumer-oriented division: New Business & Net Zero. This ring-fenced business unit promotes our Hive products, encompassing thermostats, solar panels for the home and small businesses, electric vehicle chargers, and heat pumps. We anticipate this product range will expand in line with technological progress and as we extend our customer base.

(5.7.1.3) CAPEX planned for product/service

1000000000

(5.7.1.5) End year of CAPEX plan

2029
[Add row]

(5.9) What is the trend in your organization’s water-related capital expenditure (CAPEX) and operating expenditure (OPEX) for the reporting year, and the anticipated trend for the next reporting year?

(5.9.1) Water-related CAPEX (+/- % change)

0

(5.9.2) Anticipated forward trend for CAPEX (+/- % change)

0

(5.9.3) Water-related OPEX (+/- % change)

8

(5.9.4) Anticipated forward trend for OPEX (+/- % change)

5

(5.9.5) Please explain

OPEX: Our OPEX includes the cost associated with water abstraction, discharge permits and also from withdrawal and discharge costs associated with municipal water supplies. Our OPEX increased in 2023, due to a greater spend with water utility companies/Thames Water. This is as a result of an increased water use at our offices. Going forward, total OPEX is anticipated to slightly increase as we bring online a number of projects over the next two years such as our peaking plants in Redditch, UK and in Athlone and Dublin in Ireland which will all require municipal water supply. CAPEX: This year's water-related CAPEX has remained at 0 as we haven't had any specific water-related project expenditure and we do not anticipate there to be any in 2024
[Fixed row]

(5.10) Does your organization use an internal price on environmental externalities?

	Use of internal pricing of environmental externalities	Environmental externality priced
	Select from: ☑ Yes	*Select all that apply* ☑ Carbon

[Fixed row]

(5.10.1) Provide details of your organization's internal price on carbon.

Row 1

(5.10.1.1) Type of pricing scheme

Select from:
☑ Other, please specify **:**Market Price

(5.10.1.2) Objectives for implementing internal price

Select all that apply

☑ Drive low-carbon investment

☑ Incentivize consideration of climate-related issues in risk assessment

☑ Influence strategy and/or financial planning

☑ Navigate regulations

☑ Stress test investments

(5.10.1.3) Factors considered when determining the price

Select all that apply

☑ Alignment with the price of a carbon tax

☑ Alignment with the price of allowances under an Emissions Trading Scheme

(5.10.1.4) Calculation methodology and assumptions made in determining the price

Our financial models incorporate a carbon price sourced from Aurora's projections, ensuring a reliable and autonomous perspective. Aurora has been chosen as our preferred source for critical data such as long-term price trajectories and market demand indicators, which are essential in evaluating the viability of investments. Aurora use market modeling to provide a projection of future carbon prices, based on fundamentals and policy drivers. Where the carbon market is liquid, we use traded market prices.

(5.10.1.5) Scopes covered

Select all that apply

☑ Scope 1

(5.10.1.6) Pricing approach used – spatial variance

Select from:

☑ Uniform

(5.10.1.8) Pricing approach used – temporal variance

Select from:

☑ Evolutionary

(5.10.1.9) Indicate how you expect the price to change over time

Following a historically volatile carbon price, we forecast an upward trajectory in carbon prices which will impact the viability of high carbon power investments such as coal versus renewable energy. This gives confidence in our strategic direction of focusing on lower carbon generation and the grid flexibility required for higher levels of renewable generation. In this way we use projected carbon pricing to disincentivise capital projects and investments which would have higher emissions. Beyond this, by modelling expected growth in carbon pricing across the electricity system we can plan to provide services to meet the increasing demand for flexibility created by a decarbonised power network (batteries, DSR, optimisation etc). This shapes our operations and the propositions we offer our customers.

(5.10.1.10) Minimum actual price used (currency per metric ton CO2e)

56.7

(5.10.1.11) Maximum actual price used (currency per metric ton CO2e)

149.2

(5.10.1.12) Business decision-making processes the internal price is applied to

Select all that apply

☑ Capital expenditure

☑ Procurement

(5.10.1.13) Internal price is mandatory within business decision-making processes

Select from:

☑ Yes, for some decision-making processes, please specify **:**Commercial business cases

(5.10.1.14) % total emissions in the reporting year in selected scopes this internal price covers

7

(5.10.1.15) Pricing approach is monitored and evaluated to achieve objectives

Select from:

☑ Yes

(5.10.1.16) Details of how the pricing approach is monitored and evaluated to achieve your objectives

Centrica has integrated internal carbon prices (ICP) into the fabric of its commercial strategy, aligning with our climate transition agenda. The ICP helps drive decisions that protect Centrica's commercial and sustainability interests in an evolving policy environment. With a forward-looking approach, the ICP assigns greater weight to future ventures. Using an ICP has ultimately enabled us to establish a compelling business rationale for the investment in low-carbon energy solutions, including solar power and battery storage systems over more carbon-intensive assets. This strategic pricing is integrated into the valuation of gas-centric projects, such as peaker plants. In 2022, we approved a series of gas peaking assets scheduled for construction in the next few years. In 2023, in line with our strategy on building a balanced upstream portfolio, we didn't approve any gas-intensive assets that required an ICP. In 2023, we conducted an extensive review to select an external provider for fundamental analysis, which is crucial for our long-term strategic planning. After careful consideration, we decided to continue utilising the Aurora curves internally, tailoring them to align with our unique market and operational requirements. This evaluation process validated our selection of a carbon pricing source, confirming its essential role in our internal analysis and strategic decision-making. Centrica champions carbon pricing as a catalyst for decarbonisation within our operations and the broader economy. We are confident that sustained carbon pricing will enhance the appeal of low-carbon investments, incentivising the expansion of sustainable energy solutions.
[Add row]

(5.11) Do you engage with your value chain on environmental issues?

	Engaging with this stakeholder on environmental issues	Environmental issues covered
Suppliers	*Select from:* ☑ Yes	*Select all that apply* ☑ Climate change ☑ Water ☑ Plastics
Customers	*Select from:* ☑ Yes	*Select all that apply* ☑ Climate change ☑ Water
Investors and shareholders	*Select from:* ☑ Yes	*Select all that apply* ☑ Climate change
Other value chain stakeholders	*Select from:*	*Select all that apply*

	Engaging with this stakeholder on environmental issues	Environmental issues covered
	☑ Yes	☑ Climate change

[Fixed row]

(5.11.1) Does your organization assess and classify suppliers according to their dependencies and/or impacts on the environment?

Climate change

(5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment

Select from:

☑ Yes, we assess the dependencies and/or impacts of our suppliers

(5.11.1.2) Criteria for assessing supplier dependencies and/or impacts on the environment

Select all that apply

☑ Contribution to supplier-related Scope 3 emissions

☑ Other, please specify **:**We use Sedex/Ecovadis to gain insight ESG risk and impact. We also conduct additional due diligence on suppliers in certain high-risk categories which includes questions on environmental management to determine priority suppliers.

(5.11.1.3) % Tier 1 suppliers assessed

Select from:

☑ Less than 1%

(5.11.1.4) Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment

We use external benchmarks like Risk Radar and Sedex SAQ/Ecovadis scorecard to determine requirements for additional activity. IER of 4.0 above on Risk Radar requires a risk assessment which will feature environmental management questions, 6.0 or above usually requires a site audit. The Risk Radar metric is based on a broad range of ESG issues. We do not currently have a threshold in place for additional activity which is based exclusively on environmental impacts or dependencies.

(5.11.1.5) % Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

Select from:

☑ Less than 1%

(5.11.1.6) Number of Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

99

Water

(5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment

Select from:

☑ Yes, we assess the dependencies and/or impacts of our suppliers

(5.11.1.2) Criteria for assessing supplier dependencies and/or impacts on the environment

Select all that apply

☑ Impact on water availability

☑ Impact on pollution levels

(5.11.1.3) % Tier 1 suppliers assessed

Select from:

☑ 1-25%

(5.11.1.4) Define a threshold for classifying suppliers as having substantive dependencies and/or impacts on the environment

Centrica defines a substantive impact as a material effect on water in a catchment area. We assess suppliers' sustainability frameworks, focusing on water management, consumption, and pollutant reduction. For medium/high risk suppliers, we develop corrective action plans and request evidence via SEDEX SAQs/EcoVadis. In 2023, no suppliers had a substantive impact on water security

(5.11.1.5) % Tier 1 suppliers meeting the thresholds for substantive dependencies and/or impacts on the environment

Select from:

☑ None

Plastics

(5.11.1.1) Assessment of supplier dependencies and/or impacts on the environment

Select from:

☑ No, we do not assess the dependencies and/or impacts of our suppliers, and have no plans to do so within two years

[Fixed row]

(5.11.2) Does your organization prioritize which suppliers to engage with on environmental issues?

Climate change

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

☑ Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

☑ Material sourcing

☑ Procurement spend

☑ Reputation management

☑ Business risk mitigation

☑ Product safety and compliance

☑ Strategic status of suppliers

(5.11.2.4) Please explain

We prioritise which suppliers to engage with on this environmental issue via Risk Radar and Segmentation – these prioritise engagement/due diligence across ESG issues. We also request a Carbon Reduction Plan for suppliers over 5m spend.

Water

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

☑ Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

☑ Material sourcing

☑ Procurement spend

☑ Reputation management

☑ Business risk mitigation

☑ Strategic status of suppliers

☑ Product safety and compliance

(5.11.2.4) Please explain

Where a supplier is deemed to have inadequate performance (medium/high risk rating) and a substantive impact on water within a catchment area, we aim to work collaboratively with them to develop corrective action plans that improve and embed sustainable behaviours and request them to upload evidence to demonstrate their impact through SEDEX self-assessment questionnaires SAQ)/EcoVadis submissions.

Plastics

(5.11.2.1) Supplier engagement prioritization on this environmental issue

Select from:

☑ Yes, we prioritize which suppliers to engage with on this environmental issue

(5.11.2.2) Criteria informing which suppliers are prioritized for engagement on this environmental issue

Select all that apply

☑ Business risk mitigation

☑ Product lifecycle

(5.11.2.4) Please explain

Suppliers for HIVE whose products contain plastic packaging are engaged with. This is to reduce unnecessary plastic packaging around the HIVE smart energy products.
[Fixed row]

(5.11.5) Do your suppliers have to meet environmental requirements as part of your organization's purchasing process?

Climate change

(5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

☑ Yes, environmental requirements related to this environmental issue are included in our supplier contracts

(5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

☑ No, we do not have a policy in place for addressing non-compliance

(5.11.5.3) Comment

Responsible Sourcing Policy and Our Code Documents reference the commitment to "protect the environment and mitigate climate change" and to have a health, safety and environment management system in place that amongst other matters includes "greenhouse gas emissions". Furthermore it states the expectation the suppliers are expected to adopt behaviours that reflect Our Code. While our current contracts may not specify particular objectives, such as targets for carbon

emission reductions, this presents an opportunity for us to lead the way in environmental stewardship. The mechanisms for monitoring compliance are assigned on a case by case basis with third party only for high risk identified suppliers and first party for where alternatives to our policies are proposed. Should suppliers fail to adhere to our policy or lack a suitable alternative, they will be ineligible for contract awards. However, it should be noted that this stance is not formalised in a policy document, and there have been no recent instances where this situation has arisen.

Water

(5.11.5.1) Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process

Select from:

☑ Yes, environmental requirements related to this environmental issue are included in our supplier contracts

(5.11.5.2) Policy in place for addressing supplier non-compliance

Select from:

☑ No, we do not have a policy in place for addressing non-compliance

(5.11.5.3) Comment

Responsible Sourcing Policy and Our Code Documents reference the commitment to "protect the environment" and to have a health, safety and environment management system in place. Furthermore it states the expectation the suppliers are expected to adopt behaviours that reflect Our Code. In Our Code there is a commitment to monitor and manage water usage, seeking to reduce our impacts wherever possible. The mechanisms for monitoring compliance are assigned on a case by case basis with third party only for high risk identified suppliers and first party for where alternatives to our policies are proposed. Where a supplier is deemed to have inadequate performance (medium/high risk rating) and a substantive impact on water within a catchment area, we aim to work collaboratively with them to develop corrective action plans that improve and embed sustainable behaviours and request them to upload evidence to demonstrate their impact through SEDEX self-assessment questionnaires SAQ)/EcoVadis submissions. There is no formal policy document for addressing non-compliance as there have been no instances where this has arisen.
[Fixed row]

(5.11.6) Provide details of the environmental requirements that suppliers have to meet as part of your organization's purchasing process, and the compliance measures in place.

Climate change

(5.11.6.1) Environmental requirement

Select from:

☑ Adoption of the UN International Labour Organization Principles

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

☑ On-site third-party audit

☑ Supplier self-assessment

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

☑ 100%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

☑ 76-99%

(5.11.6.7) % tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement

Select from:

☑ 100%

(5.11.6.8) % tier 1 supplier-related scope 3 emissions attributable to the suppliers in compliance with this environmental requirement

Select from:

☑ 76-99%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

☑ Other, please specify :collaboration to raise standards or end relationship

(5.11.6.10) % of non-compliant suppliers engaged

Select from:

☑ 100%

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

☑ Developing quantifiable, time-bound targets and milestones to bring suppliers back into compliance

☑ Providing information on appropriate actions that can be taken to address non-compliance

(5.11.6.12) Comment

All suppliers are expected to sign off on our Responsible Sourcing Policy, which contains a supplier code of conduct including clauses on environmental stewardship. All of our suppliers are covered by this requirement. As described above, the policy references "protect the environment and mitigate climate change" and specific reference to GHG emissions. We monitor performance and take appropriate action where we believe suppliers do not act consistently with our code. This could result in collaboration to raise standards or ending our relationship.

Water

(5.11.6.1) Environmental requirement

Select from:

☑ Other, please specify :Requirement to adhere to our code of conduct regarding water stewardship and management.

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

☑ On-site third-party audit

☑ Supplier scorecard or rating

☑ Supplier self-assessment

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

☑ 100%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

☑ 76-99%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

☑ Retain and engage

(5.11.6.10) % of non-compliant suppliers engaged

Select from:

☑ None

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

☑ Developing quantifiable, time-bound targets and milestones to bring suppliers back into compliance

☑ Providing information on appropriate actions that can be taken to address non-compliance

(5.11.6.12) Comment

If a supplier is classed as medium or high risk, according to our risk rating tool which uses criteria that factor in environmental, social and ethical issues, then we engage and request them to submit a SEDEX SAQ and an Ecovadis questionnaire which both assess impact on water security. 100 suppliers were assessed in 2023, however no suppliers were requested to submit evidence due to water-related concerns nor were any of these suppliers classed as displaying inadequate water-related performance within their SAQ or EcoVadis submission.

Climate change

(5.11.6.1) Environmental requirement

Select from:

☑ Environmental disclosure through a non-public platform

(5.11.6.2) Mechanisms for monitoring compliance with this environmental requirement

Select all that apply

☑ Supplier scorecard or rating

☑ Supplier self-assessment

(5.11.6.3) % tier 1 suppliers by procurement spend required to comply with this environmental requirement

Select from:

☑ 1-25%

(5.11.6.4) % tier 1 suppliers by procurement spend in compliance with this environmental requirement

Select from:

☑ 1-25%

(5.11.6.7) % tier 1 supplier-related scope 3 emissions attributable to the suppliers required to comply with this environmental requirement

Select from:

☑ 1-25%

(5.11.6.8) % tier 1 supplier-related scope 3 emissions attributable to the suppliers in compliance with this environmental requirement

Select from:

☑ 1-25%

(5.11.6.9) Response to supplier non-compliance with this environmental requirement

Select from:

☑ Other, please specify **:**The finalisation of the contract award is dependent upon the supplier's successful completion of further due diligence checks.

(5.11.6.10) % of non-compliant suppliers engaged

Select from:

☑ Unknown

(5.11.6.11) Procedures to engage non-compliant suppliers

Select all that apply

☑ Providing information on appropriate actions that can be taken to address non-compliance

(5.11.6.12) Comment

Certain suppliers, selected on the basis of the risk level associated with the goods they provide and/or their segmentation, are subject to additional due diligence via Sedex or Ecovadis, site audits, and/or remote worker surveys. Sedex and Ecovadis assessments, as well as SMETA audits, assess sites on their management of several environmental risks and issues. We work collaboratively with suppliers to ensure any non-compliances identified during site audits are managed to a timely resolution.
[Add row]

(5.11.7) Provide further details of your organization’s supplier engagement on environmental issues.

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:

☑ Adoption of the United Nation’s International Labour Organization principles

(5.11.7.3) Type and details of engagement

Information collection

☑ Other information collection activity, please specify **:**we conduct on-site audits when onboarding suppliers, which can include WASH information

(5.11.7.4) Upstream value chain coverage

Select all that apply

☑ Tier 1 suppliers

☑ Tier 2 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

☑ 1-25%

(5.11.7.6) % of tier 1 supplier-related scope 3 emissions covered by engagement

Select from:

☑ 1-25%

(5.11.7.8) Number of tier 2+ suppliers engaged

8

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

As a responsible business, we seek to ensure high ethical standards in our supply chain, and minimise any negative social or environmental impacts that could occur as a result of ours or our suppliers' activities. One of the key ways we do this is via our ethical audit programme. We primarily use the SMETA ethical audit standard, which assesses site performance on the management of a broad range of ESG issues. We conduct audits on suppliers of goods or services deemed to present high ethical risk according to Risk Radar. If audit outcomes include any non-compliances, we hold collaborative follow up conversations with the supplier to ensure that these non-compliances are remedied in line with the standards and timelines recommended by the auditor. In doing so, we are able to bring about a material reduction in the ESG risks and impacts in our supply chain.

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

☑ Yes, please specify the environmental requirement :this is on an Adhoc basis, and focuses on the ILOs

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:
☑ Unknown

Water

(5.11.7.2) Action driven by supplier engagement

Select from:
☑ Upstream value chain transparency and human rights

(5.11.7.3) Type and details of engagement

Information collection
☑ Other information collection activity, please specify :Supplier's water-related performance is assessed through our supplier onboarding risk management process

(5.11.7.4) Upstream value chain coverage

Select all that apply
☑ Tier 2 suppliers

(5.11.7.8) Number of tier 2+ suppliers engaged

14

Plastics

(5.11.7.2) Action driven by supplier engagement

Select from:

☑ Waste and resource reduction and improved end-of-life management

(5.11.7.3) Type and details of engagement

Capacity building

☑ Provide training, support and best practices on how to mitigate environmental impact

(5.11.7.4) Upstream value chain coverage

Select all that apply

☑ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

☑ Unknown

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

Plastic risks are assessed continuously, with HIVE (a subsidiary of British Gas) looking to make continuous improvements to plastic packaging sold as part of HIVE products. This process began with removing shrink wrap around products, before removing laminate packaging, and more recently engaging with suppliers to remove plastic packaging around products and replacing with paper bags. This process ensures we are complying with national legislation, reducing our plastic packaging sold and used as part of EPR, as well as reducing our cost associated with plastic packaging tax. This has resulted in a reduction in plastic packaging commercialised by HIVE and an improvement in the recyclability and circularity of their products.

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

☑ Unknown

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:

☑ Emissions reduction

(5.11.7.3) Type and details of engagement

Information collection

☑ Collect GHG emissions data at least annually from suppliers

(5.11.7.4) Upstream value chain coverage

Select all that apply

☑ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

☑ 1-25%

(5.11.7.6) % of tier 1 supplier-related scope 3 emissions covered by engagement

Select from:

☑ 1-25%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

The key motivator of engagement is to improve the quality of our scope 3 data so that we can better monitor emissions from our supply chain, and ultimately work with them to target reductions. To do this, we have initially focused on our most material suppliers by spend given they are likely to have the largest impact on our emissions and will enable us to make the greatest gains in understanding our emissions and implementing emissions reduction initiatives. For example, our top 50 suppliers in 2023 were responsible for 44% of our total Scope 3 category 1 emissions. Our engagement efforts are therefore aimed at those 50 suppliers. This is why over the last three years we have focused our efforts on those top 50 suppliers, 32% of whom we engaged last year, and will continue to work to engage all new members of our top 50. Impact: The measure of success is engaging and obtaining supplier specific scope 3 data from our top 50 suppliers who we believe are our biggest emitters. We have made good progress towards this, which has allowed us to replace estimated spend-based emission data with more accurate supplier specific emission data. We now use a hybrid approach to calculate category 1 emissions, with 39% of our total category 1 emissions comprising of supplier specific data. Where we now use supplier specific data, we have seen a 57% reduction in reported emissions. This project has allowed us to better understand the magnitude

of our supply chain emissions and hence formulate a more accurate emission baseline which we can use to set realistic reduction targets in the future. Furthermore, this has given us the opportunity to collaborate with key suppliers and share best practice on how to drive down emissions in these areas.

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

☑ Yes, please specify the environmental requirement :Upstream value chain transparency and human rights

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

☑ Unknown

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:

☑ Emissions reduction

(5.11.7.3) Type and details of engagement

Financial incentives

☑ Provide financial incentives for suppliers with a climate transition plan

(5.11.7.4) Upstream value chain coverage

Select all that apply

☑ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

☑ 76-99%

(5.11.7.6) % of tier 1 supplier-related scope 3 emissions covered by engagement

Select from:

☑ 76-99%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

Centrica is committed to collaborating with suppliers who are equally dedicated to the goal of net zero emissions, aiming to collectively reduce carbon emissions within our supply chain. As part of this commitment, suppliers engaging in transactions exceeding 5m annually are mandated to present a Carbon Reduction Plan (CRP) alongside their bid. An effective CRP must encompass the following components: a pledge to reach net zero by 2050 or sooner, including a preliminary target; accurate reporting of GHG emissions in accordance with the GHG protocol and carbon intensity metrics (TCO2e/m revenue); inclusion of all operational geographies and activities; detailed carbon reduction strategies for net zero achievement; endorsement by board-level executives or their equivalents; and the plan's public disclosure. Since the initiation of this policy in January 2022, Centrica has diligently evaluated and supervised the submitted CRPs. By introducing a 5m threshold, we aim to influence approximately 77% of our procurement expenditure. We anticipate a gradual integration of CRPs coinciding with the natural expiration and renegotiation of contracts. The success of this initiative is gauged by monitoring the collective emissions of our suppliers, with the expectation of observing a decrease as the CRPs are executed.

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

☑ Yes, please specify the environmental requirement **:**Emissions reduction, Climate Mitigation

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

☑ Unknown

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:

☑ Other, please specify :Resilience to climate-related risk

(5.11.7.3) Type and details of engagement

Information collection

☑ Collect environmental risk and opportunity information at least annually from suppliers

(5.11.7.4) Upstream value chain coverage

Select all that apply

☑ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

☑ 51-75%

(5.11.7.6) % of tier 1 supplier-related scope 3 emissions covered by engagement

Select from:

☑ 51-75%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

In 2023, we started to engage suppliers on the potential impact of climate change to their operations, and their subsequent supply of goods and services to us. Through our updated Responsible Procurement Framework, we targeted all 'strategic' and 'critical' suppliers as well as some 'core' suppliers to participate in our assessment. Strategic and critical suppliers are long-term providers of essential products and services which can affect our ability to operate. Core suppliers are suppliers who aren't essential but play an important role in the products and services provided and were selected by our Procurement team from a broader group. We had a strong supplier response rate of 30%, with around 80% assessing their exposure to risk, 60% using sophisticated scenario analysis and 100% having resilience plans in place – this included the one company who reported a risk of disruption supplying us due to climate-risk. Overall, we concluded that our supply chain risk remained 'low' in significance over the near and longer term. We believe that risk across our supply chain can be effectively managed through our ongoing deepening of dialogue with suppliers, alongside defined hedging strategies and collaboration with counterparties. As with all risks identified, we'll continue to monitor our supply chain risk, so that we can act if the level of potential impact rises.

(5.11.7.10) Engagement is helping your tier 1 suppliers meet an environmental requirement related to this environmental issue

Select from:

☑ Yes, please specify the environmental requirement :Climate Adaption

(5.11.7.11) Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Select from:

☑ Unknown

[Add row]

(5.11.9) Provide details of any environmental engagement activity with other stakeholders in the value chain.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☑ Customers

(5.11.9.2) Type and details of engagement

Education/Information sharing

☑ Run an engagement campaign to educate stakeholders about the environmental impacts about your products, goods and/or services

☑ Other education/information sharing, please specify :Survey

(5.11.9.3) % of stakeholder type engaged

Select from:

☑ 100%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

☑ 100%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

With over 90% of our carbon emissions arising from our customers, its vital that we enable all of our customers to manage their energy more sustainably. Core to achieving this is to engage our customers through focused campaigns and wider targeted communications mainly in the UK and Ireland, where the majority of our customers are based. In doing so, we can educate and inform customers in reducing their footprint and cutting costs, while driving sales and achieving our purpose to Energise a Greener, Fairer Future. Customer engagement is crucial for understanding sentiment and guiding us to net zero. In 2023, the British Gas Net Zero Homes Index surveyed 4,007 adults, revealing climate change as a significant concern. Many are willing to decarbonise their homes with insulation, solar panels, and heat pumps. We promote these measures at affordable rates and aim to improve understanding of net zero targets. Survey results help tailor our offerings and inform campaigns. They were also made available on our website for customers and other stakeholders to further educate themselves on the views of others. To assist our domestic customers in managing their bills and minimizing their environmental impact, we have introduced and promoted products that enhance their control over energy consumption and offer a low-carbon alternative. Our Hive brand has been at the forefront of advocating for low-carbon technologies for home use. We've conducted radio and display campaigns to raise brand awareness, alongside specific product-focused promotions. For instance, we've introduced solar products and a home health check service—a personalised assessment of a customer's home to pinpoint ways to decarbonise and economise on energy costs. And our heat pump campaign has garnered significant media attention, including a feature in The Telegraph, underscoring their role as sustainable heating technologies. In Ireland, we've also conducted campaigns to raise awareness of net-zero products, centring on solar solutions and showcasing our array of services and solutions. For our business customers, we've taken an educational approach to sustainability management, focusing on informing businesses about enhancing their sustainability practices through more than 100 ESG-centric blogs and articles.

(5.11.9.6) Effect of engagement and measures of success

We aim to help customers manage energy sustainably, targeting net zero by 2050 with a 28% reduction by 2030. In 2023, we reduced emissions by 10% (vs 2019 baseline). This is the key measure of success of our engagement with customers. This progress stems from raising awareness and encouraging lower carbon services. In 2023, we installed nearly 800,000 smart meters, reducing around 60,000 tonnes of CO2 equivalent. Our engagement strategy uses emails, letters, calls, and texts to reach customers. Hive has installed 2 million thermostats, reducing over 22,000 tonnes of carbon. In 2023, Hive thermostats saved 35,000 tonnes of carbon, and heat pumps saved 8,000 tonnes. Hive launched 20 campaigns on EV chargers and thermostats, achieving a 60% email engagement rate. ECO efforts in 2023 reduced emissions by over 19,000 tCO2e. We prioritise research on energy transition. In 2023, we surveyed 800 European businesses, sharing findings with 2,000 customers through campaigns

Water

(5.11.9.1) Type of stakeholder

Select from:

☑ Customers

(5.11.9.2) Type and details of engagement

Innovation and collaboration

☑ Collaborate with stakeholders on innovations to reduce environmental impacts in products and services

(5.11.9.3) % of stakeholder type engaged

Select from:

☑ Unknown

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

Although we are primarily an energy management and services company, we have continued to engage in our key strategic partnerships with Thames Water to offer plumbing and drain services to their customers. The services of our trained engineers are available year-round to quickly respond to calls from Thames Water customers to fix leaks in their homes and help reduce unnecessary water use.

(5.11.9.6) Effect of engagement and measures of success

There are no set measures of success for this partnership (volume of water lost through leakage before, during and after partnership for example) however the impact of British Gas and Dyno Rod engineers' work on reducing unnecessary water usage is demonstrated by the reach of their services; 24% of the water Thames Water supplies is lost through leakage. Through our strategic partnership customers can receive leakage finding and fixing services more quickly, contributing to Thames Water's goal of increasing the efficiency of their water supply.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☑ Investors and shareholders

(5.11.9.2) Type and details of engagement

Innovation and collaboration

☑ Collaborate with stakeholders in creation and review of your climate transition plan

☑ Engage with stakeholders to advocate for policy or regulatory change

(5.11.9.3) % of stakeholder type engaged

Select from:

☑ 26-50%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

☑ None

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

While our investors do not add to our emissions footprint, it remains essential to align with our investors' expectations and secure their support as we advance towards net zero. They are instrumental in collaborating with us on the transition strategy. Noting this, we have marked "None" in the above question on scope 3 emissions related to this group. In our commitment to policy advocacy, we've united with investor groups to promote regulations that expedite the transition. For instance, we urged Climate Action 100 (CA100) to endorse a collective letter urging the government to mandate a net zero objective for OFGEM. Our role was to highlight a critical dependency of our climate transition plan to our investors, seeking their assistance to mitigate any risks of non-fulfilment. Following this, CA100 co-leads Redwheel and Federated Hermes corresponded with OFGEM, emphasising the urgency of boosting renewable energy connections, which is vital for achieving the net zero target by 2050. This example demonstrates Centrica's collaborative efforts with investors to jointly advocate for meaningful change. Furthermore, we've involved CA100 in developing our second climate transition plan, ensuring it addresses our decarbonisation strategy and gains acknowledgment from our primary stakeholders, namely our shareholders. In 2023, we engaged in both bilateral and collaborative discussions, meeting with CA100 representatives eight times, through video calls and in-person sessions, culminating in a strategic meeting with the CEO and CA100 co-leads. We anticipate that the forthcoming version of our plan will even more closely align with their expectations. We've identified the proportion of our shareholders who participate in CA100 as an indicator of our extensive engagement efforts. More than half of our leading 30 investors are affiliated, although this percentage decreases slightly across our entire investor base. Additionally, we conduct ad hoc meetings with investors, which often cover ESG issues. Following our interim reports, we've discussed our green investment strategy during roadshows, specifically highlighting our new business ventures. These include our asset business and meter asset provider business, both integral to our climate transition plan.

(5.11.9.6) Effect of engagement and measures of success

OFGEM's current responsibilities have been updated to explicitly include net zero targets and five-year carbon budgets as outlined in the Climate Change Act 2008, expanding beyond the mere duty to consider the reduction of greenhouse gases. This significant amendment guarantees that OFGEM's decisions will be aligned with

net zero objectives. As a crucial stakeholder in the energy sector, OFGEM's alignment with these goals represents a substantial advancement for us as an energy supplier, ensuring that our efforts are mutually supportive towards a sustainable future. We have garnered encouraging feedback from our interactions with CA100 thus far. Nonetheless, our goal is to secure a favourable outcome for the Climate Transition Plan at the 2025 Annual General Meeting (AGM), which we will consider a benchmark of success. In addition to this definitive metric, we will monitor the overall response to the plan from our investors. We anticipate that the final version of the document will be tailored for investors, offering a more technical perspective than our initial release, for example, in providing an in-depth analysis on the emissions reductions associated with each of our decarbonisation levers, as well as a comprehensive exposition of our underlying assumptions and dependencies.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☑ Other value chain stakeholder, please specify **:**Communities

(5.11.9.2) Type and details of engagement

Education/Information sharing

☑ Other education/information sharing, please specify **:**Community Roadshows

Innovation and collaboration

☑ Run a campaign to encourage innovation to reduce environmental impacts

(5.11.9.3) % of stakeholder type engaged

Select from:

☑ Unknown

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

☑ Unknown

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

The UK is grappling with significant issues, from the escalating climate crisis to the surging cost of living. In light of these challenges, there's a pressing need for community support nationwide. Our dedication lies in ensuring a "Just Transition" that includes everyone and optimizes benefits across the board. It's crucial to engage communities in this transformative process. For the last eight years, our efforts have been directed towards aiding communities in their pursuit of net zero. From Scotland to Cornwall, we've supported a diverse range of non-profits, charities, and social enterprises, equipping them with essential resources and funding to foster sustainable change in their locale via our Energy For Tomorrow Programme. In 2023 we ran two regional campaigns in the North West and London, resulting in 8 projects being offered grant funding totalling 582,517. In our commitment to fostering awareness and engagement with low-carbon technologies, we also initiated a series of educational roadshows. For example, the Scottish Gas Zero Community roadshows traversed Aberdeenshire, presenting an array of products such as insulation, heat pumps, smart home solutions, and electric vehicle chargers. These offerings are designed to assist homeowners in reducing energy costs and emissions through efficient energy use and electrification. Hosted in community and village halls, these events were strategically placed to ensure easy access for local residents. Acknowledging that some customers may hesitate to have an engineer visit for an in-home evaluation, we believe in the power of an interactive demonstration as a comfortable first step towards sustainable living.

(5.11.9.6) Effect of engagement and measures of success

To evaluate the effectiveness of our Energy for Tomorrow initiative, we assess the amount of carbon reduction, the financial investment, and the aggregate of projects completed successfully. To date, the initiative encompasses 37 projects, with a financial outlay of 4.6 million over the span of eight years. Carbon offset from solar installed by Energy for Tomorrow on 268 schools throughout the UK has resulted in a substantial carbon offset of 14,366 tonnes of CO2. This data not only reflects the program's positive environmental impact but also underscores our commitment to sustainable development and responsible energy management. We have selected the stakeholder engagement percentage as "unknown" because community groups represent a fluid and subjective collection of individuals, including our customers. Rather than relying on percentage coverage, we evaluate success based on the amount of investment, the number of initiatives undertaken, and the reduction in carbon emissions achieved. These indicators provide a more tangible measure of our impact and progress.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☑ Other value chain stakeholder, please specify **:**Professional stakeholders and Partners

(5.11.9.2) Type and details of engagement

Education/Information sharing

☑ Share information on environmental initiatives, progress and achievements

Innovation and collaboration

☑ Collaborate with stakeholders on innovations to reduce environmental impacts in products and services

(5.11.9.3) % of stakeholder type engaged

Select from:

☑ 100%

(5.11.9.4) % stakeholder-associated scope 3 emissions

Select from:

☑ None

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

Collaboration with stakeholders is crucial for creating innovative energy solutions and decarbonising sectors like electricity, heating, transportation, and gas. By partnering with start-ups, automotive manufacturers, competitors, and local governments, we develop solutions that benefit customers and society. Our focus is on areas with substantial risk or growth potential for a sustainable, low-carbon future. Below are a few examples of such collaborations: • We partnered with Mixergy to address grid congestion. Mixergy's intelligent hot water system optimises heating based on household patterns, reducing energy wastage by up to 40% annually. • We also partnered with Mitsubishi Power Europe to explore creating Europe's first ammonia-fuelled power plant at the Bord Gáis Energy Whitegate CCGT power station in Cork, Ireland. This plant would use low-carbon ammonia, reducing greenhouse gas emissions and ensuring energy supply security. • Bord Gáis Energy, ESB, and dCarbonX launched the Kestrel Project to convert retired gas reservoirs into green hydrogen storage. This aligns with the National Hydrogen Strategy, emphasizing long-duration storage for cost-effectiveness and market stability. • In 2023, we sponsored events like the Heat Pump Summit and Best Fest in the UK to share knowledge and promote heat pump adoption. • British Gas's partnership with Samsung aims to enhance energy management and promote low-carbon heating solutions. Starting in 2024, British Gas will offer Samsung heat pumps, supported by training programs to meet increased demand.

(5.11.9.6) Effect of engagement and measures of success

Success is measured by our goal to help customers reduce net emissions by 100% by 2050. In 2023, we reduced emissions by 10% compared to the 2019 baseline and made 21% progress towards decarbonising by 2045. Centrica's partnerships are thriving, marking significant progress. British Gas has teamed up with Mixergy to introduce a tariff rewarding homeowners for heating water during off-peak hours. Customers on a fixed-rate tariff with Mixergy Extra can save an additional 40 annually, applied directly to their energy bill. Impressively, 70% of Mixergy users have become Mixergy Heroes, helping alleviate grid congestion. This initiative incentivises off-peak hot water heating, aiding the integration of renewable energy and moving towards net-zero emissions. In 2023, Centrica and Hiiroc advanced their collaboration to use hydrogen in a grid-connected gas-fired power plant in the UK. A test bed unit of Hiiroc's technology, converting natural gas into Emerald Hydrogen and solid carbon, has been integrated. Hydrogen injection into the grid and gas peaker is expected by late 2024.
[Add row]

C6. Environmental Performance - Consolidation Approach

(6.1) Provide details on your chosen consolidation approach for the calculation of environmental performance data.

Climate change

(6.1.1) Consolidation approach used

Select from:

☑ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

Centrica reports all environmental performance metrics (GHG emissions, energy, water, waste, etc) based on an Operational Control approach. The Operational Control approach is the most common approach used by organisations. We have selected it because we have the most control over our operated assets, and therefore can most effectively implement initiatives and targets that reduce our negative impacts

Water

(6.1.1) Consolidation approach used

Select from:

☑ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

As above, Centrica reports all environmental performance metrics, including water, based on an Operational Control approach.

Plastics

(6.1.1) Consolidation approach used

Select from:

☑ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

As above.

Biodiversity

(6.1.1) Consolidation approach used

Select from:
☑ Operational control

(6.1.2) Provide the rationale for the choice of consolidation approach

As above.
[Fixed row]

C7. Environmental performance - Climate Change

(7.1) Is this your first year of reporting emissions data to CDP?

Select from:
☑ No

(7.1.1) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

	Has there been a structural change?
	Select all that apply ☑ No

[Fixed row]

(7.1.2) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

(7.1.2.1) Change(s) in methodology, boundary, and/or reporting year definition?

Select all that apply
☑ No, but we have discovered significant errors in our previous response(s)

(7.1.2.2) Details of methodology, boundary, and/or reporting year definition change(s)

To ensure we have the best available data, we re-state if variance of 5% or more is found. An error was identified in Scope 2 market-based calculation, therefore it was re-stated.
[Fixed row]

(7.1.3) Have your organization's base year emissions and past years' emissions been recalculated as a result of any changes or errors reported in 7.1.1 and/or 7.1.2?

(7.1.3.1) Base year recalculation

Select from:
☑ Yes

(7.1.3.2) Scope(s) recalculated

Select all that apply
☑ Scope 1
☑ Scope 2, location-based
☑ Scope 2, market-based

(7.1.3.3) Base year emissions recalculation policy, including significance threshold

If there has been more than a 5% variance from the previous year, then we re-state the data. We take the approach to report the best available data at the time of reporting. Therefore, if we have more accurate data because of data recalculations, and the change is more than 5%, than we re-state the data.

(7.1.3.4) Past years' recalculation

Select from:
☑ Yes
[Fixed row]

(7.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Select all that apply

☑ The Greenhouse Gas Protocol: Scope 2 Guidance

☑ IPCC Guidelines for National Greenhouse Gas Inventories, 2006

☑ The Greenhouse Gas Protocol: Corporate Value Chain (Scope 3) Standard

☑ IPIECA's Petroleum Industry Guidelines for reporting GHG emissions, 2nd edition, 2011

☑ The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

☑ Defra Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance, 2019

☑ European Union Emission Trading System (EU ETS): The Monitoring and Reporting Regulation (MMR) – General guidance for installations

(7.3) Describe your organization's approach to reporting Scope 2 emissions.

	Scope 2, location-based	Scope 2, market-based	Comment
	Select from: ☑ We are reporting a Scope 2, location-based figure	*Select from:* ☑ We are reporting a Scope 2, market-based figure	*In 2021 we moved our default reporting approach to being market-based; however, we also calculate and report the Location-based approach.*

[Fixed row]

(7.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

Select from:

☑ No

(7.5) Provide your base year and base year emissions.

Scope 1

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

2299586

(7.5.3) Methodological details

We follow guidance on Scope 1 emissions reporting from the GHG Protocol's Corporate Accounting and Reporting Standard and the UK Government's Environmental Reporting Guidelines. We report our emissions using an operational control approach, enabling us to reflect the impact of our operational decisions. 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, standard emission factors from published sources are applied. These emission factors are from the UK government (DESNZ), United States Energy Information Administration (EIA), International Energy Agency (IEA), and the Environmental Protection Agency (EPA). Our inputs are our fuel use from vehicles, operational assets, offices, etc. Our scope 1 emissions include all relevant sources of emissions and use the best available data at the time of reporting. Assumptions: Where fuel consumption is reported in energy units, the relevant emission factor is applied based on the calorific value approach of the fuel. For example, natural gas consumption is reported as gross calorific value. For a full breakdown of our inputs, operational boundary and list of assets that materially contribute to our total GHG emissions, refer to our Basis of Reporting, available on our website.

Scope 2 (location-based)

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

33343

(7.5.3) Methodological details

We follow best practice guidance on Scope 2 emissions reporting from the GHG Protocol's Corporate Accounting and Reporting Standard and the UK Government's Environmental Reporting Guidelines. We report our emissions using an operational control approach, enabling us to reflect the impact of our operational decisions. We use standard location-based emission factors from published sources. These emission factors are from the UK government (DESNZ), United States Energy

Information Administration (EIA), Egrid Summary Tables, International Energy Agency (IEA), and the Environmental Protection Agency (EPA). Our inputs are electricity use from vehicles, operational assets, offices, etc., and our energy use from district heating. Our scope 2 emissions include all relevant sources of emission factors and use the best available data at the time of reporting. For a full breakdown of our inputs, operational boundary and list of assets that materially contribute to our total GHG emissions, refer to our Basis of Reporting, available on our website.

Scope 2 (market-based)

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

7926

(7.5.3) Methodological details

We follow best practice guidance on Scope 2 emissions reporting from the GHG Protocol's Corporate Accounting and Reporting Standard, GHG Protocol Scope 2 guidance, and the UK Government's Environmental Reporting Guidelines. We report our emissions using an operational control approach, enabling us to reflect the impact of our operational decisions. Market based reporting methodology is applied, using emission factors from the UK government (DESNZ), United States Energy Information Administration (EIA), Egrid Summary Tables, International Energy Agency (IEA), and the Environmental Protection Agency (EPA). Our inputs are electricity use from vehicles, operational assets, offices, etc., and our energy use from district heating. Our scope 2 emissions include all relevant sources of emissions and use the best available data at the time of reporting. Assumptions: Imported power market-based emissions are calculated based on the following premise: • Green tariff at zero emissions •Supplier specific emission factors as specified • Residual emission factor where power source is unknown • Grid average in North America and Israel For a full breakdown of our inputs, operational boundary and list of assets that materially contribute to our total GHG emissions, refer to our Basis of Reporting available on our website.

Scope 3 category 1: Purchased goods and services

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

1025744.0

(7.5.3) Methodological details

Centrica uses the Hybrid method outlined by the GHG protocol. This uses a combination of supplier-specific activity data (where available) and secondary data to fill the gaps. This method involves: • For our most material suppliers, collecting allocated scope 1, 2 and upstream scope 3 emission data directly from suppliers • In the absence of direct contact, obtain suppliers' scope 1, 2 and upstream scope 3 emissions data from benchmark submissions/sustainability reports, as well as their revenue from annual reports, to calculate a supplier specific emission intensity • For the rest of our smaller suppliers, using spend data, and applying the relevant secondary emission factor according to the GHG Protocol methodology Secondary, category average emission factors are sourced from ADEME. We include all relevant operational expenditure that is processed by our group procurement function. Assumptions: Non-Procurement related spend is all assumed to be fuel and energy spend where the associated emissions are captured using consumption data under category 3, as well as Scope 1&2. Utilities spend is excluded, as emissions from water supply, are calculated using water consumption data, as this is more accurate than spend data. Waste spend is excluded as emissions from waste are captured under category 5. At Centrica this category also captures all upstream and downstream transportation and distribution emissions (Category 4 & 9). This is due to their low materiality and difficulty in separating this from Category 1 emissions.

Scope 3 category 2: Capital goods

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

82600.0

(7.5.3) Methodological details

Centrica uses the Hybrid method outlined by the GHG protocol. This uses a combination of supplier-specific activity data (where available) and secondary data to fill the gaps. This method involves: • For our most material suppliers, collecting allocated scope 1, 2 and upstream scope 3 emission data directly from suppliers • In the absence of direct contact, obtain suppliers' scope 1, 2 and upstream scope 3 emissions data from benchmark submissions/sustainability reports as well as their revenue from annual reports in order to calculate a supplier specific emission factor • For the rest of our smaller suppliers, using spend data and applying the relevant secondary emission factor according to the GHG Protocol best practice Secondary, category average emission factors are sourced from ADEME. We include all relevant capital expenditure that is processed by our group procurement function.

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

52168395

(7.5.3) Methodological details

Category 3a: Centrica uses an average data method to measure emissions, which involves estimating emissions by using secondary (e.g., industry average) emission factors for upstream emissions per unit of consumption (e.g., kg CO2e/kWh). Inputs are quantities and type of fuel consumed. We use upstream fuel conversion factors from the UK Government. Category 3b: Centrica uses an average data method to measure emissions, which involves estimating emissions by using secondary (e.g., industry average) emission factors for upstream emissions per unit of consumption (e.g., kg CO2e/kWh). Inputs are quantities of electricity, steam, heating, and cooling purchased and consumed per unit of consumption (e.g., kWh), broken down by supplier, grid region, or country. We use upstream electricity conversion factors from the UK Government. Category 3c: Emissions from transmission and distribution losses are calculated using a location-based approach (defined by the GHG Protocol as an average data method) for category 3c due to the difficulty in sourcing market based residual or supplier specific T&D emissions factors. Input is electricity consumption. We use location-based conversion factors from the UK Government. 3d. Centrica use an average-data method, which involves estimating emissions by using grid average emission rates. Input is total electricity sales across all tariffs and contracts. Supplier specific carbon intensity of electricity factors are used where applicable (market-based carbon intensity using our supplier Fuel Mix Disclosures (FMD), or alternatively, residual electricity carbon intensity.

Scope 3 category 4: Upstream transportation and distribution

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

The emissions associated with this category are immaterial and not relevant. The emissions are captured in Category 1.

Scope 3 category 5: Waste generated in operations

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

1912.0

(7.5.3) Methodological details

Category 5 includes emissions from third-party disposal and treatment of waste generated in the reporting company's owned or controlled operations in the reporting year. This category includes emissions from disposal of both solid waste and wastewater. The methodology of collection is waste-type-specific method which involves using emission factors for specific waste types and treatment methods. The emission factors used are UK Government emission factors.

Scope 3 category 6: Business travel

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

11319

(7.5.3) Methodological details

This category includes emissions from the transportation of employees for business related activities in vehicles owned or operated by third parties, such as aircraft, trains, buses, and passenger cars. The methodology used is distance-based method which involves determining the distance and mode of business trips, then applying the appropriate emission factor for the mode used from the UK Government emission factors. For hotel stays, the number of nights stayed by employees is calculated annually based on recorded reports. The total number of nights stayed is multiplied by the UK government Hotel stay emissions factor to give total Hotel Stay emissions per year.

Scope 3 category 7: Employee commuting

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

6722

(7.5.3) Methodological details

This category includes emissions from the transportation of employees between their homes and their worksites. Employee commuting emissions within Centrica largely come from our UK&I activities, as such, we use an accurate distance-based method for these regions. Outside of the UK&I, commuting emissions do not contribute significantly to Centrica's Scope 3 emissions and distance data is difficult to collect so an average-data method is used. Distance-based method - involves collecting data from employees on commuting patterns (e.g., distance travelled, and mode used for commuting) and applying appropriate emission factors for the modes used. Average-data method - involves estimating emissions from employee commuting based on average (e.g., national) data on commuting patterns.UK Government emission factors are used when calculating the average emissions.

Scope 3 category 8: Upstream leased assets

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

Upstream leased assets are not relevant to our organisation as our Operational Control approach means any leased assets will be in our scope 1 & 2 emissions.

Scope 3 category 9: Downstream transportation and distribution

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

The emissions associated with this category are immaterial and not relevant. The emissions will be captured in Category 1.

Scope 3 category 10: Processing of sold products

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

This category is not relevant as we do not sell intermediate products that are processed by 3rd parties.

Scope 3 category 11: Use of sold products

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

69234770

(7.5.3) Methodological details

These are the emissions associated with all gas sales to our customers. Values are calculated by multiplying gas sold volumes by the stationary fuel emission factor sourced from the UK Government.

Scope 3 category 12: End of life treatment of sold products

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

This category is not relevant under the GHG Protocol definition. Our primary products are electricity and gas sales that do not require end-of life treatment.

Scope 3 category 13: Downstream leased assets

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

This category is not relevant under the GHG Protocol definition.

Scope 3 category 14: Franchises

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

This category is not relevant under the GHG Protocol definition.

Scope 3 category 15: Investments

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

359641

(7.5.3) Methodological details

Category 15 includes scope 3 emissions associated with the reporting company's investments in the reporting year, not already included in scope 1 or scope 2. Category 15 is primarily designed for financial institutions but is also relevant to Centrica due to Equity investments in joint ventures (non-incorporated joint ventures/partnerships/ operations). This includes emissions associated with our interests (equity) in UK nuclear; and non-operated Spirit Energy assets. The method used is Investment-specific method which involves collecting scope 1 and scope 2 emissions from the investee company and allocating the emissions based upon the share of investment. Where applicable, we will advise investees to use standard emission factors from the UK Government.

Scope 3: Other (upstream)

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

This category is not relevant

Scope 3: Other (downstream)

(7.5.1) Base year end

12/31/2019

(7.5.2) Base year emissions (metric tons CO2e)

0

(7.5.3) Methodological details

This category is not relevant
[Fixed row]

(7.6) What were your organization’s gross global Scope 1 emissions in metric tons CO2e?

Reporting year

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

1675864

(7.6.3) Methodological details

We follow guidance on Scope 1 emissions reporting from the GHG Protocol’s Corporate Accounting and Reporting Standard and the UK Government’s Environmental Reporting Guidelines. We report our emissions using an operational control approach, enabling us to reflect the impact of our operational decisions. 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, standard emission factors from published sources are applied. These emission factors are from the UK government (DESNZ), United States Energy Information Administration (EIA), International Energy Agency (IEA), and the Environmental Protection Agency (EPA). Our inputs are our fuel use from vehicles, operational assets, offices, and other buildings. Our scope 1 emissions include all relevant sources of emissions and use the best available data at the time of reporting. Assumptions: Where fuel consumption is reported in energy units, the relevant emission factor is applied based on the calorific value approach of the fuel. For example, natural gas consumption is reported as gross calorific value. For a full breakdown of our inputs, operational boundary and list of assets that materially contribute to our total GHG emissions, refer to our Bases of Reporting, available on our website.

Past year 1

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

2004692

(7.6.2) End date

12/31/2022

(7.6.3) Methodological details

We follow guidance on Scope 1 emissions reporting from the GHG Protocol's Corporate Accounting and Reporting Standard and the UK Government's Environmental Reporting Guidelines. We report our emissions using an operational control approach, enabling us to reflect the impact of our operational decisions. 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, standard emission factors from published sources are applied. These emission factors are from the UK government (DESNZ), United States Energy Information Administration (EIA), International Energy Agency (IEA), and the Environmental Protection Agency (EPA). Our inputs are our fuel use from vehicles, operational assets, offices, and other buildings. Our scope 1 emissions include all relevant sources of emissions and use the best available data at the time of reporting. Assumptions: Where fuel consumption is reported in energy units, the relevant emission factor is applied based on the calorific value approach of the fuel. For example, natural gas consumption is reported as gross calorific value. For a full breakdown of our inputs, operational boundary and list of assets that materially contribute to our total GHG emissions, refer to our Bases of Reporting, available on our website.

Past year 2

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

1018953

(7.6.2) End date

12/31/2021

(7.6.3) Methodological details

We follow guidance on Scope 1 emissions reporting from the GHG Protocol's Corporate Accounting and Reporting Standard and the UK Government's Environmental Reporting Guidelines. We report our emissions using an operational control approach, enabling us to reflect the impact of our operational decisions. 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, standard emission factors from published sources are applied. These emission factors are from the UK government (DESNZ), United States Energy Information Administration (EIA), International Energy Agency (IEA), and the Environmental Protection Agency (EPA). Our inputs are our fuel use from vehicles, operational assets, offices, and other buildings. Our scope 1 emissions include all relevant sources of emissions and use the best available data at the time of reporting. Assumptions: Where fuel consumption is reported in energy units, the relevant emission factor is applied based on the calorific value approach of the fuel. For example, natural gas consumption is reported as gross calorific value. For a full breakdown of our inputs, operational boundary and list of assets that materially contribute to our total GHG emissions, refer to our Bases of Reporting, available on our website.

Past year 3

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

1924508

(7.6.2) End date

12/31/2020

(7.6.3) Methodological details

We follow guidance on Scope 1 emissions reporting from the GHG Protocol's Corporate Accounting and Reporting Standard and the UK Government's Environmental Reporting Guidelines. We report our emissions using an operational control approach, enabling us to reflect the impact of our operational decisions. 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, standard emission factors from published sources are applied. These emission factors are from the UK government (DESNZ), United States Energy Information Administration (EIA), International Energy Agency (IEA), and the Environmental Protection Agency (EPA). Our inputs are our fuel use from vehicles, operational assets, offices, and other buildings. Our scope 1 emissions include all relevant sources of emissions and use the best available data at the time of reporting. Assumptions: Where fuel consumption is reported in energy units, the relevant emission factor is applied based on the calorific value approach of the fuel. For example, natural gas consumption is reported as gross calorific value. For a full breakdown of our inputs, operational boundary and list of assets that materially contribute to our total GHG emissions, refer to our Bases of Reporting, available on our website.

Past year 4

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

2299586

(7.6.2) End date

12/31/2019

(7.6.3) Methodological details

We follow guidance on Scope 1 emissions reporting from the GHG Protocol's Corporate Accounting and Reporting Standard and the UK Government's Environmental Reporting Guidelines. We report our emissions using an operational control approach, enabling us to reflect the impact of our operational decisions. 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, standard emission factors from published sources are applied. These emission factors are from the UK government (DESNZ), United States Energy Information Administration (EIA), International Energy Agency (IEA), and the Environmental Protection Agency (EPA). Our inputs are our fuel use from vehicles, operational assets, offices, and other buildings. Our scope 1 emissions include all relevant sources of emissions and use the best available data at the time of reporting. Assumptions: Where fuel consumption is reported in energy units, the relevant emission factor is applied based on the calorific value approach of the fuel. For example, natural gas consumption is reported as gross calorific value. For a full breakdown of our inputs, operational boundary and list of assets that materially contribute to our total GHG emissions, refer to our Bases of Reporting, available on our website.
[Fixed row]

(7.7) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

Reporting year

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

16642

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

6522

(7.7.4) Methodological details

We follow best practice guidance on Scope 2 emissions reporting from the GHG Protocol's Corporate Accounting and Reporting Standard, GHG Protocol Scope 2 guidance, and the UK Government's Environmental Reporting Guidelines. We report our emissions using an operational control approach, enabling us to reflect the impact of our operational decisions. Market based reporting methodology is applied, using emission factors from the UK government (DESNZ), United States Energy Information Administration (EIA), Egrid Summary Tables, International Energy Agency (IEA), and the Environmental Protection Agency (EPA). Our inputs are electricity use from vehicles, operational assets, offices, and other buildings, and our energy use from district heating. Our scope 2 emissions include all relevant sources of emissions and use the best available data at the time of reporting. Assumptions: Imported power market-based emissions are calculated based on the following premise: • Green tariff at zero emissions •Supplier specific emission factors as specified • Residual emission factor where power source is unknown • Grid average in North America and Israel For a full breakdown of our inputs, operational boundary and list of assets that materially contribute to our total GHG emissions, refer to our Basis of Reporting available on our website.

Past year 1

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

16275

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

5193

(7.7.3) End date

12/31/2022

(7.7.4) Methodological details

We follow best practice guidance on Scope 2 emissions reporting from the GHG Protocol's Corporate Accounting and Reporting Standard, GHG Protocol Scope 2 guidance, and the UK Government's Environmental Reporting Guidelines. We report our emissions using an operational control approach, enabling us to reflect the impact of our operational decisions. Market based reporting methodology is applied, using emission factors from the UK government (DESNZ), United States Energy Information Administration (EIA), Egrid Summary Tables, International Energy Agency (IEA), and the Environmental Protection Agency (EPA). Our inputs are electricity use from vehicles, operational assets, offices, and other buildings, and our energy use from district heating. Our scope 2 emissions include all relevant sources of emissions and use the best available data at the time of reporting. Assumptions: Imported power market-based emissions are calculated based on the following premise: • Green tariff at zero emissions •Supplier specific emission factors as specified • Residual emission factor where power source is unknown • Grid average in North America and Israel For a full breakdown of our inputs, operational boundary and list of assets that materially contribute to our total GHG emissions, refer to our Basis of Reporting available on our website.

Past year 2

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

19591

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

5303

(7.7.3) End date

12/31/2021

(7.7.4) Methodological details

We follow best practice guidance on Scope 2 emissions reporting from the GHG Protocol's Corporate Accounting and Reporting Standard, GHG Protocol Scope 2 guidance, and the UK Government's Environmental Reporting Guidelines. We report our emissions using an operational control approach, enabling us to reflect the impact of our operational decisions. Market based reporting methodology is applied, using emission factors from the UK government (DESNZ), United States Energy Information Administration (EIA), Egrid Summary Tables, International Energy Agency (IEA), and the Environmental Protection Agency (EPA). Our inputs are electricity use from vehicles, operational assets, offices, and other buildings, and our energy use from district heating. Our scope 2 emissions include all relevant sources of emissions and use the best available data at the time of reporting. Assumptions: Imported power market-based emissions are calculated based on the following premise: • Green tariff at zero emissions •Supplier specific emission factors as specified • Residual emission factor where power source is unknown • Grid average in North America and Israel For a full breakdown of our inputs, operational boundary and list of assets that materially contribute to our total GHG emissions, refer to our Basis of Reporting available on our website.

Past year 3

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

28995

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

4143

(7.7.3) End date

12/31/2020

(7.7.4) Methodological details

We follow best practice guidance on Scope 2 emissions reporting from the GHG Protocol's Corporate Accounting and Reporting Standard, GHG Protocol Scope 2 guidance, and the UK Government's Environmental Reporting Guidelines. We report our emissions using an operational control approach, enabling us to reflect the impact of our operational decisions. Market based reporting methodology is applied, using emission factors from the UK government (DESNZ), United States Energy Information Administration (EIA), Egrid Summary Tables, International Energy Agency (IEA), and the Environmental Protection Agency (EPA). Our inputs are electricity use from vehicles, operational assets, offices, and other buildings, and our energy use from district heating. Our scope 2 emissions include all relevant sources of emissions and use the best available data at the time of reporting. Assumptions: Imported power market-based emissions are calculated based on the following premise: • Green tariff at zero emissions •Supplier specific emission factors as specified • Residual emission factor where power source is unknown • Grid average in North America and Israel For a full breakdown of our inputs, operational boundary and list of assets that materially contribute to our total GHG emissions, refer to our Basis of Reporting available on our website.

Past year 4

(7.7.1) Gross global Scope 2, location-based emissions (metric tons CO2e)

33241

(7.7.2) Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

7926

(7.7.3) End date

12/31/2019

(7.7.4) Methodological details

We follow best practice guidance on Scope 2 emissions reporting from the GHG Protocol's Corporate Accounting and Reporting Standard, GHG Protocol Scope 2 guidance, and the UK Government's Environmental Reporting Guidelines. We report our emissions using an operational control approach, enabling us to reflect the impact of our operational decisions. Market based reporting methodology is applied, using emission factors from the UK government (DESNZ), United States Energy Information Administration (EIA), Egrid Summary Tables, International Energy Agency (IEA), and the Environmental Protection Agency (EPA). Our inputs are electricity use from vehicles, operational assets, offices, and other buildings, and our energy use from district heating. Our scope 2 emissions include all relevant sources of emissions and use the best available data at the time of reporting. Assumptions: Imported power market-based emissions are calculated based on the following premise: • Green tariff at zero emissions •Supplier specific emission factors as specified • Residual emission factor where power source is unknown • Grid average in North America and Israel For a full breakdown of our inputs, operational boundary and list of assets that materially contribute to our total GHG emissions, refer to our Basis of Reporting available on our website.
[Fixed row]

(7.8) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

(7.8.1) Evaluation status

Select from:
☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

423631

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Hybrid method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

20

(7.8.5) Please explain

Our category 1 emissions are calculated using a Hybrid method, using a combination of supplier-specific activity data (where available) and secondary data. For most material suppliers this method involves collecting allocated scope 1 and 2 emission data directly from suppliers and for the rest of our smaller suppliers, using spend data and applying the relevant secondary emission factor.

Capital goods

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

161781

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Average spend-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

20

(7.8.5) Please explain

Our Category 2 emissions are calculated on the average spend-based method which involves estimating emissions for goods by collecting data on the economic value of goods purchased and multiplying by relevant secondary (e.g., industry average) emission factors (e.g., average emissions per monetary value of goods). We plan to move to a hybrid method in future, using the supplier-specific method from the potential top emitting suppliers and requesting supplier-specific data from them.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

4016289

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Average data method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

The power we sell to our customers (category 3d) has known emissions based on the generation origin of the power (gas, nuclear, coal, renewables, etc). This is sourced from the seller/ value chain partner. This equates to 95% of Category 3 and therefore 93% of the emissions are calculated using data obtained by the suppliers.

Upstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

Centrica's main products sold are gas and electricity. These are transported through pipes and wires as opposed to vehicles. They do not naturally fit in this category. The small volume of actual upstream transportation is not relevant from a materiality perspective. Where there are emissions, these will be captured in Category 1.

Waste generated in operations

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

2095

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Waste-type-specific method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

We capture our waste volumes by type (office versus operational) and by disposal method (recycling, landfill, incineration. We apply the relevant DEFRA emission factors to the waste based on their category. We also capture the voluntary option of emissions associated with wastewater. These emissions are wastewater volumes multiplied by emission factor.

Business travel

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

4701

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Hybrid method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

28

(7.8.5) Please explain

Business Travel includes 4 components: grey fleet, flights, rail and helicopter travel to our offshore facilities. The helicopter fuel emissions (9%) are based on actual fuel consumption from the service operator; the grey fleet emissions (19%) are based on actual mileage claims from employees using their own vehicles; flights are based on distance between departure and destination for the more expensive flights but based on spend for the cheaper flights; and rail is purely based on spend. All WTT emissions are emission factor based.

Employee commuting

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

6468

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Average data method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

(7.8.5) Please explain

Employee commuting includes both commuting emissions and employee working from home emissions. These are based on number of employee visits to the office and number of employees working from home. Commuting mode of transport and distance are captured for each journey, using an internal app. The emissions are estimated using country specific estimates and emission factor data.

Upstream leased assets

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

Centrica's reporting approach means it includes all its leased assets in its Scope 1 and Scope 2 inventories, therefore this category is not relevant and not calculated.

Downstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

Centrica's main products sold are gas and electricity. These are transported through pipes and wires as opposed to vehicles. They do not naturally fit in this category. The volume of actual downstream transportation is not relevant from a materiality perspective. Where there are emissions, these will be captured in Category 1.

Processing of sold products

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

As Centrica's primary products are electricity and gas that are used as end products, the emissions from the processing of sold intermediate products is not relevant.

Use of sold products

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

16386543

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Fuel-based method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

This is a relevant component of our scope 3 emissions in respect to its size (75% of our scope 3) and is relevant to the sector.

End of life treatment of sold products

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

We sell negligible volumes of product that requires end of life treatment, relative to the quantity of gas, electricity and services that we supply. These emissions are therefore not relevant.

Downstream leased assets

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

Centrica only leases a few properties. The emissions have previously been calculated to be immaterial at approximately 0.00004% They, do not expose the organisation to risk and hence, are not considered relevant.

Franchises

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

Centrica operates a Franchise in the UK, the Dyno Franchise. We do not track franchisee carbon emissions; however, previously these calculated emissions equated to less than 0.001% of our scope 3.

Investments

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

107466

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Investment-specific method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

(7.8.5) Please explain

Our category 15 emissions are calculated using the investment-specific method which involves collecting scope 1 and scope 2 emissions from the investee company and allocating the emissions based upon the share of investment. This includes our 20% interest in UK nuclear power assets, as well as Centrica's share of the emissions associated with Spirit Energy's non-operated assets.

Other (upstream)

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

This category is not relevant.

Other (downstream)

(7.8.1) Evaluation status

Select from:
☑ Not relevant, explanation provided

(7.8.5) Please explain

This category is not relevant.
[Fixed row]

(7.8.1) Disclose or restate your Scope 3 emissions data for previous years.

Past year 1

(7.8.1.1) End date

12/31/2022

(7.8.1.2) Scope 3: Purchased goods and services (metric tons CO2e)

388111

(7.8.1.3) Scope 3: Capital goods (metric tons CO2e)

186083

(7.8.1.4) Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

5015266

(7.8.1.5) Scope 3: Upstream transportation and distribution (metric tons CO2e)

0

(7.8.1.6) Scope 3: Waste generated in operations (metric tons CO2e)

2271

(7.8.1.7) Scope 3: Business travel (metric tons CO2e)

2633

(7.8.1.8) Scope 3: Employee commuting (metric tons CO2e)

5184

(7.8.1.9) Scope 3: Upstream leased assets (metric tons CO2e)

0

(7.8.1.10) Scope 3: Downstream transportation and distribution (metric tons CO2e)

0

(7.8.1.11) Scope 3: Processing of sold products (metric tons CO2e)

0

(7.8.1.12) Scope 3: Use of sold products (metric tons CO2e)

18187190

(7.8.1.13) Scope 3: End of life treatment of sold products (metric tons CO2e)

0

(7.8.1.14) Scope 3: Downstream leased assets (metric tons CO2e)

0

(7.8.1.15) Scope 3: Franchises (metric tons CO2e)

0

(7.8.1.16) Scope 3: Investments (metric tons CO2e)

95225

(7.8.1.17) Scope 3: Other (upstream) (metric tons CO2e)

0

(7.8.1.18) Scope 3: Other (downstream) (metric tons CO2e)

0

(7.8.1.19) Comment

N/A

Past year 2

(7.8.1.1) End date

12/31/2021

(7.8.1.2) Scope 3: Purchased goods and services (metric tons CO2e)

433508

(7.8.1.3) Scope 3: Capital goods (metric tons CO2e)

140686

(7.8.1.4) Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

1566236

(7.8.1.5) Scope 3: Upstream transportation and distribution (metric tons CO2e)

0

(7.8.1.6) Scope 3: Waste generated in operations (metric tons CO2e)

3616

(7.8.1.7) Scope 3: Business travel (metric tons CO2e)

1270

(7.8.1.8) Scope 3: Employee commuting (metric tons CO2e)

5729

(7.8.1.9) Scope 3: Upstream leased assets (metric tons CO2e)

0

(7.8.1.10) Scope 3: Downstream transportation and distribution (metric tons CO2e)

0

(7.8.1.11) Scope 3: Processing of sold products (metric tons CO2e)

0

(7.8.1.12) Scope 3: Use of sold products (metric tons CO2e)

19930321

(7.8.1.13) Scope 3: End of life treatment of sold products (metric tons CO2e)

0

(7.8.1.14) Scope 3: Downstream leased assets (metric tons CO2e)

0

(7.8.1.15) Scope 3: Franchises (metric tons CO2e)

0

(7.8.1.16) Scope 3: Investments (metric tons CO2e)

441710

(7.8.1.17) Scope 3: Other (upstream) (metric tons CO2e)

0

(7.8.1.18) Scope 3: Other (downstream) (metric tons CO2e)

0

(7.8.1.19) Comment

N/A

Past year 3

(7.8.1.1) End date

12/31/2020

(7.8.1.2) Scope 3: Purchased goods and services (metric tons CO2e)

925973

(7.8.1.3) Scope 3: Capital goods (metric tons CO2e)

84248

(7.8.1.4) Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

42860063

(7.8.1.5) Scope 3: Upstream transportation and distribution (metric tons CO2e)

0

(7.8.1.6) Scope 3: Waste generated in operations (metric tons CO2e)

5443

(7.8.1.7) Scope 3: Business travel (metric tons CO2e)

1618

(7.8.1.8) Scope 3: Employee commuting (metric tons CO2e)

5030

(7.8.1.9) Scope 3: Upstream leased assets (metric tons CO2e)

0

(7.8.1.10) Scope 3: Downstream transportation and distribution (metric tons CO2e)

0

(7.8.1.11) Scope 3: Processing of sold products (metric tons CO2e)

0

(7.8.1.12) Scope 3: Use of sold products (metric tons CO2e)

67419101

(7.8.1.13) Scope 3: End of life treatment of sold products (metric tons CO2e)

0

(7.8.1.14) Scope 3: Downstream leased assets (metric tons CO2e)

0

(7.8.1.15) Scope 3: Franchises (metric tons CO2e)

0

(7.8.1.16) Scope 3: Investments (metric tons CO2e)

460702

(7.8.1.17) Scope 3: Other (upstream) (metric tons CO2e)

0

(7.8.1.18) Scope 3: Other (downstream) (metric tons CO2e)

0

(7.8.1.19) Comment

N/A

Past year 4

(7.8.1.1) End date

12/31/2019

(7.8.1.2) Scope 3: Purchased goods and services (metric tons CO2e)

1025744

(7.8.1.3) Scope 3: Capital goods (metric tons CO2e)

82600

(7.8.1.4) Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e)

44800008

(7.8.1.5) Scope 3: Upstream transportation and distribution (metric tons CO2e)

0

(7.8.1.6) Scope 3: Waste generated in operations (metric tons CO2e)

1912

(7.8.1.7) Scope 3: Business travel (metric tons CO2e)

11319

(7.8.1.8) Scope 3: Employee commuting (metric tons CO2e)

6722

(7.8.1.9) Scope 3: Upstream leased assets (metric tons CO2e)

0

(7.8.1.10) Scope 3: Downstream transportation and distribution (metric tons CO2e)

0

(7.8.1.11) Scope 3: Processing of sold products (metric tons CO2e)

0

(7.8.1.12) Scope 3: Use of sold products (metric tons CO2e)

69234770

(7.8.1.13) Scope 3: End of life treatment of sold products (metric tons CO2e)

0

(7.8.1.14) Scope 3: Downstream leased assets (metric tons CO2e)

0

(7.8.1.15) Scope 3: Franchises (metric tons CO2e)

0

(7.8.1.16) Scope 3: Investments (metric tons CO2e)

359641

(7.8.1.17) Scope 3: Other (upstream) (metric tons CO2e)

0

(7.8.1.18) Scope 3: Other (downstream) (metric tons CO2e)

0

(7.8.1.19) Comment

N/A
[Fixed row]

(7.9) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	*Select from:* ☑ Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	*Select from:* ☑ Third-party verification or assurance process in place
Scope 3	*Select from:* ☑ Third-party verification or assurance process in place

[Fixed row]

(7.9.1) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Row 1

(7.9.1.1) Verification or assurance cycle in place

Select from:
☑ Annual process

(7.9.1.2) Status in the current reporting year

Select from:
☑ Complete

(7.9.1.3) Type of verification or assurance

Select from:
☑ Limited assurance

(7.9.1.4) Attach the statement

DNV_Final Assurance Statement_Centrica 2023.pdf

(7.9.1.5) Page/section reference

All pages (Pages 1 – 3 inclusive)

(7.9.1.6) Relevant standard

Select from:
☑ ISAE3000

(7.9.1.7) Proportion of reported emissions verified (%)

100
[Add row]

(7.9.2) Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.

Row 1

(7.9.2.1) Scope 2 approach

Select from:

☑ Scope 2 location-based

(7.9.2.2) Verification or assurance cycle in place

Select from:

☑ Annual process

(7.9.2.3) Status in the current reporting year

Select from:

☑ Complete

(7.9.2.4) Type of verification or assurance

Select from:

☑ Limited assurance

(7.9.2.5) Attach the statement

Q7.9.2.5 centrica-assurance-statement-and-basis-of-reporting 2023.pdf

(7.9.2.6) Page/ section reference

All pages

(7.9.2.7) Relevant standard

Select from:

☑ ISAE3000

(7.9.2.8) Proportion of reported emissions verified (%)

100

Row 2

(7.9.2.1) Scope 2 approach

Select from:

☑ Scope 2 market-based

(7.9.2.2) Verification or assurance cycle in place

Select from:

☑ Annual process

(7.9.2.3) Status in the current reporting year

Select from:

☑ Complete

(7.9.2.4) Type of verification or assurance

Select from:

☑ Limited assurance

(7.9.2.5) Attach the statement

Q7.9.2.5 centrica-assurance-statement-and-basis-of-reporting 2023.pdf

(7.9.2.6) Page/ section reference

All pages

(7.9.2.7) Relevant standard

Select from:

☑ ISAE3000

(7.9.2.8) Proportion of reported emissions verified (%)

100
[Add row]

(7.9.3) Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.

Row 1

(7.9.3.1) Scope 3 category

Select all that apply
☑ Scope 3: Fuel and energy-related activities (not included in Scopes 1 or 2)
☑ Scope 3: Use of sold products

(7.9.3.2) Verification or assurance cycle in place

Select from:
☑ Triennial process

(7.9.3.3) Status in the current reporting year

Select from:
☑ Underway but not complete for reporting year – previous statement of process attached

(7.9.3.4) Type of verification or assurance

Select from:
☑ Limited assurance

(7.9.3.5) Attach the statement

Q7.9.3.5 centrica-assurance-statement-and-basis-of-reporting 2021.pdf

(7.9.3.6) Page/section reference

Pages 1 and 2.

(7.9.3.7) Relevant standard

Select from:
☑ ISAE3000

(7.9.3.8) Proportion of reported emissions verified (%)

100
[Add row]

(7.10) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Select from:
☑ Decreased

(7.10.1) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

Change in renewable energy consumption

(7.10.1.1) Change in emissions (metric tons CO2e)

1248

(7.10.1.2) Direction of change in emissions

Select from:
☑ Increased

(7.10.1.3) Emissions value (percentage)

0.06

(7.10.1.4) Please explain calculation

*Due to 'changes in renewable energy consumption' in 2023, there has been a 0.06% increase in total Scope 1 & 2 emissions compared to 2022. Our on-site generation decreased by 55 MWh in 2023 compared to 2022 (51.2MWh decrease in on-site solar electricity generation and 3.8 MWh decrease in solar heat generation), the decreased on-site consumption of this renewable energy means an overall increase in the consumption of non-renewable energy. Using the average emission factors for electricity and gas, this equates to an increase of 11.3 tCO2e. The proportion of purchased renewable power consumption decreased by 10% in 2023, from 81% on a green tariff in 2022 to 73% on a green tariff in 2023. This equates to 10,250 MWh less renewable power being consumed in 2023. Using a grid average emission factor for electricity, this equates to 1237 tCO2e increase in emissions in 2023 compared to 2022. Centrica's total 2022 emissions were 2,009,218 therefore, combined, these emission reductions equate to a 0.06% increase as a result of a change in renewable consumption compared to 2022. Therefore as per the calculation methodology stipulated: ' (sum (11.3, 1237)/2009218)*100 0.06%.*

Other emissions reduction activities

(7.10.1.1) Change in emissions (metric tons CO2e)

1366

(7.10.1.2) Direction of change in emissions

Select from:

☑ Decreased

(7.10.1.3) Emissions value (percentage)

0.07

(7.10.1.4) Please explain calculation

*To achieve our ambition to have a zero-emission road fleet by 2025, we continued to implement our global low carbon fleet roadmap in 2023 which resulted in 1,366tCO2e avoided. Centrica's total 2022 emissions were 2,009,218, therefore, a 1,366 tCO2e emission reduction equates to a 0.07% reduction as a result of emission saving initiatives compared to 2021. Therefore as per the calculation methodology stipulated: (sum(-1366)/ 2,009,218)*100 -0.07%.*

Divestment

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

N/A

Acquisitions

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No acquisitions in the 2023.

Mergers

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No mergers in 2023.

Change in output

(7.10.1.1) Change in emissions (metric tons CO2e)

327099

(7.10.1.2) Direction of change in emissions

Select from:
☑ Decreased

(7.10.1.3) Emissions value (percentage)

16.27

(7.10.1.4) Please explain calculation

*Due to ‘changes in output’ during the year, there has been a 16% decrease in total Scope 1 & 2 emissions compared to 2022. Bord Gais decreased its operational activity in 2023 compared to 2022. This resulted in a 131,447 tCO2e decrease in Bord Gais' emissions in 2023 compared to 2022. Centrica Business Solutions decreased its operational activity in 2023 compared to 2022. This resulted in a 13,942 tCO2e decrease in Centrica Business Solutions’ emissions in 2023 compared to 2022. Centrica Energy Storage increased its operational activity in 2023 compared to 2022. This resulted in a 3,296 tCO2e increase in CES's emissions in 2023 compared to 2022. Spirit Energy decreased its operational activity in 2023 compared to 2022. This resulted in a 197,570 tCO2e decrease in emissions in 2023 compared to 2022. Centrica Energy increased its LNG shipping activity in 2023 compared to 2022. This resulted in a 15,288 tCO2e increase in emissions in 2023 compared to 2022. British Gas Services and Solutions decreased its operational activity in 2023 compared to 2022, resulting in a 2,528 tCO2e decrease in emissions in 2023 compared to 2022. Centrica's total 2022 emissions were 2,014,849, therefore, combined, these emission reductions equate to a 16% decrease as a result of a change in output compared to 2022. Therefore as per the calculation methodology stipulated: (sum(-131447, -13942, 3296, -197570, 15288, -2528)/2009218)*100 -16.27%.*

Change in methodology

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No change in methodology.

Change in boundary

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No change in boundary.

Change in physical operating conditions

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:
☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No change from physical operating conditions.

Unidentified

(7.10.1.1) Change in emissions (metric tons CO2e)

190

(7.10.1.2) Direction of change in emissions

Select from:

☑ Decreased

(7.10.1.3) Emissions value (percentage)

0.01

(7.10.1.4) Please explain calculation

*Due to 'Unidentified changes' during the year, there has been a 0.01% decrease in total Scope 1 & 2 emissions compared to 2022. 190 tCO2e of additional emissions were avoided in 2023 but the cause is unidentified. Therefore as per the calculation methodology stipulated: (190/2009218)*100 0.01%*

Other

(7.10.1.1) Change in emissions (metric tons CO2e)

0

(7.10.1.2) Direction of change in emissions

Select from:

☑ No change

(7.10.1.3) Emissions value (percentage)

0

(7.10.1.4) Please explain calculation

No change as a result of other activities.

[Fixed row]

(7.10.2) Are your emissions performance calculations in 7.10 and 7.10.1 based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Select from:
☑ Market-based

(7.12) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

Select from:
☑ Yes

(7.12.1) Provide the emissions from biogenic carbon relevant to your organization in metric tons CO2.

	CO2 emissions from biogenic carbon (metric tons CO2)	Comment
	1310	*This includes the emissions associated with the biofuel component of forecourt fuel, biomass and biofuel in our offices.*

[Fixed row]

(7.15) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Select from:
☑ Yes

(7.15.1) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used global warming potential (GWP).

Row 1

(7.15.1.1) Greenhouse gas

Select from:

☑ CO2

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

1627787

(7.15.1.3) GWP Reference

Select from:

☑ IPCC Fourth Assessment Report (AR4 - 100 year)

Row 2

(7.15.1.1) Greenhouse gas

Select from:

☑ CH4

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

45620

(7.15.1.3) GWP Reference

Select from:

☑ IPCC Fourth Assessment Report (AR4 - 100 year)

Row 3

(7.15.1.1) Greenhouse gas

Select from:

☑ N2O

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

2458

(7.15.1.3) GWP Reference

Select from:

☑ IPCC Fourth Assessment Report (AR4 - 100 year)

Row 4

(7.15.1.1) Greenhouse gas

Select from:

☑ SF6

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

0

(7.15.1.3) GWP Reference

Select from:

☑ IPCC Fourth Assessment Report (AR4 - 100 year)

Row 5

(7.15.1.1) Greenhouse gas

Select from:

☑ NF3

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

0

(7.15.1.3) GWP Reference

Select from:
☑ IPCC Fourth Assessment Report (AR4 - 100 year)

Row 6

(7.15.1.1) Greenhouse gas

Select from:
☑ HFCs

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

0

(7.15.1.3) GWP Reference

Select from:
☑ IPCC Fourth Assessment Report (AR4 - 100 year)

Row 7

(7.15.1.1) Greenhouse gas

Select from:
☑ PFCs

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

0

(7.15.1.3) GWP Reference

Select from:

☑ IPCC Fourth Assessment Report (AR4 - 100 year)

[Add row]

(7.15.3) Break down your total gross global Scope 1 emissions from electric utilities value chain activities by greenhouse gas type.

Fugitives

(7.15.3.1) Gross Scope 1 CO2 emissions (metric tons CO2)

0

(7.15.3.2) Gross Scope 1 methane emissions (metric tons CH4)

231

(7.15.3.3) Gross Scope 1 SF6 emissions (metric tons SF6)

0

(7.15.3.4) Total gross Scope 1 emissions (metric tons CO2e)

5775

(7.15.3.5) Comment

These emissions relate to fugitive emissions from the gas turbines (unburnt hydrocarbons in turbine exhaust).

Combustion (Electric utilities)

(7.15.3.1) Gross Scope 1 CO2 emissions (metric tons CO2)

814507

(7.15.3.2) Gross Scope 1 methane emissions (metric tons CH4)

48.1

(7.15.3.3) Gross Scope 1 SF6 emissions (metric tons SF6)

0

(7.15.3.4) Total gross Scope 1 emissions (metric tons CO2e)

815710

(7.15.3.5) Comment

The methane and carbon dioxide from the combustion of gas and diesel at our power stations

Combustion (Gas utilities)

(7.15.3.1) Gross Scope 1 CO2 emissions (metric tons CO2)

0

(7.15.3.2) Gross Scope 1 methane emissions (metric tons CH4)

0

(7.15.3.3) Gross Scope 1 SF6 emissions (metric tons SF6)

0

(7.15.3.4) Total gross Scope 1 emissions (metric tons CO2e)

0

(7.15.3.5) Comment

We do not operate gas utilities.

Combustion (Other)

(7.15.3.1) Gross Scope 1 CO2 emissions (metric tons CO2)

0

(7.15.3.2) Gross Scope 1 methane emissions (metric tons CH4)

0

(7.15.3.3) Gross Scope 1 SF6 emissions (metric tons SF6)

0

(7.15.3.4) Total gross Scope 1 emissions (metric tons CO2e)

0

(7.15.3.5) Comment

N/A

Emissions not elsewhere classified

(7.15.3.1) Gross Scope 1 CO2 emissions (metric tons CO2)

0

(7.15.3.2) Gross Scope 1 methane emissions (metric tons CH4)

0

(7.15.3.3) Gross Scope 1 SF6 emissions (metric tons SF6)

0

(7.15.3.4) Total gross Scope 1 emissions (metric tons CO2e)

2458

(7.15.3.5) Comment

The other emissions are N2O and therefore cannot be categorised in the CH4, SF6 or CO2 options above.
[Fixed row]

(7.16) Break down your total gross global Scope 1 and 2 emissions by country/area.

Belgium

(7.16.1) Scope 1 emissions (metric tons CO2e)

99

(7.16.2) Scope 2, location-based (metric tons CO2e)

13

(7.16.3) Scope 2, market-based (metric tons CO2e)

14

Denmark

(7.16.1) Scope 1 emissions (metric tons CO2e)

36

(7.16.2) Scope 2, location-based (metric tons CO2e)

121

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

Germany

(7.16.1) Scope 1 emissions (metric tons CO2e)

265809

(7.16.2) Scope 2, location-based (metric tons CO2e)

0

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

Hungary

(7.16.1) Scope 1 emissions (metric tons CO2e)

264

(7.16.2) Scope 2, location-based (metric tons CO2e)

6

(7.16.3) Scope 2, market-based (metric tons CO2e)

10

Ireland

(7.16.1) Scope 1 emissions (metric tons CO2e)

810139

(7.16.2) Scope 2, location-based (metric tons CO2e)

2099

(7.16.3) Scope 2, market-based (metric tons CO2e)

1285

Israel

(7.16.1) Scope 1 emissions (metric tons CO2e)

0

(7.16.2) Scope 2, location-based (metric tons CO2e)

21

(7.16.3) Scope 2, market-based (metric tons CO2e)

21

Italy

(7.16.1) Scope 1 emissions (metric tons CO2e)

241

(7.16.2) Scope 2, location-based (metric tons CO2e)

5

(7.16.3) Scope 2, market-based (metric tons CO2e)

8

Netherlands

(7.16.1) Scope 1 emissions (metric tons CO2e)

55621

(7.16.2) Scope 2, location-based (metric tons CO2e)

23

(7.16.3) Scope 2, market-based (metric tons CO2e)

32

Norway

(7.16.1) Scope 1 emissions (metric tons CO2e)

0

(7.16.2) Scope 2, location-based (metric tons CO2e)

0.5

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

Singapore

(7.16.1) Scope 1 emissions (metric tons CO2e)

0

(7.16.2) Scope 2, location-based (metric tons CO2e)

17.2

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

Sweden

(7.16.1) Scope 1 emissions (metric tons CO2e)

0

(7.16.2) Scope 2, location-based (metric tons CO2e)

0.09

(7.16.3) Scope 2, market-based (metric tons CO2e)

0

United Kingdom of Great Britain and Northern Ireland

(7.16.1) Scope 1 emissions (metric tons CO2e)

542243

(7.16.2) Scope 2, location-based (metric tons CO2e)

14641

(7.16.3) Scope 2, market-based (metric tons CO2e)

5298

United States of America

(7.16.1) Scope 1 emissions (metric tons CO2e)

268777

(7.16.2) Scope 2, location-based (metric tons CO2e)

89

(7.16.3) Scope 2, market-based (metric tons CO2e)

0
[Fixed row]

(7.17) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

Select all that apply
☑ By business division

(7.17.1) Break down your total gross global Scope 1 emissions by business division.

Row 1

(7.17.1.1) Business division

Bord Gais Energy

(7.17.1.2) Scope 1 emissions (metric ton CO2e)

811064

Row 2

(7.17.1.1) Business division

Spirit Energy

(7.17.1.2) Scope 1 emissions (metric ton CO2e)

445616

Row 3

(7.17.1.1) Business division

Functions

(7.17.1.2) Scope 1 emissions (metric ton CO2e)

422

Row 4

(7.17.1.1) Business division

Centrica Energy Storage

(7.17.1.2) Scope 1 emissions (metric ton CO2e)

116663

Row 5

(7.17.1.1) Business division

Centrica Business Solutions (CBS)

(7.17.1.2) Scope 1 emissions (metric ton CO2e)

14353

Row 7

(7.17.1.1) Business division

Centrica Energy

(7.17.1.2) Scope 1 emissions (metric ton CO2e)

265809

Row 8

(7.17.1.1) Business division

British Gas Energy

(7.17.1.2) Scope 1 emissions (metric ton CO2e)

344
[Add row]

(7.20) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

Select all that apply
☑ By business division

(7.20.1) Break down your total gross global Scope 2 emissions by business division.

Row 1

(7.20.1.1) Business division

Bord Gais

(7.20.1.2) Scope 2, location-based (metric tons CO2e)

1908

(7.20.1.3) Scope 2, market-based (metric tons CO2e)

1173

Row 2

(7.20.1.1) Business division

Spirit Energy

(7.20.1.2) Scope 2, location-based (metric tons CO2e)

7427

(7.20.1.3) Scope 2, market-based (metric tons CO2e)

22

Row 3

(7.20.1.1) Business division

British Gas Energy

(7.20.1.2) Scope 2, location-based (metric tons CO2e)

467

(7.20.1.3) Scope 2, market-based (metric tons CO2e)

0

Row 4

(7.20.1.1) Business division

Centrica Business Solutions

(7.20.1.2) Scope 2, location-based (metric tons CO2e)

1349

(7.20.1.3) Scope 2, market-based (metric tons CO2e)

1690

Row 5

(7.20.1.1) Business division

Centrica Energy

(7.20.1.2) Scope 2, location-based (metric tons CO2e)

590

(7.20.1.3) Scope 2, market-based (metric tons CO2e)

14

Row 6

(7.20.1.1) Business division

Centrica Energy Storage

(7.20.1.2) Scope 2, location-based (metric tons CO2e)

1879

(7.20.1.3) Scope 2, market-based (metric tons CO2e)

0

Row 7

(7.20.1.1) Business division

British Gas Solutions & Services (BG S&S)

(7.20.1.2) Scope 2, location-based (metric tons CO2e)

2481

(7.20.1.3) Scope 2, market-based (metric tons CO2e)

3564

Row 8

(7.20.1.1) Business division

Functions

(7.20.1.2) Scope 2, location-based (metric tons CO2e)

542

(7.20.1.3) Scope 2, market-based (metric tons CO2e)

59
[Add row]

(7.22) Break down your gross Scope 1 and Scope 2 emissions between your consolidated accounting group and other entities included in your response.

Consolidated accounting group

(7.22.1) Scope 1 emissions (metric tons CO2e)

1675864

(7.22.2) Scope 2, location-based emissions (metric tons CO2e)

16642

(7.22.3) Scope 2, market-based emissions (metric tons CO2e)

6522

(7.22.4) Please explain

Our reported gross scope 1 and scope 2 emissions are all part of our consolidated accounting group.

All other entities

(7.22.1) Scope 1 emissions (metric tons CO2e)

0

(7.22.2) Scope 2, location-based emissions (metric tons CO2e)

0

(7.22.3) Scope 2, market-based emissions (metric tons CO2e)

0

(7.22.4) Please explain

N/A
[Fixed row]

(7.23) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Select from:
☑ No

(7.29) What percentage of your total operational spend in the reporting year was on energy?

Select from:
☑ More than 0% but less than or equal to 5%

(7.30) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	*Select from:* ☑ Yes
Consumption of purchased or acquired electricity	*Select from:* ☑ Yes
Consumption of purchased or acquired heat	*Select from:* ☑ Yes

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of purchased or acquired steam	*Select from:* ☑ No
Consumption of purchased or acquired cooling	*Select from:* ☑ No
Generation of electricity, heat, steam, or cooling	*Select from:* ☑ Yes

[Fixed row]

(7.30.1) Report your organization’s energy consumption totals (excluding feedstocks) in MWh.

Consumption of fuel (excluding feedstock)

(7.30.1.1) Heating value

Select from:
☑ LHV (lower heating value)

(7.30.1.2) MWh from renewable sources

4639

(7.30.1.3) MWh from non-renewable sources

7352391

(7.30.1.4) Total (renewable and non-renewable) MWh

7357030

Consumption of purchased or acquired electricity

(7.30.1.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

57175

(7.30.1.3) MWh from non-renewable sources

20354

(7.30.1.4) Total (renewable and non-renewable) MWh

77529

Consumption of purchased or acquired heat

(7.30.1.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

498

(7.30.1.4) Total (renewable and non-renewable) MWh

498

Consumption of self-generated non-fuel renewable energy

(7.30.1.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

1368

(7.30.1.4) Total (renewable and non-renewable) MWh

1368

Total energy consumption

(7.30.1.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.1.2) MWh from renewable sources

63182

(7.30.1.3) MWh from non-renewable sources

7373243

(7.30.1.4) Total (renewable and non-renewable) MWh

7436425
[Fixed row]

(7.30.6) Select the applications of your organization’s consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	*Select from:* ☑ Yes
Consumption of fuel for the generation of heat	*Select from:* ☑ Yes
Consumption of fuel for the generation of steam	*Select from:* ☑ No
Consumption of fuel for the generation of cooling	*Select from:* ☑ Yes
Consumption of fuel for co-generation or tri-generation	*Select from:* ☑ No

[Fixed row]

(7.30.7) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

8

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

8

(7.30.7.6) MWh fuel consumed for self-generation of cooling

0

(7.30.7.8) Comment

This includes wood pellets used in our office biomass boilers.

Other biomass

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

4631

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

4631

(7.30.7.6) MWh fuel consumed for self-generation of cooling

0

(7.30.7.8) Comment

This equates to the biofuel component in the forecourt fuel we purchase. As its already blended with mineral diesel on purchase, we have no way of knowing if it is certified or not, so have taken the precautionary approach and assumed it's not sustainable certified.

Other renewable fuels (e.g. renewable hydrogen)

(7.30.7.1) Heating value

Select from:

☑ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.6) MWh fuel consumed for self-generation of cooling

0

(7.30.7.8) Comment

We do not use hydrogen or other renewable fuels.

Coal

(7.30.7.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.6) MWh fuel consumed for self-generation of cooling

0

(7.30.7.8) Comment

We do not consume coal.

Oil

(7.30.7.1) Heating value

Select from:
☑ LHV

(7.30.7.2) Total fuel MWh consumed by the organization

229014

(7.30.7.3) MWh fuel consumed for self-generation of electricity

4108

(7.30.7.4) MWh fuel consumed for self-generation of heat

224906

(7.30.7.6) MWh fuel consumed for self-generation of cooling

0

(7.30.7.8) Comment

This includes vehicle combustion engine oils and shipping marine oils under the heat category, as well as some oil used for onsite power generation.

Gas

(7.30.7.1) Heating value

Select from:
☑ HHV

(7.30.7.2) Total fuel MWh consumed by the organization

7123377

(7.30.7.3) MWh fuel consumed for self-generation of electricity

4295220

(7.30.7.4) MWh fuel consumed for self-generation of heat

2824929

(7.30.7.6) MWh fuel consumed for self-generation of cooling

3228

(7.30.7.8) Comment

The majority of gas consumed is in our power stations and gas engines (Whitetgate and Brigg). The CES and Spirit Energy gas consumed is categorised as heat because it is mainly used in compressors as opposed to for elec generation. Our LNG Ships partially run on LNG, this is included in self-generation of heat.

Other non-renewable fuels (e.g. non-renewable hydrogen)

(7.30.7.1) Heating value

Select from:

☑ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.6) MWh fuel consumed for self-generation of cooling

0

(7.30.7.8) Comment

We do not use hydrogen or other renewable fuels.

Total fuel

(7.30.7.1) Heating value

Select from:
☑ Unable to confirm heating value

(7.30.7.2) Total fuel MWh consumed by the organization

7357030

(7.30.7.3) MWh fuel consumed for self-generation of electricity

4299328

(7.30.7.4) MWh fuel consumed for self-generation of heat

3054473

(7.30.7.6) MWh fuel consumed for self-generation of cooling

3228

(7.30.7.8) Comment

Unable to specify a heating value as this is a total, that combines different heating values.
[Fixed row]

(7.30.9) Provide details on the electricity, heat, steam, and cooling your organization has generated and consumed in the reporting year.

Electricity

(7.30.9.1) Total Gross generation (MWh)

2310000

(7.30.9.2) Generation that is consumed by the organization (MWh)

215513

(7.30.9.3) Gross generation from renewable sources (MWh)

12808

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

Heat

(7.30.9.1) Total Gross generation (MWh)

0

(7.30.9.2) Generation that is consumed by the organization (MWh)

0

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

Steam

(7.30.9.1) Total Gross generation (MWh)

0

(7.30.9.2) Generation that is consumed by the organization (MWh)

0

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0

Cooling

(7.30.9.1) Total Gross generation (MWh)

0

(7.30.9.2) Generation that is consumed by the organization (MWh)

0

(7.30.9.3) Gross generation from renewable sources (MWh)

0

(7.30.9.4) Generation from renewable sources that is consumed by the organization (MWh)

0
[Fixed row]

(7.30.14) Provide details on the electricity, heat, steam, and/or cooling amounts that were accounted for at a zero or near-zero emission factor in the market-based Scope 2 figure reported in 7.7.

Row 1

(7.30.14.1) Country/area

Select from:

☑ United Kingdom of Great Britain and Northern Ireland

(7.30.14.2) Sourcing method

Select from:

☑ Other, please specify **:**Renewable solar electricity generated on site

(7.30.14.3) Energy carrier

Select from:

☑ Electricity

(7.30.14.4) Low-carbon technology type

Select from:

☑ Solar

(7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

1368

(7.30.14.6) Tracking instrument used

Select from:

☑ No instrument used

(7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:

☑ United Kingdom of Great Britain and Northern Ireland

(7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ No

(7.30.14.10) Comment

Solar panels have been installed at our properties over past 30 years, as such, commissioning cannot be attributed to a single year.

Row 2

(7.30.14.1) Country/area

Select from:

☑ United Kingdom of Great Britain and Northern Ireland

(7.30.14.2) Sourcing method

Select from:

☑ Retail supply contract with an electricity supplier (retail green electricity)

(7.30.14.3) Energy carrier

Select from:

☑ Electricity

(7.30.14.4) Low-carbon technology type

Select from:

☑ Low-carbon energy mix, please specify :unknown renewable carbon sources as provided by supplier

(7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

55895

(7.30.14.6) Tracking instrument used

Select from:

☑ REGO

(7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:

☑ United Kingdom of Great Britain and Northern Ireland

(7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ No

(7.30.14.10) Comment

The certificates are not attributed to a specific facility therefore we do not know the commissioning year.

Row 3

(7.30.14.1) Country/area

Select from:

☑ Denmark

(7.30.14.2) Sourcing method

Select from:

☑ Retail supply contract with an electricity supplier (retail green electricity)

(7.30.14.3) Energy carrier

Select from:

☑ Electricity

(7.30.14.4) Low-carbon technology type

Select from:

☑ Solar

(7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

1108

(7.30.14.6) Tracking instrument used

Select from:

☑ GO

(7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:

☑ Denmark

(7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ No

(7.30.14.10) Comment

The certificates are not attributed to a specific facility therefore we do not know the commissioning year. GOs from Better energy, Navnsø (solar).

Row 4

(7.30.14.1) Country/area

Select from:

☑ Germany

(7.30.14.2) Sourcing method

Select from:

☑ Financial (virtual) power purchase agreement (VPPA)

(7.30.14.3) Energy carrier

Select from:

☑ Electricity

(7.30.14.4) Low-carbon technology type

Select from:

☑ Solar

(7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

17

(7.30.14.6) Tracking instrument used

Select from:

☑ GEC

(7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:

☑ Denmark

(7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ No

(7.30.14.10) Comment

The certificates are not attributed to a specific facility therefore we do not know the commissioning year. GOs from Better energy, Navnsø (solar).

Row 5

(7.30.14.1) Country/area

Select from:

☑ Sweden

(7.30.14.2) Sourcing method

Select from:

☑ Financial (virtual) power purchase agreement (VPPA)

(7.30.14.3) Energy carrier

Select from:

☑ Electricity

(7.30.14.4) Low-carbon technology type

Select from:

☑ Solar

(7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

8

(7.30.14.6) Tracking instrument used

Select from:

☑ GO

(7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:

☑ Denmark

(7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ No

(7.30.14.10) Comment

The certificates are not attributed to a specific facility therefore we do not know the commissioning year. GOs from Better energy, Navnsø (solar).

Row 6

(7.30.14.1) Country/area

Select from:

☑ Norway

(7.30.14.2) Sourcing method

Select from:

☑ Financial (virtual) power purchase agreement (VPPA)

(7.30.14.3) Energy carrier

Select from:

☑ Electricity

(7.30.14.4) Low-carbon technology type

Select from:

☑ Solar

(7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

8

(7.30.14.6) Tracking instrument used

Select from:

☑ GO

(7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:

☑ Denmark

(7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ No

(7.30.14.10) Comment

The certificates are not attributed to a specific facility therefore we do not know the commissioning year. GOs from Better energy, Navnsø (solar).

Row 7

(7.30.14.1) Country/area

Select from:

☑ Belgium

(7.30.14.2) Sourcing method

Select from:

☑ Financial (virtual) power purchase agreement (VPPA)

(7.30.14.3) Energy carrier

Select from:

☑ Electricity

(7.30.14.4) Low-carbon technology type

Select from:

☑ Solar

(7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

94

(7.30.14.6) Tracking instrument used

Select from:

☑ GO

(7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:

☑ Denmark

(7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ No

(7.30.14.10) Comment

The certificates are not attributed to a specific facility therefore we do not know the commissioning year. GOs from Better energy, Navnsø (solar).

Row 8

(7.30.14.1) Country/area

Select from:

☑ Singapore

(7.30.14.2) Sourcing method

Select from:

☑ Financial (virtual) power purchase agreement (VPPA)

(7.30.14.3) Energy carrier

Select from:

☑ Electricity

(7.30.14.4) Low-carbon technology type

Select from:

☑ Solar

(7.30.14.5) Low-carbon energy consumed via selected sourcing method in the reporting year (MWh)

46

(7.30.14.6) Tracking instrument used

Select from:

☑ I-REC

(7.30.14.7) Country/area of origin (generation) of the low-carbon energy or energy attribute

Select from:

☑ Thailand

(7.30.14.8) Are you able to report the commissioning or re-powering year of the energy generation facility?

Select from:

☑ Yes

(7.30.14.9) Commissioning year of the energy generation facility (e.g. date of first commercial operation or repowering)

2013

(7.30.14.10) Comment

SPES – WJI Solar Project (Singapore) redeemed to Singapore by SP Carbon Solutions Pte Ltd
[Add row]

(7.30.16) Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.

Belgium

(7.30.16.1) Consumption of purchased electricity (MWh)

94

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

94.00

Denmark

(7.30.16.1) Consumption of purchased electricity (MWh)

1108

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

1108.00

Germany

(7.30.16.1) Consumption of purchased electricity (MWh)

17

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

17.00

Hungary

(7.30.16.1) Consumption of purchased electricity (MWh)

33

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

33.00

Ireland

(7.30.16.1) Consumption of purchased electricity (MWh)

5859

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

5859.00

Israel

(7.30.16.1) Consumption of purchased electricity (MWh)

48

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

48.00

Italy

(7.30.16.1) Consumption of purchased electricity (MWh)

17

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

17.00

Netherlands

(7.30.16.1) Consumption of purchased electricity (MWh)

73

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

73.00

Norway

(7.30.16.1) Consumption of purchased electricity (MWh)

8

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

8.00

Singapore

(7.30.16.1) Consumption of purchased electricity (MWh)

46

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

46.00

Sweden

(7.30.16.1) Consumption of purchased electricity (MWh)

8

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

8.00

United Kingdom of Great Britain and Northern Ireland

(7.30.16.1) Consumption of purchased electricity (MWh)

60187

(7.30.16.2) Consumption of self-generated electricity (MWh)

1368

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

61555.00

United States of America

(7.30.16.1) Consumption of purchased electricity (MWh)

358

(7.30.16.2) Consumption of self-generated electricity (MWh)

0

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

0

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

358.00
[Fixed row]

(7.33) Does your electric utility organization have a transmission and distribution business?

Select from:
☑ No

(7.45) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Row 1

(7.45.1) Intensity figure

0.00006359

(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

1682387

(7.45.3) Metric denominator

Select from:

☑ unit total revenue

(7.45.4) Metric denominator: Unit total

26458000000

(7.45.5) Scope 2 figure used

Select from:

☑ Market-based

(7.45.6) % change from previous year

25

(7.45.7) Direction of change

Select from:

☑ Decreased

(7.45.8) Reasons for change

Select all that apply

☑ Change in revenue

(7.45.9) Please explain

The decrease in our scope 1 and 2 emissions intensity is largely due to a decrease in our scope 1 emissions from 2022 to 2023. This was due to decreased operation of Whitegate power station and decreases in operation at our operated Spirit Energy assets. Additionally, a growth in our revenue accounts for a portion of the decrease.
[Add row]

(7.46) For your electric utility activities, provide a breakdown of your Scope 1 emissions and emissions intensity relating to your total power plant capacity and generation during the reporting year by source.

Gas

(7.46.1) Absolute scope 1 emissions (metric tons CO2e)

823348

(7.46.2) Emissions intensity based on gross or net electricity generation

Select from:
☑ Gross

(7.46.3) Scope 1 emissions intensity (Gross generation)

358.60

(7.46.4) Scope 1 emissions intensity (Net generation)

367.73

Solar

(7.46.1) Absolute scope 1 emissions (metric tons CO2e)

0

(7.46.2) Emissions intensity based on gross or net electricity generation

Select from:
☑ Gross

(7.46.3) Scope 1 emissions intensity (Gross generation)

0.00

(7.46.4) Scope 1 emissions intensity (Net generation)

0.00

Total

(7.46.1) Absolute scope 1 emissions (metric tons CO2e)

823248

(7.46.2) Emissions intensity based on gross or net electricity generation

Select from:

☑ Gross

(7.46.3) Scope 1 emissions intensity (Gross generation)

356.54
[Fixed row]

(7.53) Did you have an emissions target that was active in the reporting year?

Select all that apply

☑ Absolute target

☑ Intensity target

(7.53.1) Provide details of your absolute emissions targets and progress made against those targets.

Row 1

(7.53.1.1) Target reference number

Select from:

☑ Abs 1

(7.53.1.2) Is this a science-based target?

Select from:

☑ Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

(7.53.1.4) Target ambition

Select from:

☑ Other, please specify **:**The trajectory for this target is aligned to well below 2 degrees Celsius for the first 15 years, and then 1.5 degrees Celsius for the latter 15 years (NZ1)

(7.53.1.5) Date target was set

01/01/2020

(7.53.1.6) Target coverage

Select from:

☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☑ Methane (CH4)

☑ Nitrous oxide (N2O)

☑ Carbon dioxide (CO2)

☑ Perfluorocarbons (PFCs)

☑ Hydrofluorocarbons (HFCs)

☑ Sulphur hexafluoride (SF6)

☑ Nitrogen trifluoride (NF3)

(7.53.1.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 2

(7.53.1.9) Scope 2 accounting method

Select from:

☑ Market-based

(7.53.1.11) End date of base year

12/31/2019

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

2299585

(7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

7926

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

0.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

2307511.000

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

12/31/2034

(7.53.1.55) Targeted reduction from base year (%)

40

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

1384506.600

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

1675864

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)

6522

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

1682386.000

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

67.73

(7.53.1.80) Target status in reporting year

Select from:

☑ Underway

(7.53.1.82) Explain target coverage and identify any exclusions

In 2021, we launched our People & Planet Plan to strengthen our scope 1 & 2 targets following Board approval in 2020. This resulted in an interim target to reduce our emissions by 40% by 2034, towards our ambition of being a net zero business by 2045 (see ABS2 and NZ1). The target encompasses 100% of our global scope 1 and 2 emissions. It's also normalised for divestments and acquisitions in line with the 2019 base year and is based on operational control which now includes all emissions from our shipping activities relating to Liquefied Natural Gas (LNG) alongside the retained Spirit Energy assets in the UK and Netherlands. Our target therefore tracks our progress in shifting away from carbon intensive activities as we redirect investment into assets that drive the transition forward whilst energising a greener, fairer future. This empowers us to innovate and trial new technologies that aid our ability to provide market-leading customer offerings, while engaging colleagues on mitigating environmental impact. We consider our target to be science-based and have committed to secure validation by the SBTi. Unfortunately, the delayed publication of the SBTi's oil & gas guidance that they believe will apply to Centrica, has slowed the process.

(7.53.1.83) Target objective

Recognising the urgent need to make net zero a reality, Centrica will accelerate its commitment to be net zero by 2045, five years ahead of its previous target and the UK deadline, with an interim target of reducing our emissions by 40% from our 2019 baseline by 2034. The reduction in Centrica's own emissions (scope 1 and 2) align with science-based targets and the actions required to limit warming to 1.5C. Demonstrating our commitment to Net Zero aligns with our purpose; to energise a greener, fairer, future, in addition to giving customers, colleagues, and stakeholders confidence in Centrica's ownership of our emissions.

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

As set out in our Climate Transition Plan which we published in 2021, we plan for reductions in emissions to be delivered across a variety of measures. This includes our ambition to build a zero-emission road fleet in the UK by 2025 and drive emissions out of colleague commuting. We're making good progress towards this, having placed the largest commercial electric vehicle (EV) order in the UK at the time during 2020-21, and introduced an all-electric company car policy in 2021. We also plan to cut our UK property emissions by a further 50% by 2030 through continued efficiencies across our property portfolio, including energy efficiency and low carbon technologies and tariffs. Meanwhile, we'll progress our strategic transformation to reduce activities in oil and gas production, cease exploration, and redirect investment into assets that drive the transition forward – from securing up to 800MW of low carbon and transition assets like solar, battery storage and peaking plants by 2025, to exploring the conversion of our Rough gas storage facility to store hydrogen. In 2023, we saw a 21% reduction against our baseline which is on track with our long-term goal. Savings were secured in 2023 via a variety of proactive measures. The main driver of reductions arose from decreased operation of Spirit Energy assets and our primary gas generation asset, Whitegate Power Station. Sustainable savings were further achieved by making our fleet lower carbon and more efficient with the roll-out of EVs and smaller vehicles alongside optimising how we serve our customers to reduce mileage, while encouraging more colleagues into

zero emission company cars. We also maintained focus on energy efficiency and optimisation across our property and assets with the installation and maintenance of solutions like solar, LED lighting and green tariffs, as well as property rationalisation and flexible working.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☑ No

Row 2

(7.53.1.1) Target reference number

Select from:

☑ Abs 2

(7.53.1.2) Is this a science-based target?

Select from:

☑ Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

(7.53.1.4) Target ambition

Select from:

☑ Other, please specify

(7.53.1.5) Date target was set

01/01/2020

(7.53.1.6) Target coverage

Select from:

☑ Organization-wide

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☑ Methane (CH4)
☑ Nitrous oxide (N2O)
☑ Carbon dioxide (CO2)
☑ Perfluorocarbons (PFCs)
☑ Hydrofluorocarbons (HFCs)
☑ Sulphur hexafluoride (SF6)
☑ Nitrogen trifluoride (NF3)

(7.53.1.8) Scopes

Select all that apply

☑ Scope 1
☑ Scope 2

(7.53.1.9) Scope 2 accounting method

Select from:

☑ Market-based

(7.53.1.11) End date of base year

12/31/2019

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

2299585

(7.53.1.13) Base year Scope 2 emissions covered by target (metric tons CO2e)

7926

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

0.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

2307511.000

(7.53.1.33) Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1

100

(7.53.1.34) Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

100

(7.53.1.53) Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

100

(7.53.1.54) End date of target

12/31/2045

(7.53.1.55) Targeted reduction from base year (%)

100

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

0.000

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

1675864

(7.53.1.58) Scope 2 emissions in reporting year covered by target (metric tons CO2e)

6522

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

1682386.000

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

27.09

(7.53.1.80) Target status in reporting year

Select from:

☑ Underway

(7.53.1.82) Explain target coverage and identify any exclusions

In 2021, we launched of our People & Planet Plan to accelerate our ambition to be a net zero business by 2045 alongside an interim target of 40% carbon reduction by 2034 (see Abs1). This is five years earlier than our previous net zero goal, as well as the UK Government's target for net zero. The goal includes 100% of our scope 1 and 2 global emissions with a 2019 base year. It's also normalised for divestments and acquisitions and based on operator boundary, which now includes all emissions from our shipping activities relating to LNG alongside the retained Spirit Energy assets in the UK and Netherlands. Note, our approach when reporting base year emissions is to report our 'gross' emissions which are not normalised for divestments or acquisitions. We believe this provides an accurate picture of the year-on-year impact of our strategic decarbonisation process that our business is undergoing, which involves divesting high emitting assets alongside closures and efficiencies. The 100% base year coverage referred to above, is the coverage of the 'target' base-year which is normalised for divestments and acquisitions in line with best practice and is therefore different to the gross base year emissions. We consider the target to be science-based and have committed to have it validated. The process has been prolonged due to the delayed publication of the SBTi's oil & gas guidance, which they believe will apply to Centrica.

(7.53.1.83) Target objective

Centrica is committed to be net zero by 2045, five years ahead of its previous target and the UK deadline. The reduction in Centrica's own emissions (scope 1 and 2) and those of its customers (scope 3) align with science-based targets and the actions required to limit warming to 1.5C. Demonstrating our commitment to Net Zero

aligns with our purpose; to energise a greener, fairer, future, in addition to giving customers, colleagues, and stakeholders confidence in Centrica's ownership of our emissions.

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

As set out in our Climate Transition Plan which we published in 2021, we plan for reductions in emissions to be delivered through a variety of measures. This includes our ambition is to build a zero-emission road fleet in the UK by 2030 (publicly extended to 2030 from 2025 due to challenges of operational implementation) and drive down emissions from colleague commuting which we're making good progress against having placed the largest commercial EV order in the UK during 2020-21 and introduced an all electric company car policy. We also plan to cut our UK property emissions by a further 50% by 2030 through continued efficiencies across our property portfolio, including energy efficiency and low carbon technologies and tariffs. Meanwhile, we'll additionally aim to progress our strategic transformation to reduce remaining activities in oil and gas production, cease all new exploration, and redirect investment into assets that drive the transition forward – from securing up to 800MW of low carbon and transition assets like solar, battery storage and peaking plants by 2025, to exploring the conversion of our Rough gas storage facility to store hydrogen. In 2023, we saw a 21% reduction against our baseline which is on track with our long-term goal. Savings were secured in 2023 via a variety of proactive measures. The main driver of reductions arose from decreased operation of Spirit Energy assets and our primary gas generation asset, Whitegate Power Station. Sustainable savings were further achieved by making our fleet lower carbon and more efficient with the roll-out of EVs and smaller vehicles alongside optimising how we serve our customers to reduce mileage, while encouraging more colleagues into zero emission company cars. We also maintained focus on energy efficiency and optimisation across our property and assets with the installation and maintenance of solutions like solar, LED lighting and green tariffs, as well as property rationalisation and flexible working.

(7.53.1.85) Target derived using a sectoral decarbonization approach

Select from:

☑ No

[Add row]

(7.53.2) Provide details of your emissions intensity targets and progress made against those targets.

Row 1

(7.53.2.1) Target reference number

Select from:

☑ Int 1

(7.53.2.2) Is this a science-based target?

Select from:

☑ Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

(7.53.2.4) Target ambition

Select from:

☑ Well-below 2°C aligned

(7.53.2.5) Date target was set

01/01/2020

(7.53.2.6) Target coverage

Select from:

☑ Organization-wide

(7.53.2.7) Greenhouse gases covered by target

Select all that apply

☑ Methane (CH4)

☑ Nitrous oxide (N2O)

☑ Carbon dioxide (CO2)

☑ Perfluorocarbons (PFCs)

☑ Hydrofluorocarbons (HFCs)

☑ Nitrogen trifluoride (NF3)

☑ Sulphur hexafluoride (SF6)

(7.53.2.8) Scopes

Select all that apply

☑ Scope 3

(7.53.2.10) Scope 3 categories

Select all that apply

☑ Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

☑ Category 11: Use of sold products

(7.53.2.11) Intensity metric

Select from:

☑ Other, please specify :Grams CO2e per kWh of energy sold

(7.53.2.12) End date of base year

12/31/2019

(7.53.2.17) Intensity figure in base year for Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) (metric tons CO2e per unit of activity)

179.1

(7.53.2.25) Intensity figure in base year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)

183.8

(7.53.2.32) Intensity figure in base year for total Scope 3 (metric tons CO2e per unit of activity)

362.9000000000

(7.53.2.33) Intensity figure in base year for all selected Scopes (metric tons CO2e per unit of activity)

362.9000000000

(7.53.2.38) % of total base year emissions in Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) covered by this Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) intensity figure

94

(7.53.2.46) % of total base year emissions in Scope 3, Category 11: Use of sold products covered by this Scope 3, Category 11: Use of sold products intensity figure

100

(7.53.2.53) % of total base year emissions in Scope 3 (in all Scope 3 categories) covered by this total Scope 3 intensity figure

98

(7.53.2.54) % of total base year emissions in all selected Scopes covered by this intensity figure

98

(7.53.2.55) End date of target

12/31/2030

(7.53.2.56) Targeted reduction from base year (%)

28

(7.53.2.57) Intensity figure at end date of target for all selected Scopes (metric tons CO2e per unit of activity)

261.2880000000

(7.53.2.59) % change anticipated in absolute Scope 3 emissions

-10

(7.53.2.64) Intensity figure in reporting year for Scope 3, Category 3: Fuel- and energy-related activities (metric tons CO2e per unit of activity)

113.9

(7.53.2.72) Intensity figure in reporting year for Scope 3, Category 11: Use of sold products (metric tons CO2e per unit of activity)

182.8

(7.53.2.79) Intensity figure in reporting year for total Scope 3 (metric tons CO2e per unit of activity)

296.7000000000

(7.53.2.80) Intensity figure in reporting year for all selected Scopes (metric tons CO2e per unit of activity)

296.7000000000

(7.53.2.81) Land-related emissions covered by target

Select from:

☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.2.82) % of target achieved relative to base year

65.15

(7.53.2.83) Target status in reporting year

Select from:

☑ Underway

(7.53.2.85) Explain target coverage and identify any exclusions

As part of our continued commitment to follow best practice, we reviewed our scope 3 target in 2020 and launched a new and improved target via our People & Planet Plan in 2021. We aligned the new target methodology and ambition in line with science, which will enable our customers to achieve net zero energy use by 2050 at the latest (see NZ2), with an interim target to reduce the GHG intensity of their energy use by 28% by 2030. The target coverage is based on our emissions relating to the two relevant scope 3 categories (fuel and energy related activities as well as use of sold product) and normalised for acquisitions and divestments

based on operational control. We consider our target to be science-based and have committed to gain SBTi validation in the next two years. Unfortunately, the delayed publication of the SBTi's oil & gas guidance that they believe will apply to Centrica, has slowed the process.

(7.53.2.86) Target objective

Centrica is committed to helping our customers be net zero by 2050. The reduction in our customers emissions broadly aligns with science-based targets and the actions required to limit warming to 1.5C. Demonstrating our commitment to helping our customers reach Net Zero aligns with our purpose; to energise a greener, fairer, future, in addition to giving customers, colleagues, and stakeholders confidence in the action Centrica is taking to enable the energy transition.

(7.53.2.87) Plan for achieving target, and progress made to the end of the reporting year

As set out in our Climate Transition Plan, we plan to help our customers be net zero by encouraging their take-up of new and existing low carbon services and solutions that transform the way they live, work and move. This includes delivering energy efficiency and optimisation services alongside low carbon technologies and cleaner energy, with 2025 ambitions to drive change - from doubling the number of Hive customers to 2.5 million and delivering 6 million additional smart meters (by 2030), to achieving annual installs of up to 100,000 EV charging points and 20,000 heat pumps. In 2023, we provided energy, services and solutions that enabled the GHG intensity of our customers' energy use to reduce by 10% against our 2019 base year, which is equivalent to the annual emissions of 860,000 homes. Savings achieved were mainly driven by renewable and low carbon energy tariffs alongside energy efficiency and optimisation solutions. Our performance is slightly behind the glidepath for our long-term goal following the reintroduction of fossil fuels into our electricity mix due to the escalating cost of green energy certification, and the need to keep costs down for customers during the energy crisis. The zero-carbon content of our reported electricity fuel mix did, however, remain high at 80% versus the 55% UK average and we're exploring all options to decarbonise our energy supply in robust and affordable way, whilst investing in clean generation and customer efficiency.

(7.53.2.88) Target derived using a sectoral decarbonization approach

Select from:

☑ No

[Add row]

(7.54) Did you have any other climate-related targets that were active in the reporting year?

Select all that apply

☑ Net-zero targets

(7.54.3) Provide details of your net-zero target(s).

Row 1

(7.54.3.1) Target reference number

Select from:

☑ NZ1

(7.54.3.2) Date target was set

01/01/2021

(7.54.3.3) Target Coverage

Select from:

☑ Organization-wide

(7.54.3.4) Targets linked to this net zero target

Select all that apply

☑ Abs1

(7.54.3.5) End date of target for achieving net zero

12/31/2045

(7.54.3.6) Is this a science-based target?

Select from:

☑ Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

(7.54.3.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 2

(7.54.3.9) Greenhouse gases covered by target

Select all that apply

☑ Methane (CH4)

☑ Nitrous oxide (N2O)

☑ Carbon dioxide (CO2)

☑ Perfluorocarbons (PFCs)

☑ Hydrofluorocarbons (HFCs)

☑ Sulphur hexafluoride (SF6)

☑ Nitrogen trifluoride (NF3)

(7.54.3.10) Explain target coverage and identify any exclusions

In 2021, we launched our People & Planet Plan to accelerate our ambition to be a net zero business by 2045, with an interim target of 40% carbon reduction by 2034 (see Abs1). This is five years earlier than our previous net zero goal, as well as the UK Government's target for net zero. It includes 100% of our scope 1 and 2 global emissions with a 2019 base year. It's also normalised for divestments and acquisitions and based on operational control, which now includes all emissions from our shipping activities relating to LNG alongside the retained Spirit Energy assets in the UK and Netherlands. We consider the target to be science-based and have committed to have it validated. The process to have it validated has, however, been prolonged due to the delayed publication of the SBTi's oil & gas guidance, which they believe will apply to Centrica. In 2021, we shared our plans to achieve net zero via our Climate Transition Plan. And as set out in Abs1, we plan to become a net zero business by continuing to drive emissions out of our property, fleet and travel while shifting our wider operations to focus on low carbon and transition assets, with specific 2025 ambitions to help ensure we make the progress we want and need against each of these areas. We've committed to review our Climate Transition Plan in full every three years and publish an update in 2024, which will enable us to continue to adjust our plans and ensure we advance action in line with the evolving technology, policy and wider socio-economic landscape.

(7.54.3.11) Target objective

Centrica is committed to be net zero by 2045, five years ahead of its previous target and the UK deadline. The reduction in Centrica's own emissions (scope 1 and 2) and those align with science-based targets and the actions required to limit warming to 1.5C. Demonstrating our commitment to Net Zero aligns with our purpose; to energise a greener, fairer, future, in addition to giving customers, colleagues, and stakeholders confidence in Centrica's ownership of our emissions.

(7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Select from:

☑ Yes

(7.54.3.13) Do you plan to mitigate emissions beyond your value chain?

Select from:

☑ No, we do not plan to mitigate emissions beyond our value chain

(7.54.3.14) Do you intend to purchase and cancel carbon credits for neutralization and/or beyond value chain mitigation?

Select all that apply

☑ Yes, we plan to purchase and cancel carbon credits for neutralization at the end of the target

(7.54.3.15) Planned milestones and/or near-term investments for neutralization at the end of the target

Our Energy Marketing and Trading (EM&T) business has a 'Green-Desk' that provides certificates, offsets, neutralisation products and other 'green' products to our customers. We're able to harness the power of our EM&T Green-Desk, to purchase the necessary instruments to ensure net zero by 2045. In the near term this may be in the form of certificates, such as Renewable Energy Guarantees of Origin (REGO) certificates for electricity consumption and Renewable Gas Guarantees of Origin (RGGO) certificates for gas consumption. In parallel, we'll develop our strategy for neutralising the residual emissions at our target year 2045, and onwards. However, given our big focus on emissions reduction, we don't anticipate having significant residual emissions. For the residual emissions that we anticipate will remain, we plan to use neutralisation tools that provide the greatest stakeholder, environmental and community benefit relative to the cost. For example, this might include progressive purchases of Pending Issuance Units (PIUs) from nature-based solutions, such as woodlands. These will be planned to convert to Woodland Carbon Units (WCUs) in the appropriate years, to neutralise the modelled residual emissions released.

(7.54.3.17) Target status in reporting year

Select from:

☑ Underway

(7.54.3.19) Process for reviewing target

The target is reviewed annually by reviewing the Basis of Reporting to ensure that the entire target scope is covered and to track progress. We also annually review emissions calculations and methodology to ensure that we follow best practice, and our methodology remains accurate and effective as possible.

Row 2

(7.54.3.1) Target reference number

Select from:

☑ NZ2

(7.54.3.2) Date target was set

01/01/2021

(7.54.3.3) Target Coverage

Select from:

☑ Organization-wide

(7.54.3.4) Targets linked to this net zero target

Select all that apply

☑ Int1

(7.54.3.5) End date of target for achieving net zero

12/31/2050

(7.54.3.6) Is this a science-based target?

Select from:

☑ Yes, we consider this a science-based target, and we have committed to seek validation of this target by the Science Based Targets initiative in the next two years

(7.54.3.8) Scopes

Select all that apply

☑ Scope 3

(7.54.3.9) Greenhouse gases covered by target

Select all that apply

☑ Methane (CH4)

☑ Nitrous oxide (N2O)

☑ Carbon dioxide (CO2)

☑ Perfluorocarbons (PFCs)

☑ Sulphur hexafluoride (SF6)

☑ Nitrogen trifluoride (NF3)

☑ Hydrofluorocarbons (HFCs)

(7.54.3.10) Explain target coverage and identify any exclusions

As part of our continued commitment to follow best practice, we fully reviewed our scope 3 customer target in 2020 and the Board approved an enhanced version as part of our People & Planet Plan which we launched in 2021. We aligned the new target methodology and ambition in line with science and set a target to enable our customers to achieve net zero energy use by 2050, with an interim target to reduce the carbon intensity of their energy use by 28% by 2030 (see Int1). Our target covers 98% of our entire scope 3 emissions and 100% of our customers energy emissions focused on our use of sold products in relation to electricity and gas. As such, we consider this target to be scienced based and have committed to get it validated by the SBTi, although this process has been impacted by the delayed publication of the SBTi's oil & gas guidance which they believe will apply to us. To help our customers' homes and businesses transition to net zero, we'll encourage their take-up of new and existing low carbon services and solutions that'll help them live sustainably simply and affordably. As set out in our Climate Transition Plan and Int1, we'll expand energy efficiency and home energy management tools, encourage the take up of optimisation technology, support fuel switching and a cleaner energy supply, with 2025 ambitions to galvanise action and progress. To ensure we continue to accelerate action that's aligned to the changing technological, policy and social-economic landscape, we've committed to review our Climate Transition Plan in full every three years and publish our next update in 2024.

(7.54.3.11) Target objective

Centrica is committed to helping our customers be net zero by 2050. The reduction in our customers emissions broadly aligns with science-based targets and the actions required to limit warming to 1.5C. Demonstrating our commitment to helping our customers reach Net Zero aligns with our purpose; to energise a greener, fairer, future, in addition to giving customers, colleagues, and stakeholders confidence in the action Centrica is taking to enable the energy transition.

(7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Select from:

☑ Yes

(7.54.3.13) Do you plan to mitigate emissions beyond your value chain?

Select from:

☑ No, and we do not plan to within the next two years

(7.54.3.14) Do you intend to purchase and cancel carbon credits for neutralization and/or beyond value chain mitigation?

Select all that apply

☑ Yes, we plan to purchase and cancel carbon credits for neutralization at the end of the target

(7.54.3.15) Planned milestones and/or near-term investments for neutralization at the end of the target

Our EM&T 'Green-Desk' provides certificates, offsets, neutralisation products and other 'green' products to our customers, both directly and via our consumer businesses. The Green-Desk will therefore play an important role in purchasing the necessary instruments to ensure our customers' energy is net zero by 2050. In the near term this may be in the form of certificates, such as Renewable Energy Guarantees of Origin (REGO) certificates for electricity consumption and Renewable Gas Guarantees of Origin (RGGO) certificates for gas consumption. At the same time, we'll develop our strategy for neutralising the residual emissions from our customer target year, 2050 and beyond. We don't anticipate having significant residual emissions given our focus is on emissions reduction including zero carbon electricity, fuel switching, and zero carbon gas (biomethane and hydrogen). For the residual emissions that we have modelled, however, we'll use neutralisation tools that provide the greatest stakeholder, environmental and community benefit relative to the cost. For example, this may be in the form of progressive purchases of Pending Issuance Units (PIUs) from nature-based solutions, such as woodlands. These will be planned to convert to Woodland Carbon Units (WCUs) in the appropriate years, to neutralise the modelled residual emissions expected.

(7.54.3.17) Target status in reporting year

Select from:

☑ Underway

(7.54.3.19) Process for reviewing target

The target is reviewed annually by reviewing the Basis of Reporting to ensure that the entire target scope is covered and to view progress. We also annually review emissions calculations and methodology to ensure that we follow best practise, and our methodology remains accurate and effective as possible.
[Add row]

(7.55) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Select from:

☑ Yes

(7.55.1) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	*10*	*`Numeric input*
To be implemented	*3*	*25073*
Implementation commenced	*1*	*12*
Implemented	*9*	*136119*
Not to be implemented	*0*	*`Numeric input*

[Fixed row]

(7.55.2) Provide details on the initiatives implemented in the reporting year in the table below.

Row 1

(7.55.2.1) Initiative category & Initiative type

Low-carbon energy consumption

☑ Solar PV

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

2976

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 3 category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

2805949

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

16000000

(7.55.2.7) Payback period

Select from:

☑ 16-20 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ >30 years

(7.55.2.9) Comment

Solar products - Solar energy generation can radically improve an energy users' carbon footprint and in 2023, solar formed a core part of our Centrica Business Solutions offering. This is because solar can typically replace around 50% of grid consumption with renewable energy. Customers can then use their own generated solar in real-time, store it for later use to lower energy costs during peak demand, or feed it back into the grid to create an additional revenue stream. In 2023, we completed solar installations that totalled around 9MW. We estimate that this will help customers save around 2,976tCO2e and over 2.8m annually. The majority of installs were delivered to large scale businesses and are a key part of helping them deliver targeted carbon and cost savings, enabling them to turn energy into an opportunity by making them more resilient, competitive and sustainable. We see significant opportunities for onsite solar and aim to materially grow our market share in the UK and US over the next five years. Towards this, we've additionally launched British Gas Zero to supercharge the UK's transition to net zero as part of its offering, solar installation will be available to homes across the county.

Row 2

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in buildings

☑ Other, please specify :Smart Home Solutions

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

96467

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 3 category 11: Use of sold products

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

103376004

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

2544000000

(7.55.2.7) Payback period

Select from:

☑ 1-3 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ >30 years

(7.55.2.9) Comment

Connected and smart products - Home solutions like smart meters and Hive Active Heating, can generate carbon savings by giving customers greater understanding and control over their energy. In 2023, we installed around 766,208 smart meters in homes and businesses as part of the mandated smart meter roll-out. We estimate this saved around 61,608tCO2e by providing customers with greater insight into energy consumption and costs, enabling them to target reductions. By the end of 2023, we'd installed nearly 10m smart meters since 2009 which is more than any other energy supplier in the UK. Meanwhile, customers using our Hive connected home solutions can enjoy greater control over their energy with just a tap on the app – from smart thermostats, radiator valves, plugs and EV charging, to lights and cameras as well as contact and motion sensors. We calculate that the 519,000 smart thermostats installed in 2023 saved customers around 34,859tCO2e collectively, and around 55 a year per customer. As part of our Climate Transition Plan, we've set ambitions to deliver 6m more smart meters in homes by 2030 and double our Hive heating customers to 2.5m by 2025. *While the smart meter roll-out is a supplier mandated initiative, 'voluntary' has been selected for the overall row response. This is because smart meters are only one aspect of our offering, coupled with the continued focus for growth on providing voluntary Hive products.*

Row 3

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in buildings

☑ Other, please specify **:**Insulation and upgrade of heating measures

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

15000

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 3 category 11: Use of sold products

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Mandatory

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

6500000

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

149000000

(7.55.2.7) Payback period

Select from:

☑ 16-20 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ >30 years

(7.55.2.9) Comment

Energy Company Obligation (ECO) - In 2013, the UK Government introduced ECO which requires major energy suppliers to fund the installation of energy efficiency products, such as insulation and boilers, to reduce residential energy use and carbon emissions. In the 2018-22 obligation phase, measures are directed towards fuel poor homes with more expensive measures and less carbon savings compared to the former obligation phase. Payback will be over 10-20 years on average depending on the measures employed, with typically a much longer period for solid wall insulation. In 2023, we invested 149m and installed over 49,000 measures to around 22,000 households. We estimate this will deliver total lifetime savings of around 0.4mtCO2e, equating to an annual saving of around 15,000tCO2e. *Costs include administration fees.*

Row 4

(7.55.2.1) Initiative category & Initiative type

Energy efficiency in production processes

☑ Combined heat and power (cogeneration)

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

2212

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 3 category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2)

☑ Scope 3 category 11: Use of sold products

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

1914494

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

149000000

(7.55.2.7) Payback period

Select from:

☑ 4-10 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ 11-15 years

(7.55.2.9) Comment

Combined Heat and Power (CHP) generators - By reaching efficiencies of more than 80%, CHPs can help many of our energy intensive customers meet their near-term carbon targets while improving resilience and cost. This high efficiency means CHPs will be one of the most enduring technologies using unabated fossil fuels and features in many net zero scenarios well into the 2040s. In 2023, we installed over 80 CHPs which we calculate reduced customer emissions by around

2,212tCO2e. We estimate the CHPs will also save nearly 2.0m on the annual energy bills of our commercial customers. To further future proof our offering for customers, we partnered with 2G Energy AG at the start of 2023, to provide customers with 100% hydrogen-ready CHP systems.

Row 5

(7.55.2.1) Initiative category & Initiative type

Low-carbon energy consumption

☑ Other, please specify **:**Air-source heat pumps

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

7897

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 3 category 11: Use of sold products

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

707980

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

30000000

(7.55.2.7) Payback period

Select from:

☑ 11-15 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ 21-30 years

(7.55.2.9) Comment

Heat pumps - As we transition to net zero, we want to maintain our market leading position in home heating and we see heat pumps as one of the key technologies that'll help us do that. This is because it's the best immediate option for many homes to decarbonise, especially those that are either off-grid or well insulated. In 2021, we launched a new heat pump business and in 2023, we installed around 2,700 air source heat pumps which saved around 7,897tCO2e. This brings our total installation tally to over 5,000 heat pumps, which is more than any other UK company. We expect to ramp up our heat pump installations significantly with our market-leading price and performance guarantee launched at the start of 2023. Actions like this will be key in helping us build toward our ambition of installing up to 20,000 heat pumps a year by 2025.

Row 6

(7.55.2.1) Initiative category & Initiative type

Transportation

☑ Other, please specify **:**Company fleet efficiency, replacement and travel policy

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

1366

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 1

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

788112

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

4200000

(7.55.2.7) Payback period

Select from:

☑ 1-3 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ 6-10 years

(7.55.2.9) Comment

Fleet and company cars - To achieve our ambition to have a zero-emission road fleet by 2025, we continued to implement our global low carbon fleet roadmap in 2023 which resulted in 1,366tCO2e avoided. This was primarily driven by an increase of over 450 electric commercial vans replacing older diesel vans in the UK, which contributed to us being able to drive 14.5m electric miles in 2023 – that's comparable to driving around the world more than 580 times. To build on this, we'll continue to gradually roll-out approximately 3,000 Vauxhall Vivaro-e vans ordered during 2020-21 which was the largest commercial EV order in the UK at the time, and we'll order more in the future. Efforts like these have saved around 788,112 during 2023, based on netting off the cost of electricity as well as calculating litres of diesel fuel saved, and applying the average price per litre. On top of this, having upgraded our company car policy in 2021 to only allow EVs, we were able to add over 530 electric company cars to our portfolio in 2023. This has boosted the proportion of EVs from 43% to 74% in our company car fleet. To reduce our commuting and business travel emissions further, we also continued to offer a salary sacrifice scheme to help make owning an EV more affordable, provided free electric charging at many of our sites and continued our FlexFirst policy which enables colleagues to choose when they want to work from home or come into the office to connect and collaborate.

Row 7

(7.55.2.1) Initiative category & Initiative type

Low-carbon energy generation

☑ Solar PV

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

2653

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 1

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

2653

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

12500000

(7.55.2.7) Payback period

Select from:

☑ 16-20 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ >30 years

(7.55.2.9) Comment

Codford solar farm - We completed our first Centrica-owned solar farm in Codford in 2022, which forms part of our commitment to secure up to 800MW of low carbon and transition assets by 2025, and thereby provide cleaner energy to customers. The 72- acre site is equivalent in size to 24 football pitches and can generate enough renewable energy to power 5,000 homes. In 2023, our 18MW solar farm saved 2,653tCO2e.

Row 8

(7.55.2.1) Initiative category & Initiative type

Non-energy industrial process emissions reductions

☑ Other, please specify **:**Process Improvement

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

4548

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 1

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

90000

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

1100000

(7.55.2.7) Payback period

Select from:

☑ 11-15 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ 6-10 years

(7.55.2.9) Comment

Repair and service of our South Morecambe train system at our Spirit Energy Morecambe asset is estimated to save around 12 tonnes a day of carbon dioxide equivalent. Replacing the current methane feed to the LP Flare system with nitrogen will help to reduce hydrocarbons being vented via the LP purge, saving an additional 365 tonnes per year. Flare Purges will reduce flare rates, saving an additional 183 tonnes per year.

Row 9

(7.55.2.1) Initiative category & Initiative type

Non-energy industrial process emissions reductions

☑ Other, please specify **:**Process Improvements

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

3000

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 1

(7.55.2.4) Voluntary/Mandatory

Select from:
☑ Voluntary

(7.55.2.5) Annual monetary savings (unit currency – as specified in C0.4)

65000

(7.55.2.6) Investment required (unit currency – as specified in C0.4)

800000

(7.55.2.7) Payback period

Select from:
☑ 11-15 years

(7.55.2.8) Estimated lifetime of the initiative

Select from:
☑ 6-10 years

(7.55.2.9) Comment

At Sprit energy North Morecambe onshore terminal, we are investigating LLP flare switching to Nitrogen to reduce fuel gas purge, which is estimated to save around 311 tonnes of carbon per year. PGC improvements will further reduce flaring. Rhyl also has emission reduction opportunities through flare purge improvements which bring estimated savings to around 3,000 tonnes per year.
[Add row]

(7.55.3) What methods do you use to drive investment in emissions reduction activities?

Row 1

(7.55.3.1) Method

Select from:

☑ Other :Corporate Strategy

(7.55.3.2) Comment

Corporate strategy - Our strategy is driven by our purpose of helping our customers live sustainably, simply and affordably, which is underpinned by our People & Planet Plan goals. As the pace of change continues to accelerate, we're responding by focusing colleagues and technology on helping homes and businesses across three integrated areas – 1) Retail – providing leading customer service and solutions that help people save money and decarbonise, 2) Optimisation – supporting the responsible buying and selling of energy and accessing value from green generation in our trading business as we continue to build the flexibility that the future energy system needs, and 3) Infrastructure – investing to build a low carbon, reliable energy system including power generating renewables, flexible peaking generation and energy storage through batteries and geological storage. As part of this, in 2022 we created British Gas Zero to supercharge the UK's journey to net zero by helping to make green home solutions more accessible and affordable, completed the sale of Spirit Energy's Norwegian oil and gas exploration and production assets, and progressed our ambition to increase investment in low carbon and transition assets. For example, through Centrica Energy Assets we're investing up to 100m annually in low carbon and transition assets from 2020 to 2025 and we're exploring investing up to 3bn in the mid-term to convert assets that'll play an important role in the transition to net zero, including carbon capture and storage as well as hydrogen storage. All of this is delivered through strong customer-facing brands such as British Gas, Hive, Bord Gáis Energy and Centrica Business Solutions.

Row 2

(7.55.3.1) Method

Select from:

☑ Dedicated budget for low-carbon product R&D

(7.55.3.2) Comment

Dedicated budgets for technology and innovation R&D - We have R&D budgets to support low carbon development because we know that to get to net zero, we need a mix of new and existing technologies. Some R&D budgets directly support the innovation of low carbon services and solutions for our customers. As an example, we've invested over 1bn since 2015 to create and develop new customer-facing businesses which included R&D budget to expand Hive's family of products that has grown since its creation in 2013 to now include smart thermostats, radiator valves, plugs lights and EV charging amongst other technology.We also use R&D budgets to trial and roll-out new or untested solutions that could enable the energy transition. Over the last couple of years for instance, we've been involved in cross-sector collaborations to realise the potential of hydrogen and carbon capture and storage by partnering to build the world's first industrial hydrogen cluster. And in 2022, we announced our involvement in a first-of-a-kind trial to create the first 'hydrogen village' which will enable us to gain vital learning to increase adoption across the UK. Our not-for-profit social impact fund, Energy for Tomorrow (EfT), also uses funds through feed-in-tariffs from solar panels we installed on nearly 300 schools, to advance innovative ideas that help communities transition to net zero in an affordable way. The fund has an annual income of around 600,000 with grants of up to 100,000 available, which has so far helped 26 community initiatives progress their journey to net zero including seven new ones in 2022.

Row 3

(7.55.3.1) Method

Select from:

☑ Compliance with regulatory requirements/standards

(7.55.3.2) Comment

Mandatory schemes - We and many of our customers are required to comply with regulations such as the Energy Company Obligation (ECO), the smart meter roll-out, the Energy Savings Opportunity Scheme (ESOS) and the EU Emissions Trading Scheme. We've used the platforms provided by legislation to underpin the strategic shift in our business towards becoming an energy services company, in addition to focusing on broader energy efficiency within our own operations.Within these areas we have dedicated budget and teams to support delivery. For example, our ECO obligation is delivered by our Services & Solutions business on behalf of the Energy Portfolio. This enables us to deliver the obligation on time and in the most cost-effective way so that we can minimise the cost per lifetime bill savings which often correlates with carbon savings.

Row 4

(7.55.3.1) Method

Select from:

☑ Dedicated budget for energy efficiency

(7.55.3.2) Comment

Internal carbon emission reduction targets - Setting and publishing carbon reduction targets and plans that have executive and Board support, has stimulated our investment and focus on delivering low carbon technologies that reduce our GHG emissions and will help us become a net zero company by 2045 – from installing energy efficient and low carbon products across our property portfolio, to transitioning our fleet to be fully electric. Towards this, we invested in an order for nearly 3,000 electric vehicles (EVs) in 2020-21 with Vauxhall, which was the largest commercial EV order in the UK at the time.
[Add row]

(7.58) Describe your organization's efforts to reduce methane emissions from your activities.

Reducing methane emissions is an important part of how we manage our energy assets. In doing so, we can not only reduce the impact on climate change but also ensure the safety of our people and assets. Power Generation: In 2023, Centrica had one power station which had a bespoke management system in place with procedures for operation and maintenance, which incorporated hydrocarbon leak prevention, detection and mitigation. The power station operates under an ISO 14001:2015 certified management system and has an accurate understanding of aspects, impacts and the necessary requirements to monitor and prevent methane emissions. While there is a minimal risk of methane leakage overall, any locations where a leak is considered higher risk such as in the gas turbine room and gas

‘Above Ground’ installations or at the entrance to risk areas, we employ an autonomous, high accuracy methane leak detection system. When triggered, the system is set up to notify the control room immediately, so that the relevant area can be isolated, and the leak stopped as soon as possible. In 2023, no significant leaks were detected at our power stations. Exploration & Production (E&P) and Storage: Over the years, robust hydrocarbon leak reduction measures have been embraced at all installations which are managed through an emissions management framework. At E&P operations, these measures include monitoring the integrity of subsea wells as well as active inspection and management of process equipment at offshore installations, alongside those at the onshore terminal with efforts focused on improving Asset Integrity and higher risk areas for leaks like small bore tubing, flexible hoses and bolted joints. The framework which was introduced in 2021 facilitates real-time intra-day emissions monitoring, interventions, and management that were conservatively estimated to result in approximately a 5-10% reduction in emissions. This meant that our business met the World Bank “Zero Routine Flaring by 2030” target. Methane emissions are managed via our asset emissions reduction plans (ERAP) as set out by the NSTA and we are committed to zero flaring by 2030. During 2022/2023, a project initiated to operationalise GHG emissions reductions whereby an emissions management standard was created. The standard aligns with the existing production management system, and facilitates real-time intra-day emissions monitoring, interventions, and management. It was implemented successfully at all remaining operated assets in 2023/2024. Across our Storage operations, there is an equally robust focus on reducing methane leakage and emissions. For example, this part of the business is currently commissioning a Low-Pressure Flash Gas Compressor that’s expected to reduce the amount of methane vented on site by around 5% as well as the amount of gas flared by around 15-20%. Also commissioned, is a Front End Engineering Design study for the introduction of a new vent header. This is designed to capture methane which is currently vented to atmosphere, to send for compression and subsequent injection into the main gas flow. If successful, the initiative will be installed in 2024-25.

(7.73) Are you providing product level data for your organization’s goods or services?

Select from:

☑ No, I am not providing data

(7.74) Do you classify any of your existing goods and/or services as low-carbon products?

Select from:

☑ Yes

(7.74.1) Provide details of your products and/or services that you classify as low-carbon products.

Row 1

(7.74.1.1) Level of aggregation

Select from:

☑ Group of products or services

(7.74.1.2) Taxonomy used to classify product(s) or service(s) as low-carbon

Select from:

☑ The EU Taxonomy for environmentally sustainable economic activities

(7.74.1.3) Type of product(s) or service(s)

Power

☑ Other, please specify **:**Zero carbon electricity and green tariffs

(7.74.1.4) Description of product(s) or service(s)

We want to offer customers different types of tariffs that meet their different needs and provide peace of mind that they're making a positive contribution toward tackling climate change (customers' scope 2). That's why, we strive to provide low carbon electricity to all of our UK customers. While we provided zero carbon electricity in 2019-21, we had to reintroduce fossil fuels into our electricity mix due to the escalating cost of green energy certification, and the need to keep costs down for customers during the energy crisis. The zero-carbon content of our electricity fuel mix did, however, remain high at 75% versus the 55% UK average and going forward we're exploring all options to decarbonise our energy supply in a robust and affordable way whilst investing in clean generation and energy efficiency. We've also introduced a range of green tariffs and bespoke energy deals. In 2020, British Gas introduced its Green Future renewable energy residential tariff. The tariff offers customers green gas as well as renewable electricity and is classified by Uswitch as being 'gold standard' – one of only three to receive this accreditation. Additionally, to make electric vehicles (EVs) even greener, we've introduced a green EV tariff that encourages customers to charge at night for less when the grid isn't under pressure. We'll then match 100% of the electricity used by buying the same amount from renewable sources with Guarantees of Origin.

(7.74.1.5) Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Select from:

☑ Yes

(7.74.1.6) Methodology used to calculate avoided emissions

Select from:

☑ Guidelines for Assessing the Contribution of Products to Avoided Greenhouse Gas Emissions (ILCA)

(7.74.1.7) Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Select from:

☑ Use stage

(7.74.1.8) Functional unit used

Green tariff electricity delivered to customer (MWh) (business and residential)

(7.74.1.9) Reference product/service or baseline scenario used

Grid electricity

(7.74.1.10) Life cycle stage(s) covered for the reference product/service or baseline scenario

Select from:
☑ Use stage

(7.74.1.11) Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

0.19

(7.74.1.12) Explain your calculation of avoided emissions, including any assumptions

This calculation is based on the difference in carbon emissions between the sale of zero carbon electricity and UK grid electricity delivered in the UK, and Irish grid electricity delivered in Ireland. We therefore only include the emissions associated with electricity generation. The UK and Ireland Defra grid-average electricity emission factors are applied to Centrica's total green tariff electricity sales in the UK and Ireland respectively to calculate emissions from our baseline scenario. This value is then equal to our total emissions avoided as all green tariff electricity sold to customers in 2022 was zero carbon.

(7.74.1.13) Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

28.74

Row 3

(7.74.1.1) Level of aggregation

Select from:

☑ Product or service

(7.74.1.2) Taxonomy used to classify product(s) or service(s) as low-carbon

Select from:

☑ The EU Taxonomy for environmentally sustainable economic activities

(7.74.1.3) Type of product(s) or service(s)

Power

☑ Other, please specify **:**Heat pumps (Air, ground, wate, waste-sourced and hybrid)

(7.74.1.4) Description of product(s) or service(s)

Heat pumps are thought to be the best immediate option for decarbonising millions of homes and businesses. For example, hybrid heat pumps could help up to a third of all homes cut carbon emissions by around 60% while heat pumps can help organisations significantly lower their carbon emissions by up to 80%. In recognition of these benefits, we installed around 650 air source heat pumps in 2022 and are looking to accelerate uptake with our market-leading price guarantee launched at the start of 2023, as we build toward our ambition of delivering 20,000 heat pumps a year by 2025. We'll continue to review this ambition in line with market growth to maintain our market leading position in home heating as the world transitions to net zero.

(7.74.1.5) Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Select from:

☑ Yes

(7.74.1.6) Methodology used to calculate avoided emissions

Select from:

☑ Guidelines for Assessing the Contribution of Products to Avoided Greenhouse Gas Emissions (ILCA)

(7.74.1.7) Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Select from:

☑ Use stage

(7.74.1.8) Functional unit used

Heat pump installed in 2022 with an estimated lifetime of 15 years

(7.74.1.9) Reference product/service or baseline scenario used

Old (G-rated) gas boiler

(7.74.1.10) Life cycle stage(s) covered for the reference product/service or baseline scenario

Select from:

☑ Use stage

(7.74.1.11) Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

42

(7.74.1.12) Explain your calculation of avoided emissions, including any assumptions

The calculation is based on the difference in emissions between the use of a heat pump and the use of an old (G-rated) gas boiler, thus taking an attributional approach to the estimation. Avoided emissions are calculated by taking the average annual savings from replacing an old gas boiler to a heat pump in an average sized, four-bedroom detached home (2,800kgCO2/year) and multiplying this by the average lifetime of a heat pump (15 years).

(7.74.1.13) Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

0.01

Row 4

(7.74.1.1) Level of aggregation

Select from:

☑ Group of products or services

(7.74.1.2) Taxonomy used to classify product(s) or service(s) as low-carbon

Select from:

☑ The EU Taxonomy for environmentally sustainable economic activities

(7.74.1.3) Type of product(s) or service(s)

Power

☑ Other, please specify **:**Smart Home Energy Management

(7.74.1.4) Description of product(s) or service(s)

We provide smart products that can reduce energy's impact on the environment by giving customers greater control over their entire home (customers' scope 1 and 2). From smart thermostats, radiator valves, lights and plugs to EV charging, our Hive ecosystem of products can be controlled conveniently with just a few taps on the app which means that customers never have to heat an empty home or light an empty room. In 2022, we sold 354,100 smart thermostats which has the ability to save around 300 and 25% on carbon emissions each year. Another key technology are smart meters which support the connected home and help customers cut their carbon emissions by providing increased visibility over how much energy is being used and its costs in real-time through the smart energy monitor or via the British Gas app. In 2022, we installed 597,670 smart meters which helps dual fuel consumption drop by around 4% and save 56 on average per annum.

(7.74.1.5) Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Select from:

☑ Yes

(7.74.1.6) Methodology used to calculate avoided emissions

Select from:

☑ Guidelines for Assessing the Contribution of Products to Avoided Greenhouse Gas Emissions (ILCA)

(7.74.1.7) Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Select from:

☑ Use stage

(7.74.1.8) Functional unit used

Smart meters with an average lifetime of 25 years and Hive Active Heating smart thermostats with an average lifetime of 15 years.

(7.74.1.9) Reference product/service or baseline scenario used

Annual electricity and gas consumption in an average UK household (i.e. average energy consumption in a home without a smart meter or smart thermostat (Source: Ofgem).

(7.74.1.10) Life cycle stage(s) covered for the reference product/service or baseline scenario

Select from:

☑ Use stage

(7.74.1.11) Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

2.28

(7.74.1.12) Explain your calculation of avoided emissions, including any assumptions

The calculation is based on the difference in household energy consumption, and hence emissions over a 25-year period for smart meters and a 15-year period for Hive Active Heating smart thermostats. Our calculation therefore excludes the emissions associated with smart meter and smart thermostat production, storage, and end-of-life. This is a limitation to our current methodology, and we are working to cover the full life cycle of Hive in the future.We obtain the average UK residential gas and electricity consumption figures from Ofgem. Percentage savings per install for both gas and electricity are calculated using pre and post 1-year consumption data from customers with smart installations (smart group) and compared with a similar control group using a matched pair technique. The percentage of annual savings per new install is then used to calculate the energy savings per install and converted into carbon using DEFRA gas and electricity emission factors. We then calculate the difference, thus taking an attributional approach to the estimation.Based on this, we calculate avoided emissions of 1.34tCO2e/smart meter installation over a 25-year lifetime. And 0.94tCO2e/Hive Active Heating smart thermostat installation over a 15-year lifetime.

(7.74.1.13) Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

0.71

Row 5

(7.74.1.1) Level of aggregation

Select from:

☑ Product or service

(7.74.1.2) Taxonomy used to classify product(s) or service(s) as low-carbon

Select from:

☑ The EU Taxonomy for environmentally sustainable economic activities

(7.74.1.3) Type of product(s) or service(s)

Power

☑ Solar PV

(7.74.1.4) Description of product(s) or service(s)

We help customers reduce reliance on fossil fuels by investing in alternative renewable energy sources like solar energy (customers' scope 1 and 2). We see solar as a key technology for getting to net zero. So in 2022, we installed around 33MW of solar for commercial, industrial and public sector customers via Centrica Business Solutions. In 2022, we also established British Gas Zero which will extend solar installation to our residential customers from 2023. On top of this, Centrica Energy Assets is increasing our investment and focus in assets that can drive the transition forward with the ambition of securing up to 800MW in low carbon and transition assets by 2025, including solar, battery storage and gas-fired peakers. We're on track with this goal having installed 101MW so far, with plans to accelerate delivery.

(7.74.1.5) Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Select from:

☑ Yes

(7.74.1.6) Methodology used to calculate avoided emissions

Select from:

☑ Guidelines for Assessing the Contribution of Products to Avoided Greenhouse Gas Emissions (ILCA)

(7.74.1.7) Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Select from:

☑ Use stage

(7.74.1.8) Functional unit used

MW of solar PV installed in 2022 with an estimated lifetime of 25 years

(7.74.1.9) Reference product/service or baseline scenario used

Grid electricity

(7.74.1.10) Life cycle stage(s) covered for the reference product/service or baseline scenario

Select from:

☑ Use stage

(7.74.1.11) Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

4447

(7.74.1.12) Explain your calculation of avoided emissions, including any assumptions

The calculation is based on the difference in emissions between solar PV generation and grid electricity emissions, thus taking an attributional approach to the estimation. The UK solar PV load factor is multiplied by the install capacity and maximum likely number of operational hours in 2022. This provides the total kWh from installations and using the Defra grid electricity emission factor, the equivalent kgCO2e/MW is calculated. This value is consequently equivalent to the total emissions avoided as solar PV generation is a zero-emission electricity source. We intend to cover a full life cycle analysis in the future.

(7.74.1.13) Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

0.03

Row 6

(7.74.1.1) Level of aggregation

Select from:

☑ Product or service

(7.74.1.2) Taxonomy used to classify product(s) or service(s) as low-carbon

Select from:

☑ Other, please specify **:**FTSE Russell Green Revenues Classification System

(7.74.1.3) Type of product(s) or service(s)

Power

☑ Other, please specify **:**Combined Heat and Power (CHPs)

(7.74.1.4) Description of product(s) or service(s)

CHPs enable the energy demands of commercial properties to be met in an efficient manner (customers' scope 1 and 2). The units generate electricity on site while capturing usable heat produced in the process, rather than drawing electricity off the grid and using a traditional gas boiler for the equivalent heat. In doing so, CHPs are typically 80% more efficient than conventional heating and supply, thereby saving up to 40% on energy costs while cutting emissions by up to 30%. CHP's also remove transition and distribution losses and can enable flexible grid services which support the transition to a low carbon energy mix. To date, we've installed over 3,000 CHPs mainly in the UK, Europe and Mexico, equating to more than 700MW in operation. To build on our CHP offering, we've also partnered with 2G Energy AG to provide 100% hydrogen-ready CHP units.

(7.74.1.5) Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Select from:

☑ Yes

(7.74.1.6) Methodology used to calculate avoided emissions

Select from:

☑ Guidelines for Assessing the Contribution of Products to Avoided Greenhouse Gas Emissions (ILCA)

(7.74.1.7) Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Select from:

☑ Use stage

(7.74.1.8) Functional unit used

MW of CHP installed in 2022 with an estimated lifetime of 20 years

(7.74.1.9) Reference product/service or baseline scenario used

80% efficient gas boiler

(7.74.1.10) Life cycle stage(s) covered for the reference product/service or baseline scenario

Select from:
☑ Use stage

(7.74.1.11) Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

1658

(7.74.1.12) Explain your calculation of avoided emissions, including any assumptions

The calculation is based on the difference in emissions between using a CHP unit instead of an 80% efficient boiler against the grid, thereby taking an attributional approach to the estimation. Our calculation includes the emissions avoided through the utilisation of heat produced, as well as the avoided grid electricity emissions. The heat equivalent of carbon avoided is calculated using the ratio of kWh heat output to gas used, alongside the Defra gas emission factor. The grid electricity emissions avoided are calculated using the ratio of electricity output to gas used, alongside the Defra grid electricity emission factor. The two values are then added together and multiplied by the average lifetime of a CHP unit which is 20 years, to calculate the total avoided emissions during this period.

(7.74.1.13) Revenue generated from low-carbon product(s) or service(s) as % of total revenue in the reporting year

0.32
[Add row]

(7.79) Has your organization canceled any project-based carbon credits within the reporting year?

Select from:

☑ No

C9. Environmental performance - Water security

(9.1) Are there any exclusions from your disclosure of water-related data?

Select from:

☑ No

(9.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

Water withdrawals – total volumes

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Monthly

(9.2.3) Method of measurement

Water withdrawals are measured using a series of water meters on the incoming feeds or through information from the water utility provider at each site.

(9.2.4) Please explain

We measure water input volumes across all our sites which use or consume water and where we have operational control. For Centrica, 'sites' refers to any building or facility that we operate in. Office and downstream assets' water withdrawals are measured at least monthly so that any unexpected patterns are identified and investigated promptly. Withdrawals are measured regularly to ensure unexpected patterns are identified and investigated promptly.

Water withdrawals – volumes by source

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Monthly

(9.2.3) Method of measurement

Direct monitoring through water meters or through information from water utility providers.

(9.2.4) Please explain

Centrica measures and monitors water input volumes by source category at all our sites which use or consume water and have operational control. Office and downstream asset's water withdrawals are typically measured monthly. Upstream assets are typically monitored more regularly due to higher volumes being withdrawn. This is measured to ensure that unexpected withdrawal patterns are identified and investigated promptly.

Water withdrawals quality

(9.2.1) % of sites/facilities/operations

Select from:

☑ Not relevant

(9.2.4) Please explain

All of our onshore sites are connected to the municipal supply. We do not measure the water quality at these, as the water provider ensures the quality is maintained at an acceptable level.

Water discharges – total volumes

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Monthly

(9.2.3) Method of measurement

Direct monitoring or uses calculations based on water withdrawals.

(9.2.4) Please explain

We measure water discharge volumes from all our sites which discharge water, and where we have operational control. Water discharges are either directly measured or calculated from water withdrawals. Low water consumption sites, such as offices, are calculated based upon water withdrawals. Where discharges measured, this is undertaken at least monthly Discharges are measured to ensure unexpected discharge patterns are identified and investigated promptly. Wastewater at CES assets are monitored more often than monthly, depending on the asset needs. When wastewater storage levels reach a certain level, offshore or onshore, samples are taken to check for compliance and if within requirements, they are discharged. The discharges are monitored using meters.

Water discharges – volumes by destination

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Monthly

(9.2.3) Method of measurement

Direct monitoring or uses calculations based on water withdrawals

(9.2.4) Please explain

Where we measure discharge volumes, we do so by destination. As such, discharge volumes are measured at all of our sites which discharge water and have operational control. Office and downstream assets' water discharges are typically measured monthly while at upstream assets this is typically done more regularly. Discharges are measured to ensure unexpected patterns are identified and investigated promptly. Reporting is undertaken monthly or quarterly and tracked against targets. Wastewater at CES assets are monitored more often than monthly, depending on the asset needs. When stored wastewater levels reach a certain level, off or onshore, samples are taken to check for compliance and if within requirements, they are discharged. The discharges are monitored using meters.

Water discharges – volumes by treatment method

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Monthly

(9.2.3) Method of measurement

Direct monitoring or uses calculations based on water withdrawals.

(9.2.4) Please explain

By recording our discharge volumes by destination and knowing the asset type, we know how our discharges are being treated. Offices are assumed to only discharge to the municipal wastewater system. Primary treatment is undertaken for the wastewater stream at our Whitegate Power Station and produced water at Platform 473b, in-line with our site permit and regulatory standards. Wastewater from Easington Gas Terminal and Glanford Brigg, as well as cooling water from Platform 473b are discharged to the environment with no treatment. Water at Easington is discharged to the sewer system, discharged to a reservoir at Glanford Brigg and discharged to the sea for cooling water at Platform 473b. Office and downstream asset's water discharges are typically measured monthly; upstream assets are typically monitored more regularly. This is done so unexpected withdrawal patterns are identified and investigated promptly. Reporting is also done monthly or quarterly to ensure regular monitoring.

Water discharge quality – by standard effluent parameters

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Quarterly

(9.2.3) Method of measurement

Direct monitoring

(9.2.4) Please explain

Centrica routinely measures the quality of our water discharge at power assets, and gas terminals, where we have a legal or contractual requirement to monitor and/or report pursuant to consented quality limits quarterly. Municipal water from our offices is sent to a third-party wastewater treatment plant where quality measurements are undertaken routinely.

Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)

(9.2.1) % of sites/facilities/operations

Select from:

☑ Not relevant

(9.2.4) Please explain

Priority substances such as nitrates, phosphates and pesticides are not of material relevance to our sites due to the nature of the site activities. Therefore, we do not monitor for these substances in our water discharges.

Water discharge quality – temperature

(9.2.1) % of sites/facilities/operations

Select from:

☑ 1-25

(9.2.2) Frequency of measurement

Select from:

☑ Continuously

(9.2.3) Method of measurement

Direct monitoring through traditional temperature-gauging methods such as thermometers.

(9.2.4) Please explain

We continuously monitor the temperature of discharged water from Whitegate power station to ensure it does not fall outside of any prescribed limits. The IE licence requires that the site continuously measure temperature with an on-line temp probe with recorder.

Water consumption – total volume

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Monthly

(9.2.3) Method of measurement

Our consumption values are calculated as the volume we withdraw and utilise, but do not return to its original source, or water that return within a different cycle period after treatment or further use.

(9.2.4) Please explain

Water consumption is calculated at by removing water discharge from water withdrawal values at each site. We calculate the total volume of water consumption across our business from all our sites where we have operational control. Office and downstream asset consumption is measured monthly, while upstream assets are monitored more regularly.

Water recycled/reused

(9.2.1) % of sites/facilities/operations

Select from:

☑ Less than 1%

(9.2.2) Frequency of measurement

Select from:

☑ Monthly

(9.2.3) Method of measurement

Volumes are calculated based upon the fill and empty rate of the blow down tank at Whitegate Power Station

(9.2.4) Please explain

We recycle boiler blowdown water at our Whitegate Power Station. Our blowdown water is cooled and sent back to our raw water tank and recycled back through the water treatment system. This helps to reduce water import into the raw water tank. Volumes are calculated based upon the fill and empty rate of the blow down tank. This is measured monthly so that volumes can be tracked through time and to ensure that unexpected patterns are identified and investigated promptly.

The provision of fully-functioning, safely managed WASH services to all workers

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Continuously

(9.2.3) Method of measurement

Direct monitoring by designated supervisors to ensure provision at all times.

(9.2.4) Please explain

As part of our duty of care to our people and through our Health, Safety and Environment assurance activities, we ensure and verify that all employees have access to WASH services at their normal place of work.
[Fixed row]

(9.2.2) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

Total withdrawals

(9.2.2.1) Volume (megaliters/year)

23080.44

(9.2.2.2) Comparison with previous reporting year

Select from:
☑ About the same

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:
☑ Increase/decrease in business activity

(9.2.2.4) Five-year forecast

Select from:

☑ Lower

(9.2.2.5) Primary reason for forecast

Select from:

☑ Increase/decrease in business activity

(9.2.2.6) Please explain

We expect total water withdrawal to fall over the next five years as Spirit Energy assets begin to close and we have an increased investment in solar and battery projects with no water withdrawals. There was a 4% reduction in water withdrawals in 2023 compared to 2022 as a result of an extended shutdown at the Spirit Energy Morecambe Offshore Platform, requiring less water withdrawn for cooling. We consider volumes that have changes less than 10% to be 'about the same'.

Total discharges

(9.2.2.1) Volume (megaliters/year)

22959.81

(9.2.2.2) Comparison with previous reporting year

Select from:

☑ About the same

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in business activity

(9.2.2.4) Five-year forecast

Select from:

☑ Lower

(9.2.2.5) Primary reason for forecast

Select from:

☑ Increase/decrease in business activity

(9.2.2.6) Please explain

We expect total water discharge to fall over the next five years as Spirit Energy assets begin to close and we have an increased investment in solar and battery projects with no water discharge. There was a 4% reduction in water discharge in 2023 compared to 2022 as a result of an extended shutdown at the Spirit Energy Morecambe Offshore Platform, requiring less water for cooling, therefore lower discharges. We consider volumes that have changes less than 10% to be 'about the same'.

Total consumption

(9.2.2.1) Volume (megaliters/year)

120.63

(9.2.2.2) Comparison with previous reporting year

Select from:

☑ Higher

(9.2.2.3) Primary reason for comparison with previous reporting year

Select from:

☑ Change in accounting methodology

(9.2.2.4) Five-year forecast

Select from:

☑ Lower

(9.2.2.5) Primary reason for forecast

Select from:

☑ Increase/decrease in business activity

(9.2.2.6) Please explain

We expect total water consumption to fall over the next five years as Spirit Energy assets begin to close and we have an increased investment in solar and battery projects with no water consumption. There was a 49% increase in water consumption in 2023 compared to 2022. We qualify a rise between 10- 50% to be 'higher'. This increase in water consumption is attributable to a change in accounting methodology at Easington Gas Terminal, which resulted in a decreased discharge value and therefore a calculation of increased consumption. In 2022, the water discharged from Easington was calculated based on the number of hours run of a specific pump which discharges the water offsite. However, in 2023 we moved to more accurate accounting, installing new water meters for all water leaving the site. This move to a more accurate collection methodology meant we were previously over-estimating water discharge (therefore under-estimating consumption). The now more accurate discharge value means that our discharge value has decreased and consumption has increased.
[Fixed row]

(9.2.4) Indicate whether water is withdrawn from areas with water stress, provide the volume, how it compares with the previous reporting year, and how it is forecasted to change.

(9.2.4.1) Withdrawals are from areas with water stress

Select from:
☑ Yes

(9.2.4.2) Volume withdrawn from areas with water stress (megaliters)

11.23

(9.2.4.3) Comparison with previous reporting year

Select from:
☑ Lower

(9.2.4.4) Primary reason for comparison with previous reporting year

Select from:
☑ Change in accounting methodology

(9.2.4.5) Five-year forecast

Select from:

☑ About the same

(9.2.4.6) Primary reason for forecast

Select from:

☑ Maximum potential volume reduction already achieved

(9.2.4.7) % of total withdrawals that are withdrawn from areas with water stress

0.05

(9.2.4.8) Identification tool

Select all that apply

☑ WRI Aqueduct

☑ WWF Water Risk Filter

(9.2.4.9) Please explain

The baseline water stress overlay was applied using the WRI Aqueduct Water Risk Atlas tool which categorises land into 5 water risk areas (Low Risk, Low to Medium Risk, Medium to High Risk, High Risk and Extremely High Risk) to compare to our asset locations. Centrica maintains an updated list of all assets with the ability to plot spatially, via address. Our sites were plotted on top of the WRI Risk Atlas to identify locations in areas of potential water stress. We do not have any assets that withdraw water from catchments with water stress of medium to high risk, or above. Easington Gas Terminal was previously classified by the WRI Aqueduct tool as low to medium risk, however now it is classified as low risk. This resulted in a reduction in our volume and % of water withdrawals from water stressed areas. Glanford Brigg power station, as well as some of our offices and academies are located in 'low to medium' water-stressed areas; however, the total water withdrawals of these sites contributes less than 0.1% of Centrica's water withdrawals. This is the same as the previous year's submission where our activities withdrew immaterial volumes of water from areas that experience 'low to medium' water stress. We do not plan on increasing the proportion of water withdrawals in areas of water stress.
[Fixed row]

(9.2.7) Provide total water withdrawal data by source.

Fresh surface water, including rainwater, water from wetlands, rivers, and lakes

(9.2.7.1) Relevance

Select from:

☑ Relevant

(9.2.7.2) Volume (megaliters/year)

0

(9.2.7.3) Comparison with previous reporting year

Select from:

☑ Much lower

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

☑ Facility closure

(9.2.7.5) Please explain

In 2022, there was demolition works for asset removal at Glanford Brigg power station, where water was sprayed on equipment for the purposes of dust removal. This water was abstracted from the nearby river. Asset removal work was completed in 2022, therefore in 2023 we did not have any fresh surface water withdrawals. We consider falls of more than 50% to be 'much lower'.

Brackish surface water/Seawater

(9.2.7.1) Relevance

Select from:

☑ Relevant

(9.2.7.2) Volume (megaliters/year)

22734.57

(9.2.7.3) Comparison with previous reporting year

Select from:

☑ About the same

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in business activity

(9.2.7.5) Please explain

Brackish surface water/sea water is the saline estuary and dock water withdrawn for operational use and it includes the volume of 'open sea' water withdrawn, relating to cooling water for offshore platforms. Our brackish surface/seawater withdrawals have decreased by 3% in volume compared to 2022 due to aan extended shutdown at the Spirit Energy Morecambe Offshore Platform, requiring less water withdrawn for cooling. We expect total brackish surface water/seawater withdrawals to remain materially similar to our 2023 levels in 2024 but expect a reduction in future years as our Spirit Energy offshore platforms are run-down. We consider volumes that have changes less than 10% to be 'about the same'.

Groundwater – renewable

(9.2.7.1) Relevance

Select from:

☑ Not relevant

(9.2.7.5) Please explain

None of Centrica's assets are permitted to extract groundwater or designed to do so, therefore, Centrica does not withdraw renewable groundwater across its operations. We do not expect to use renewable groundwater sources in coming years.

Groundwater – non-renewable

(9.2.7.1) Relevance

Select from:

☑ Not relevant

(9.2.7.5) Please explain

None of Centrica's assets are permitted to extract non-renewable groundwater or designed to do so, therefore, Centrica does not withdraw non-renewable groundwater across its operations. We do not expect to use non-renewable groundwater sources in coming years.

Produced/Entrained water

(9.2.7.1) Relevance

Select from:

☑ Relevant

(9.2.7.2) Volume (megaliters/year)

10.37

(9.2.7.3) Comparison with previous reporting year

Select from:

☑ Much lower

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

☑ Facility closure

(9.2.7.5) Please explain

Produced water is the water withdrawn during natural gas production. Our produced water withdrawals have decreased in 2023, with an 91% decrease in volume compared to 2022. We consider volumes that have reduced by more than 50% to be 'much lower'. This is mainly attributed to the Spirit Energy Hummingbird platform being decommissioned in 2022. We expect this value to decrease as our Spirit Energy offshore platform are run-down

Third party sources

(9.2.7.1) Relevance

Select from:

☑ Relevant

(9.2.7.2) Volume (megaliters/year)

331.51

(9.2.7.3) Comparison with previous reporting year

Select from:

☑ About the same

(9.2.7.4) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in business activity

(9.2.7.5) Please explain

Municipal water supply is the volume of drinking-standard water used by a facility, including all water billed by the supplier, whether used, spilt, or leaked. Our municipal water supply from third party sources increased in 2023, with a 6% rise in volume compared to 2022. We consider volumes that have changes less than 10% to be 'about the same'. The small increase was partially due to a water leak at Aylestone Road, and an extended shutdown at the Spirit Energy Morecambe offshore platform, resulting in more water withdrawals from third party. We expect municipal water withdrawal volumes from third party sources to remain materially similar to our 2023 levels in 2022 as well as future years.
[Fixed row]

(9.2.8) Provide total water discharge data by destination.

Fresh surface water

(9.2.8.1) Relevance

Select from:

☑ Relevant

(9.2.8.2) Volume (megaliters/year)

82.45

(9.2.8.3) Comparison with previous reporting year

Select from:

☑ Much higher

(9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in business activity

(9.2.8.5) Please explain

There has been an 53% increase in discharge to fresh surface water. This is due to an increase at Glanford Brigg Power Station. When drains at Brigg fill with water, there is a bulk discharge of unpolluted water to a freshwater reservoir. The volume fluctuates due to people on site/ volume of construction, as well as rainfall volumes. This was due to an increase in construction for 2023. We consider increases of more than 50% to be 'much higher'.

Brackish surface water/seawater

(9.2.8.1) Relevance

Select from:

☑ Relevant

(9.2.8.2) Volume (megaliters/year)

22744.81

(9.2.8.3) Comparison with previous reporting year

Select from:

☑ About the same

(9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in business activity

(9.2.8.5) Please explain

Single pass cooling water and produced water are discharged to brackish surface water/sea water. Our brackish surface/seawater discharges have decreased by 4% in volume compared to 2022. We consider volumes that have changes less than 10% to be 'about the same'. The decrease is due to the reduction in seawater withdrawal was as predominantly as a result of the Spirit Energy Morecambe Offshore platform undergoing an extended shutdown therefore reduced production and reduced water withdrawal of cooling water in 2023. We expect total brackish surface water/seawater discharge to remain materially similar to our 2023 levels in 2024 but could reduce in future years as our Spirit Energy offshore platforms are run-down.

Groundwater

(9.2.8.1) Relevance

Select from:

☑ Not relevant

(9.2.8.5) Please explain

None of Centrica's assets are permitted or designed to discharge to groundwater sources across its operations. We do not expect to use non-renewable groundwater sources in coming years.

Third-party destinations

(9.2.8.1) Relevance

Select from:

☑ Relevant

(9.2.8.2) Volume (megaliters/year)

132.55

(9.2.8.3) Comparison with previous reporting year

Select from:

☑ Much lower

(9.2.8.4) Primary reason for comparison with previous reporting year

Select from:

☑ Change in accounting methodology

(9.2.8.5) Please explain

Third party discharges include all operational wastewater discharged from sites to sewer irrespective of where it is generated and the method of transmission. Our discharges have decreased with a 52% decrease in volume compared to 2022. We consider falls of more than 50% to be 'much lower'. This decrease is attributable to a change in accounting methodology as well as a decrease in rainfall at Easington Gas Terminal in 2023, resulting in less water needed to be discharged. In 2022, the water discharged from Easington was calculated based on the number of hours run of a specific pump which discharges the water offsite. However, in 2023 we moved to more accurate accounting, installing new water meters for all water leaving the site. This move to a more accurate collection methodology meant we were previously over-estimating water discharge. The now more accurate discharge value means that our discharge value has decreased.
[Fixed row]

(9.2.9) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

Tertiary treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☑ Not relevant

(9.2.9.6) Please explain

Tertiary treatment is not relevant for Centrica. We treat wastewater streams to the highest level as determined by our permits and regulations and tertiary treatment is not a requirement at any of our sites where we discharge water.

Secondary treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☑ Not relevant

(9.2.9.6) Please explain

Secondary treatment is not relevant for Centrica. We treat wastewater streams to the highest level as determined by our permits and regulations and secondary treatment is not a requirement at any of our sites where we discharge water.

Primary treatment only

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☑ Relevant

(9.2.9.2) Volume (megaliters/year)

19.53

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

☑ Lower

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in business activity

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

☑ Less than 1%

(9.2.9.6) Please explain

Primary treatment is undertaken for our wastewater stream at our Whitegate Power Station. Wastewater at Whitegate undergoes primary treatment in-line with our site permit and regulatory standards. Our primary treatment discharges have decreased by 20%. This is due to the unit running for less time in 2023. This resulted in less running of the water treatment plant which created less waste. We expect 2024 discharge volumes to remain materially similar to 2023 levels as well as in future years. Water quality monitoring includes automatic monitoring and manually collected samples. The assets have water quality analysis capability and trained staff to undertake monitoring of a wide range of pollutants, where required. We follow an established standard working to the permit requirements and government guidance. In addition, there is a stringent audit program in place, which looks at the permit requirements and scrutinises how these are being met. This is a requirement of BS EN ISO 14001 in terms of controls and checking. We qualify a fall between 10- 50% to be 'lower'

Discharge to the natural environment without treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☑ Relevant

(9.2.9.2) Volume (megaliters/year)

22928.36

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

☑ About the same

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

☑ Increase/decrease in business activity

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

☑ 91-99

(9.2.9.6) Please explain

Our wastewater streams that are discharged to the natural environment without treatment include the cooling water at our offshore gas platforms. These waste streams are monitored to comply with site permits and regulatory standards but do not require additional treatment as standard before being discharged to the environment. Our discharges to the natural environment have decreased by 3% compared to 2022. This is due to the reduction in seawater discharge was as predominantly as a result of the Spirit Energy Morecambe Offshore platform undergoing an extended shutdown therefore reduced production and reduced water discharge of cooling water in 2023. We consider volumes that have changes less than 10% to be 'about the same'.

Discharge to a third party without treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☑ Relevant

(9.2.9.2) Volume (megaliters/year)

132.55

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

☑ Lower

(9.2.9.4) Primary reason for comparison with previous reporting year

Select from:

☑ Change in accounting methodology

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

☑ 1-10

(9.2.9.6) Please explain

Third party discharges include all operational wastewater discharged from sites to sewer irrespective of where it is generated and the method of transmission. Our wastewater streams that are discharged to a third party without treatment includes all wastewater discharged from our onshore assets (other than the discharged water that receives primary treatment at Whitegate power station). This occurs at our offices, but the greatest proportion is from CES's Easington Gas Terminal as well as other upstream assets operated by Spirit Energy where our permits and regulatory standards allow us to discharge to sewer without treatment. The level of treatment applied by the third party at the municipal wastewater treatment facility is unknown. Our discharges to third party have decreased by 34% since 2022. We qualify a fall between 10- 50% to be 'lower'. This decrease is attributable to a change in accounting methodology as well as a decrease in rainfall at Easington Gas Terminal in 2023, resulting in less water needed to be discharged. In 2022, the water discharged from Easington was calculated based on the number of hours run of a pump that discharges water offsite (this over-estimated discharge volumes). However, in 2023 we moved to more accurate accounting, installing new water meters for all water leaving the site. This resulted in a decrease in discharge values. Water quality monitoring includes automatic monitoring and manually collected samples.

Other

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☑ Not relevant

(9.2.9.6) Please explain

All our discharge streams are treated using the above categories. We have no additional treatment methods at any of our sites.
[Fixed row]

(9.3) In your direct operations and upstream value chain, what is the number of facilities where you have identified substantive water-related dependencies, impacts, risks, and opportunities?

Direct operations

(9.3.1) Identification of facilities in the value chain stage

Select from:

☑ No, we have assessed this value chain stage but did not identify any facilities with water-related dependencies, impacts, risks, and opportunities

(9.3.4) Please explain

Centrica is not currently exposed to substantive water-related risks. This is primarily because an immaterial proportion of our water withdrawals are in water-stressed areas, assessed using the WRI Aqueduct Water Risk Atlas tool. Using the water stress overlay, Glanford Brigg power station and a few offices are classified as 'low to medium' risk. We do not consider the water-related risks posed by these assets as substantive due to their water demand accounting for less than 1% of our total water withdrawals. The most significant risk we are exposed to is the availability of water for cooling requirements at our gas production assets, for which the supply of large volumes of water is important. All of our cooling water is abstracted from the open seas, which are sources associated with low risks regarding quantity and quality. Moreover, more than 99% of water we withdraw is used rather than consumed, as it is returned to the same area from which it was withdrawn within the same cycle period, further reducing the risks of supply interruption. This can also be demonstrated by our TCFD physical risk scenario analysis assessment for UK power assets which indicates that flood risk and water availability risk is immaterial across our sites, although this and other risks are still reviewed at quarterly risk meetings with input from environmental managers. Another inherent risk relates to the cost of water to our business. However, this is currently immaterial when compared with other commodity costs such as gas, but nevertheless we review the risk annually. Looking ahead, we do not foresee material tightening of relevant regulations and our risk profile is falling as we reduce our involvement in large-scale power generation and oil & gas operations.

Upstream value chain

(9.3.1) Identification of facilities in the value chain stage

Select from:

☑ No, we have assessed this value chain stage but did not identify any facilities with water-related dependencies, impacts, risks, and opportunities

(9.3.4) Please explain

Gas and power sales are the most important components in our supply chain, both of which are reliant to varying degrees on the availability of water for their operations. As such, an inherent risk of water-related supply interruption exists. This risk is however not substantive as we purposely procure power from multiple generators in the open market, while gas is purchased from various sources including international supply contracts. This flexibility reduces our exposure to water-related risks. Water related risks also exist in the supply chains of other services and products we procure. Identification of high-risk suppliers occur through our comprehensive supply chain risk management programme including the use of EcoVadis and SEDEX, and, to date, no suppliers have been found to have substantive water-related risks. High risk and tier 1 suppliers are asked to complete an EcoVadis assessment every two years or when a contract is renewed, which enables us to re-evaluate risk and, where necessary, implement measures to reduce that risk.
[Fixed row]

(9.4) Could any of your facilities reported in 9.3.1 have an impact on a requesting CDP supply chain member?

Select from:

☑ No facilities were reported in 9.3.1

(9.5) Provide a figure for your organization's total water withdrawal efficiency.

(9.5.1) Revenue (currency)

26458000000

(9.5.2) Total water withdrawal efficiency

1146338.63

(9.5.3) Anticipated forward trend

As we continue to close or convert the majority of our water intensive assets, we expect our total water withdrawal efficiency to increase due to a decrease in total water withdrawals.
[Fixed row]

(9.7) Do you calculate water intensity for your electricity generation activities?

Select from:

☑ Yes

(9.7.1) Provide the following intensity information associated with your electricity generation activities.

Row 1

(9.7.1.1) Water intensity value (m3/denominator)

0.02

(9.7.1.2) Numerator: water aspect

Select from:

☑ Total water withdrawals

(9.7.1.3) Denominator

Select from:

☑ MWh

(9.7.1.4) Comparison with previous reporting year

Select from:

☑ About the same

(9.7.1.5) Please explain

In 2023, our power generation and water withdrawal ratio was similar to that of 2022. There was a reduction in electricity generated by Glanford Brigg and Whitegate, paired with an increase in electricity generation from 2 solar farms which became operational in 2023. Water withdrawals from Whitegate have increased, whilst they have decreased from Glanford Brigg. Water intensity of electricity generation activities is likely to decrease in future due to investments in solar farms which require no water withdrawal. This is also compounded by our strategic direction, which is to maintain our ownership of one base-load power station and increase the number of reciprocating gas engines. The latter are air cooled and therefore reduce total water consumption and the water intensity of our power generation. Consequently, we expect a reduction in water intensity with improvements in efficiency of future power generation technology. However, we do not currently use the water intensity of our power generation as an internal metric because our primary focus is on the carbon intensity of power.
[Add row]

(9.12) Provide any available water intensity values for your organization’s products or services.

	Comment
Row 1	*We are not currently able to state the water intensity of any of our products or services.*

[Add row]

(9.13) Do any of your products contain substances classified as hazardous by a regulatory authority?

	Products contain hazardous substances
	Select from: ☑ Yes

[Fixed row]

(9.13.1) What percentage of your company's revenue is associated with products containing substances classified as hazardous by a regulatory authority?

Row 1

(9.13.1.1) Regulatory classification of hazardous substances

Select from:

☑ Candidate List of Substances of Very High Concern (UK Regulation)

(9.13.1.2) % of revenue associated with products containing substances in this list

Select from:

☑ Less than 10%

(9.13.1.3) Please explain

Centrica Energy Storage (CES) produces condensate as an unavoidable by-product of gas production which is itself then sold. The condensate contains Benzene, a known carcinogen, but varies considerably in its proportion of hazardous content. Benzene is classified as hazardous in both 'Annex XIV of UK REACH Regulation' and the 'Candidate List of Substances of Very High Concern (UK Regulation)'. There is no method that CES's Easington Gas Terminal could use to reduce its hazardous content due to it being a naturally occurring hydrocarbon product extracted as part of the gas production process.
[Add row]

(9.14) Do you classify any of your current products and/or services as low water impact?

(9.14.1) Products and/or services classified as low water impact

Select from:

☑ Yes

(9.14.2) Definition used to classify low water impact

Power generating assets that use less water per unit of energy produced are considered 'low water impact' relative to traditional power generating assets.We consider water intensity reductions over 10% compared to previous power generation assets to have a lower water impact.

(9.14.4) Please explain

Our power generation and gas production assets have the most material water impact; cooling and produced water represent 99% of the total water withdraws As such, they have the greatest opportunity for low water impact development. In recent years we have continued to close or divest our most water intensive OCGT and CCGT power stations, however, we do still operate a CCGT in Ireland (Whitegate Power Station). We are moving to reciprocating gas engines that do not require water. As a result, they have a much lower water intensity (water used /MWh of electricity generated). An example of where we have moved towards lower water impact assets is through the closure of the water-cooled Brigg and Peterborough OCGT power station that ceased operations in 2020 and 2021 respectively. We now only operate air-cooled gas engines on site at Brigg and our gas engines currently in development in Redditch in Worcestershire and Athlone and Dublin in Ireland are also air-cooled.
[Fixed row]

(9.15) Do you have any water-related targets?

Select from:

☑ Yes

(9.15.1) Indicate whether you have targets relating to water pollution, water withdrawals, WASH, or other water-related categories.

Water pollution

(9.15.1.1) Target set in this category

Select from:

☑ No, and we do not plan to within the next two years

(9.15.1.2) Please explain

We have a company-wide goal of compliance with all legal and regulatory requirements. This is detailed in our global HSE policy, global HSE Standard and as a part of our company code. For example, in order to obtain operational permits, an Environmental Impact Assessment must be completed to identify potential water pollutants that could have a detrimental impact on water ecosystems or human health. In these cases, our goal is to ensure ongoing compliance with those limits rather than setting absolute reduction targets.

Water withdrawals

(9.15.1.1) Target set in this category

Select from:

☑ Yes

Water, Sanitation, and Hygiene (WASH) services

(9.15.1.1) Target set in this category

Select from:

☑ No, and we do not plan to within the next two years

(9.15.1.2) Please explain

As part of our duty of care to our people and through our Health, Safety and Environment assurance activities, we ensure and verify that all employees have access to WASH services at their normal place of work. Since this is something we continuously upkeep, we do not set quantitative targets.

Other

(9.15.1.1) Target set in this category

Select from:
☑ No, and we do not plan to within the next two years

(9.15.1.2) Please explain

We currently have no other water-related targets and do not plan to have any within the next two years.
[Fixed row]

(9.15.2) Provide details of your water-related targets and the progress made.

Row 1

(9.15.2.1) Target reference number

Select from:
☑ Target 1

(9.15.2.2) Target coverage

Select from:
☑ Business division

(9.15.2.3) Category of target & Quantitative metric

Water withdrawals

☑ Reduction in total water withdrawals

(9.15.2.4) Date target was set

01/10/2023

(9.15.2.5) End date of base year

12/31/2022

(9.15.2.6) Base year figure

21634

(9.15.2.7) End date of target year

12/31/2023

(9.15.2.8) Target year figure

22499

(9.15.2.9) Reporting year figure

28282

(9.15.2.10) Target status in reporting year

Select from:

☑ Retired

(9.15.2.11) % of target achieved relative to base year

769

(9.15.2.12) Global environmental treaties/initiatives/ frameworks aligned with or supported by this target

Select all that apply

☑ None, no alignment after assessment

(9.15.2.13) Explain target coverage and identify any exclusions

Group Property function (all UK offices across the Group). Exclusions to our water targets are our global/ non-UK offices, upstream assets and franchises.

(9.15.2.16) Further details of target

Our water-related target in 2023 was for our Group Property function (all UK offices across the Group) to have increased water withdrawals (measured in m3) by no more than 4% compared to 2022 levels. This target was implemented due to rising office occupancy compared to pre-pandemic levels and aiming for a reduced water intensity per occupant, rather than a decrease in overall water use. This target was also put in place to ensure our Group Property function was held accountable for monitoring and reacting to any unexpected withdrawal patterns throughout the year as occupancy grew. However, due to a continued water leak at one of our academies, we did not reach our 2023 target. If it were not for the leak, we would have reached the target with a reduction of 1.3% in our UK office water use. Water sub metering is in place across the site, alerting the Facilities Teams of any excess water usage for investigation and rectification. Generally leaks are located and resolved within 72 hours.
[Add row]

C10. Environmental performance - Plastics

(10.1) Do you have plastics-related targets, and if so what type?

(10.1.1) Targets in place

Select from:

☑ Yes

(10.1.2) Target type and metric

End-of-life management

☑ Increase the proportion of recyclable plastic waste that we collect, sort, and recycle

☑ Reduce the proportion of plastic waste which is sent to landfill and/or incinerated

Extended Producer Responsibility (EPR)

☑ Ensure compliance with EPR policies and schemes

(10.1.3) Please explain

Although we have no specific reduction target for plastic-use, our recycling targets encompass all waste, therefore including plastics. We strive to increase the recycling rate in our offices and meet the annual targets we set ourselves. Our recycling targets for our UK group offices in 2023 was 70% office recycling. We also set a target for recycling at our distribution centres of 90% recycling. Our distribution centres receive products from manufacturers, distribute them to engineers and receive waste and broken/ defective parts. Waste at distribution centres is therefore made up of waste from imports of products that we then sell on to customers, as well as waste returned from the field from installations. We also have a zero office waste to landfill target to reduce the proportion of plastic waste that is sent to landfill. With goods made of plastics being recyclable and widely used in offices, ensuring they are properly collected, sorted and disposed of is an important component of our recycling targets.
[Fixed row]

(10.2) Indicate whether your organization engages in the following activities.

Production/commercialization of plastic polymers (including plastic converters)

(10.2.1) Activity applies

Select from:

☑ No

(10.2.2) Comment

Not a relevant business area.

Production/commercialization of durable plastic goods and/or components (including mixed materials)

(10.2.1) Activity applies

Select from:

☑ Yes

(10.2.2) Comment

Centrica commercialises products that are made of durable plastic, such as HIVE smart energy products.

Usage of durable plastics goods and/or components (including mixed materials)

(10.2.1) Activity applies

Select from:

☑ Yes

(10.2.2) Comment

In our business, we use durable plastic products. This includes IT equipment, tools for maintenance and upkeep and plastic within office equipment, such as chairs.

Production/commercialization of plastic packaging

(10.2.1) Activity applies

Select from:

☑ Yes

(10.2.2) Comment

Centrica commercialises plastic packaging, as it sells products which contain plastic packaging, in which the item cannot be used without packaging being opened.

Production/commercialization of goods/products packaged in plastics

(10.2.1) Activity applies

Select from:

☑ Yes

(10.2.2) Comment

Centrica commercialises products that use plastic packaging in which the item cannot be used without the packaging being opened. This includes HIVE smart energy products, as well as boilers and heat pumps that we source from suppliers and distribute to our customers.

Provision/commercialization of services that use plastic packaging (e.g., food services)

(10.2.1) Activity applies

Select from:

☑ Yes

(10.2.2) Comment

Centrica commercialises services that use plastic packaging in which the item cannot be used without the packaging being opened. This includes maintenance, service and repair of boilers and heat pumps.

Provision of waste management and/or water management services

(10.2.1) Activity applies

Select from:

☑ No

(10.2.2) Comment

Not a relevant business area.

Provision of financial products and/or services for plastics-related activities

(10.2.1) Activity applies

Select from:

☑ No

(10.2.2) Comment

Not a relevant business area.

Other activities not specified

(10.2.1) Activity applies

Select from:

☑ No

(10.2.2) Comment

Not a relevant business area.
[Fixed row]

(10.4) Provide the total weight of plastic durable goods and durable components produced, sold and/or used, and indicate the raw material content.

Durable goods and durable components sold

(10.4.1) Total weight during the reporting year (Metric tons)

0

(10.4.2) Raw material content percentages available to report

Select all that apply

☑ None

(10.4.7) Please explain

To date we have not been mandated to report our durable goods and components sold and the raw material content and have therefore not done so with there being a lack of material plastics-related risks and opportunities for our business. Measuring and reporting on our plastic sales has historically not been a strategic priority for our relevant business areas. We align with extended producer responsibility (EPR) and calculate our plastic packaging used and sold in operations. However, for durable plastic sold this figure is unknown as we do not have the reporting processes in place to capture this data and submit a figure within this disclosure. Measuring and reporting on our durable plastic sold has historically not been a strategic priority for our relevant business areas.

Durable goods and durable components used

(10.4.1) Total weight during the reporting year (Metric tons)

0

(10.4.2) Raw material content percentages available to report

Select all that apply

☑ None

(10.4.7) Please explain

To date, we have not been mandated to report our durable goods and components used as a business. Therefore, we have not done so with there being a lack of material plastics-related risks and opportunities for our business. Measuring and reporting on our durable plastic use has not been a strategic priority for our business. [Fixed row]

(10.5) Provide the total weight of plastic packaging sold and/or used and indicate the raw material content.

Plastic packaging sold

(10.5.1) Total weight during the reporting year (Metric tons)

19.99

(10.5.2) Raw material content percentages available to report

Select all that apply

☑ None

(10.5.7) Please explain

We are actively working to implement reporting processes that will collect data on the total plastic packaging sold from our operations as part of our efforts to comply with the upcoming extended producer responsibility (EPR) measures. In 2023, we were mandated to comply with EPR and submitted our findings to VALPAK. This enabled us to quantify the plastic packaging we have sold in our operations in the form of packer/ filler. This is where we receive products, pack and fill them before selling them. There is a concerted effort to reduce plastic packaging sold within our operations. For example, HIVE reviewed their box designs, stripping them back to ensure that the minimum amount of packaging is used, and resources are optimised by decreasing the amount of packer/ filler sold to the minimum- protective covers on screens.

Plastic packaging used

(10.5.1) Total weight during the reporting year (Metric tons)

20.38

(10.5.2) Raw material content percentages available to report

Select all that apply

☑ None

(10.5.7) Please explain

We are actively working to implement reporting processes that will collect data on the total plastic packaging used in our operations as part of our efforts to comply with extended producer responsibility (EPR) measures. In 2023, we were mandated to comply with EPR and submitted our findings to VALPAK. This enables us to collate data on our plastic packaging used. However, we are not yet at the level of detail in which we can report the % of fossil-based or renewable content. The value of 20.38 tonnes covers plastic packaging that we receive from imports, as well as any packaging waste generated at sites under our control. This is the packaging that we use as a business. However, this does not include individuals' plastic use within the office as this is not something we currently track.
[Fixed row]

(10.5.1) Indicate the circularity potential of the plastic packaging you sold and/or used.

Plastic packaging sold

(10.5.1.1) Percentages available to report for circularity potential

Select all that apply

☑ None

(10.5.1.5) Please explain

We do not have a % circularity potential for the plastic packaging that we sell. We are actively working to implement reporting processes that will collect data on the total plastic packaging management as part of our efforts to comply with extended producer responsibility (EPR) measures. The total weight of plastic packaging sold is known as part of EPR, with findings submitted to VALPAK. We have sought to improve the circularity potential of products we sell through initiatives within the business, such as within HIVE. HIVE have been reducing their plastic packaging, with minimal plastic packaging sold in 2023, apart from packer/ filler and films on products to prevent damage. Since the launch of the Thermostat Mini in 2022, plastic waste volumes have reduced by 1.2 tonnes. HIVE have also reviewed box designs and stripped them back to ensure that the minimum amount of packaging is used, and resources are optimised.

Plastic packaging used

(10.5.1.1) Percentages available to report for circularity potential

Select all that apply

☑ None

(10.5.1.5) Please explain

We do not have a % circularity potential for the plastic packaging that we use. We are actively working to implement reporting processes that will collect data on the total plastic packaging management as part of our efforts to comply with extended producer responsibility (EPR) measures. The total weight of plastic packaging used is known as part of EPR, with findings sent off to VALPAK. However, we are not yet at the level of detail in which we can report the % of fossil-based or renewable content. We have investigated plastic packaging at our distribution centres, where our plastic packaging from installations is returned and products are delivered from imports. 100% of plastic packaging at our Coventry distribution centre is recycled after re-use.
[Fixed row]

(10.6) Provide the total weight of waste generated by the plastic you produce, commercialize, use and/or process and indicate the end-of-life management pathways.

Production of plastic

(10.6.1) Total weight of waste generated during the reporting year (Metric tons)

0

(10.6.12) Please explain

We do not produce plastic, we commercialise it through the sale of products.

Commercialization of plastic

(10.6.1) Total weight of waste generated during the reporting year (Metric tons)

19.99

(10.6.2) End-of-life management pathways available to report

Select all that apply
☑ Recycling
☑ Landfill

(10.6.12) Please explain

We are working to implement reporting processes that will collect data on the total plastic packaging sold from our operations as part of our efforts to comply with the upcoming extended producer responsibility (EPR) measures. In 2023, we were mandated to comply with EPR and this enabled us to quantify the plastic packaging we have sold in our operations in the form of packer/ filler. This is where we receive products, pack and fill them before selling them on. There is a concerted effort to reduce plastic packaging sold within our operations. HIVE reviewed their box designs, stripping them back to ensure that the minimum amount of packaging is used, and resources are optimised by decreasing the amount of packer/ filler sold. We are not able to state the % of end-of-life management pathways of the plastic that we commercialise. However, broken/ defective products removed and repaired by engineers are returned to our distribution centres in which there is a 90% recycling target.

Usage of plastic

(10.6.2) End-of-life management pathways available to report

Select all that apply

☑ Recycling

☑ Waste to Energy

☑ Landfill

(10.6.12) Please explain

We do not currently report on waste generated from plastic used within the business from direct operations. Mass of dry mixed recycling (DMR) at offices is reported within our internal data system and is used to calculate recycling percentages. However, not all the dry mixed recycling is plastic. Our recycling % as a business in 2023 was 70%, therefore plastic recycling was likely 70%, if not greater. We have targets of 70% recycling at our UK offices and 90% recycling at our distribution centres. We have investigated circularity potential at our distribution centres, where our plastic packaging from installations is returned and plastic from imports is removed. We work with CBRE at offices and Recycling Lives at Distribution Centres, who responsibly dispose of our waste in the manner that it is sorted. 100% of plastic packaging at our Coventry distribution centre is recycled, after re-use.
[Fixed row]

C11. Environmental performance - Biodiversity

(11.2) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

(11.2.1) Actions taken in the reporting period to progress your biodiversity-related commitments

Select from:

☑ Yes, we are taking actions to progress our biodiversity-related commitments

(11.2.2) Type of action taken to progress biodiversity- related commitments

Select all that apply

☑ Land/water protection

☑ Land/water management

☑ Species management

☑ Education & awareness

☑ Law & policy

[Fixed row]

(11.3) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?	Indicators used to monitor biodiversity performance
	Select from: ☑ Yes, we use indicators	*Select all that apply* ☑ State and benefit indicators

[Fixed row]

(11.4) Does your organization have activities located in or near to areas important for biodiversity in the reporting year?

Legally protected areas

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☑ Yes

(11.4.2) Comment

We operate 8 sites which operate in or near legally protected areas. Codford is in the Cranborne Chase and West Wiltshire Downs Area of Outstanding Natural Beauty. Easington is adjacent to Holderness Inshore Marine Conservation Zone and Marine Protected Area (OSPAR), a pipeline operates in the Offshore Marine Conservation Zone. Platform 473b is in the Holderness Offshore Marine Conservation Zone and Southern North Sea Marine Protected Area. Platform J6A is adjacent to Markham's Triangle Marine Conservation Zone and Klaverbank Marine Protected area (OSPAR) and area of nature conservation act. York platform is in the Southern North Sea Protected Area (OSPAR). Whitegate power station is adjacent to the Cork Harbour is a special protected area for birds. Barrow Terminal and Roosecote Battery Storage are adjacent to Morecambe Bay and Duddon Estuary Marine protected area (OSPAR).

UNESCO World Heritage sites

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☑ No

(11.4.2) Comment

We do not operate any sites in or near to UNESCO World Heritage Sites.

UNESCO Man and the Biosphere Reserves

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☑ No

(11.4.2) Comment

We do not operate any sites in or near to UNESCO Man and the Biosphere Reserves.

Ramsar sites

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☑ Yes

(11.4.2) Comment

We operate 3 sites in or near to Ramsar sites. Whitegate power station is adjacent to the Cork Harbour RAMSAR site. Barrow Terminal and Roosecote Battery Storage are adjacent to the Morecambe Bay RAMSAR site.

Key Biodiversity Areas

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☑ Yes

(11.4.2) Comment

We operate 3 sites in or near to Key Biodiversity Areas. Whitegate power station is adjacent to the Cork Harbour Key Biodiversity Area Barrow Terminal and Roosecote Battery Storage are adjacent to Morecambe Bay Key Biodiversity Area.

Other areas important for biodiversity

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☑ No

(11.4.2) Comment

We do not operate any sites which fall under the category of 'other areas important for biodiversity'.
[Fixed row]

(11.4.1) Provide details of your organization’s activities in the reporting year located in or near to areas important for biodiversity.

Row 1

(11.4.1.2) Types of area important for biodiversity

Select all that apply

☑ Legally protected areas

(11.4.1.3) Protected area category (IUCN classification)

Select from:

☑ Category IV-VI

(11.4.1.4) Country/area

Select from:

☑ United Kingdom of Great Britain and Northern Ireland

(11.4.1.5) Name of the area important for biodiversity

Cranborne Chase and West Wiltshire Downs Area of Outstanding Natural Beauty.

(11.4.1.6) Proximity

Select from:
☑ Overlap

(11.4.1.7) Area of overlap (hectares)

20

(11.4.1.8) Briefly describe your organization’s activities in the reporting year located in or near to the selected area

Codford Solar farm, operated by Centrica Energy Assets.

(11.4.1.9) Indicate whether any of your organization’s activities located in or near to the selected area could negatively affect biodiversity

Select from:
☑ Yes, but mitigation measures have been implemented

(11.4.1.10) Mitigation measures implemented within the selected area

Select all that apply
☑ Site selection
☑ Project design
☑ Physical controls

(11.4.1.11) Explain how your organization’s activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

Operations at Codford could potentially negatively affect biodiversity through clearance of vegetation, habitat fragmentation, impact on hydrological cycles, collision risk to wildlife. We assessed this using CSRD guidance, a severity-likelihood matrix. The product of severity and likelihood is the impact score. The impact scores did not meet the materiality threshold of 20 for upstream assets to be classed as material impacts. There are multiple mitigation measures implemented at Codford. Sites are selected carefully with a due diligence process. Projects are designed to make space for nature, for example, Codford has a section between the two solar sections to make space for nature. There are also physical controls: hedgerow planting, creation and management of ponds and biodiversity monitoring to ensure the site is delivering at least a 10% Biodiversity Net Gain compared to baseline values.

Row 2

(11.4.1.2) Types of area important for biodiversity

Select all that apply

☑ Legally protected areas

(11.4.1.3) Protected area category (IUCN classification)

Select from:

☑ Category IV-VI

(11.4.1.4) Country/area

Select from:

☑ United Kingdom of Great Britain and Northern Ireland

(11.4.1.5) Name of the area important for biodiversity

Holderness Inshore Marine Conservation zone and Marine Protected Area (OSPAR)

(11.4.1.6) Proximity

Select from:

☑ Overlap

(11.4.1.7) Area of overlap (hectares)

1

(11.4.1.8) Briefly describe your organization’s activities in the reporting year located in or near to the selected area

Easington Gas Terminal processes the gas received from the Rough offshore gas storage in the North Sea. A pipeline operates in the offshore marine conservation zone, with an area of less than a hectare. This is operated by Centrica Energy Storage (CES).

(11.4.1.9) Indicate whether any of your organization’s activities located in or near to the selected area could negatively affect biodiversity

Select from:

☑ Yes, but mitigation measures have been implemented

(11.4.1.10) Mitigation measures implemented within the selected area

Select all that apply

☑ Physical controls

☑ Operational controls

(11.4.1.11) Explain how your organization’s activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

Our operations at Easington Gas Terminal could lead to harmful substances, associated with the refining of natural gas, leaking into the surrounding natural environment, as well as pollution of water resources. The materiality of the biodiversity impact was assessed, with support from the onsite experts, using CSRD guidance (a severity-likelihood matrix). The product of severity and likelihood is the impact score. The impact scores did not meet the materiality threshold of 20 for upstream assets to be classed as material impacts upon biodiversity. To mitigate against potential impacts, environmental permits are updated every 6 months, covering all emissions to air, land, and water. The business unit maintains operational control documents to prevent the release of any harmful substances which could affect biodiversity. They also operate ‘hard’ barriers to physically prevent harm to the environment including; the use of bunds and suitable storage receptacles and Oil in Water processing equipment. Furthermore, all water is tested prior to discharge into the natural environment to mitigate against the impacts of potential water pollution. To engage local communities, meetings are held on a quarterly basis with local stakeholders. This includes local residents and the Yorkshire Wildlife Trust (local nature reserve manager).

Row 3

(11.4.1.2) Types of area important for biodiversity

Select all that apply

☑ Legally protected areas

(11.4.1.3) Protected area category (IUCN classification)

Select from:
☑ Category IV-VI

(11.4.1.4) Country/area

Select from:
☑ United Kingdom of Great Britain and Northern Ireland

(11.4.1.5) Name of the area important for biodiversity

Holderness Offshore Marine Conservation Zone and Southern North Sea Marine Protected Area

(11.4.1.6) Proximity

Select from:
☑ Overlap

(11.4.1.7) Area of overlap (hectares)

1

(11.4.1.8) Briefly describe your organization’s activities in the reporting year located in or near to the selected area

Platform 473b is an offshore gas platform in the North Sea storing gas from the Rough gas reservoir. This is operated by CES.

(11.4.1.9) Indicate whether any of your organization’s activities located in or near to the selected area could negatively affect biodiversity

Select from:
☑ Yes, but mitigation measures have been implemented

(11.4.1.10) Mitigation measures implemented within the selected area

Select all that apply

☑ Operational controls

(11.4.1.11) Explain how your organization’s activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

Operations at Platform 473b could lead to harmful substances associated with the refinery of raw natural gas being released into the surrounding natural environment. Furthermore, there are potential impacts due to oil spills, as well as impacts on bird habitats and migrations. This was assessed by environmental managers from CES (the operators of 473b), as well as using CSRD guidance (a severity-likelihood matrix) to assess the materiality of impacts on biodiversity. The product of severity and likelihood is the impact score. The impact scores did not meet the materiality threshold of 20 for upstream assets to be classed as material impacts. However, CES have a number of operational control documents to prevent the release of any harmful substances which could affect biodiversity. There is also a robust reporting process in place with the offshore regulator to minimise the risk of harm to biodiversity. CES also operates a number of ‘hard’ barriers to physically prevent harm to the environment including; the use of bunds and suitable storage receptacles and Oil in Water processing equipment. If there are any nesting birds on the offshore platforms, CES must wait for them to move and cannot remove them themselves due to the risk to the species. With all the controls in place the offshore regulator are comfortable that the potential impacts on biodiversity are minimised.

Row 4

(11.4.1.2) Types of area important for biodiversity

Select all that apply

☑ Legally protected areas

(11.4.1.3) Protected area category (IUCN classification)

Select from:

☑ Category IV-VI

(11.4.1.4) Country/area

Select from:

☑ Netherlands

(11.4.1.5) Name of the area important for biodiversity

Markham's Triangle Marine Conservation Zone and Klaverbank Marine Protected area (OSPAR) and area of nature conservation act.

(11.4.1.6) Proximity

Select from:

☑ Up to 5 km

(11.4.1.8) Briefly describe your organization’s activities in the reporting year located in or near to the selected area

Platform J6A is an offshore gas platform owned by Spirit Energy in the North Sea (within the jurisdiction of the Netherlands).

(11.4.1.9) Indicate whether any of your organization’s activities located in or near to the selected area could negatively affect biodiversity

Select from:

☑ Yes, but mitigation measures have been implemented

(11.4.1.10) Mitigation measures implemented within the selected area

Select all that apply

☑ Operational controls

(11.4.1.11) Explain how your organization’s activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

J6A operations potentially could lead to harmful substances associated with the refinery of raw natural gas spilling and therefore being leaked into the surrounding natural environment. Furthermore, there are potential impacts due to oil spills, as well as impacts on bird habitats and migrations. This was assessed by colleagues from Spirit Energy (the owners of J6A in which we operate), as well as using CSRD guidance (a severity-likelihood matrix). The product of severity and likelihood is the impact score. The impact scores did not meet the materiality threshold of 20 for upstream assets to be classed as material impacts. If there are any nesting birds on the offshore platforms, Spirit Energy must wait for them to move and cannot remove them themselves due to the risk to the species. With all the controls we have in place the offshore regulator is satisfied with the risk posed to biodiversity. All Dutch offshore legislation is followed regarding processes to reduce negative impacts on biodiversity.

Row 5

(11.4.1.2) Types of area important for biodiversity

Select all that apply

☑ Legally protected areas

(11.4.1.3) Protected area category (IUCN classification)

Select from:

☑ Category IV-VI

(11.4.1.4) Country/area

Select from:

☑ United Kingdom of Great Britain and Northern Ireland

(11.4.1.5) Name of the area important for biodiversity

Southern North Sea Protected Area (OSPAR).

(11.4.1.6) Proximity

Select from:

☑ Overlap

(11.4.1.7) Area of overlap (hectares)

0.03

(11.4.1.8) Briefly describe your organization’s activities in the reporting year located in or near to the selected area

York platform is an offshore gas platform in the North Sea, owned by Spirit Energy.

(11.4.1.9) Indicate whether any of your organization’s activities located in or near to the selected area could negatively affect biodiversity

Select from:

☑ Yes, but mitigation measures have been implemented

(11.4.1.10) Mitigation measures implemented within the selected area

Select all that apply

☑ Operational controls

(11.4.1.11) Explain how your organization’s activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

There is the possibility that operations at the York offshore platform (owned by Spirit Energy in which we operate) could lead to harmful substances associated with the refinery of raw natural gas spilling and therefore being leaked into the surrounding natural environment. Furthermore, there are potential impacts due to oil spills, as well as impacts on bird habitats and migrations. This was assessed by environmental managers from Spirit, as well as using CSRD guidance (a severity-likelihood matrix). The product of severity and likelihood is the impact score. The impact scores did not meet the materiality threshold of 20 for upstream assets to be classed as material impacts. If there are any nesting birds on the offshore platforms, Spirit Energy must wait for them to move and cannot remove them themselves due to the risk to the species. With all the controls in place the offshore regulators are comfortable with the risk posed to biodiversity. All UK offshore legislation is followed regarding processes to reduce negative impacts on biodiversity. York is to be decommissioned this year, and Spirit Energy is following the strict legislation of appropriate decommissioning.

Row 6

(11.4.1.2) Types of area important for biodiversity

Select all that apply

☑ Legally protected areas

☑ Ramsar sites

☑ Key Biodiversity Areas

(11.4.1.3) Protected area category (IUCN classification)

Select from:

☑ Category IV-VI

(11.4.1.4) Country/area

Select from:

☑ United Kingdom of Great Britain and Northern Ireland

(11.4.1.5) Name of the area important for biodiversity

Morecambe Bay and Duddon Estuary Marine protected area (OSPAR), Morecambe Bay RAMSAR site and Morecambe Bay Key Biodiversity Area and South Walney and Piel Channel flats SSSI (IV).

(11.4.1.6) Proximity

Select from:

☑ Adjacent

(11.4.1.8) Briefly describe your organization’s activities in the reporting year located in or near to the selected area

Barrow Terminal is a gas terminal owned by Spirit Energy. The facility processes gas received from the Morecambe Offshore platform in the Irish Sea.

(11.4.1.9) Indicate whether any of your organization’s activities located in or near to the selected area could negatively affect biodiversity

Select from:

☑ Yes, but mitigation measures have been implemented

(11.4.1.10) Mitigation measures implemented within the selected area

Select all that apply

☑ Operational controls

(11.4.1.11) Explain how your organization’s activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

Our organisations at Barrow terminal could lead to harmful substances associated with the refinery of raw natural gas spilling and therefore being leaked into the surrounding natural environment, as well as pollution of water resources. We used CSRD guidance (a severity-likelihood matrix) The product of severity and likelihood is the impact score. The impact scores did not meet the materiality threshold of 20 for upstream assets to be classed as material impacts. All water is tested prior to discharge into the natural environment to mitigate against the impacts of potential water pollution on biodiversity.

Row 7

(11.4.1.2) Types of area important for biodiversity

Select all that apply

☑ Legally protected areas

☑ Ramsar sites

☑ Key Biodiversity Areas

(11.4.1.3) Protected area category (IUCN classification)

Select from:

☑ Category IV-VI

(11.4.1.4) Country/area

Select from:

☑ United Kingdom of Great Britain and Northern Ireland

(11.4.1.5) Name of the area important for biodiversity

Morecambe Bay and Duddon Estuary Marine protected area (OSPAR), Morecambe Bay RAMSAR site and Morecambe Bay Key Biodiversity Area and South Walney and Piel Channel flats SSSI (IV).

(11.4.1.6) Proximity

Select from:

☑ Adjacent

(11.4.1.8) Briefly describe your organization’s activities in the reporting year located in or near to the selected area

Roosecote Battery Storage is a Battery Energy Storage System (BESS).

(11.4.1.9) Indicate whether any of your organization's activities located in or near to the selected area could negatively affect biodiversity

Select from:

☑ Yes, but mitigation measures have been implemented

(11.4.1.10) Mitigation measures implemented within the selected area

Select all that apply

☑ Restoration

(11.4.1.11) Explain how your organization's activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

Roosecote battery storage operations could potentially negatively affect biodiversity through clearance of vegetation and habitat fragmentation. We assessed this using the CSRD guidance (a severity-likelihood matrix) The product of severity and likelihood is the impact score. The impact scores did not meet the materiality threshold of 20 for upstream assets to be classed as material impacts. The mitigation measures at Roosecote include a previously disused area being rewilded. Rewilding can help reverse declining biodiversity, recover ecological processes and mitigate against climate change through atmospheric carbon removal.

Row 8

(11.4.1.2) Types of area important for biodiversity

Select all that apply

☑ Legally protected areas

☑ Ramsar sites

☑ Key Biodiversity Areas

(11.4.1.3) Protected area category (IUCN classification)

Select from:

☑ Category Ia-III

(11.4.1.4) Country/area

Select from:

☑ Ireland

(11.4.1.5) Name of the area important for biodiversity

Cork Harbour special protected area for birds, Cork Harbour RAMSAR site and Cork Harbour Key Biodiversity Area.

(11.4.1.6) Proximity

Select from:

☑ Up to 5 km

(11.4.1.8) Briefly describe your organization’s activities in the reporting year located in or near to the selected area

Whitegate power station is a 445 MW combined cycle gas turbine (CCGT) electricity generating station near Whitegate, County Cork in Ireland.

(11.4.1.9) Indicate whether any of your organization’s activities located in or near to the selected area could negatively affect biodiversity

Select from:

☑ Yes, but mitigation measures have been implemented

(11.4.1.10) Mitigation measures implemented within the selected area

Select all that apply

☑ Site selection

☑ Operational controls

(11.4.1.11) Explain how your organization’s activities located in or near to the selected area could negatively affect biodiversity, how this was assessed, and describe any mitigation measures implemented

Whitegate power station activities could potentially negatively impact biodiversity through water pollution. We undertook an assessment of our high priority sites using CSRD guidance (a severity-likelihood assessment). The product of severity and likelihood is the impact score. The impact scores did not meet the materiality threshold of 20 for upstream assets to be classed as material impacts When the site was at planning stage an Environmental Impact Assessment Report was completed. This considered the future potential ecological / biodiversity impacts of the site. To mitigate against potential impacts, environmental permits must be complied with. This includes monitoring and testing of all water prior to discharge and periodic assessments of pollution into soil. There have not been any water-related emissions non-compliance for 7 years.
[Add row]

C13. Further information & sign off

(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?

	Other environmental information included in your CDP response is verified and/or assured by a third party
	Select from: ☑ Yes

[Fixed row]

(13.1.1) Which data points within your CDP response are verified and/or assured by a third party, and which standards were used?

Row 1

(13.1.1.1) Environmental issue for which data has been verified and/or assured

Select all that apply

☑ Climate change

(13.1.1.2) Disclosure module and data verified and/or assured

Environmental performance – Climate change

☑ Electricity/Steam/Heat/Cooling consumption

☑ Fuel consumption

(13.1.1.3) Verification/assurance standard

General standards

☑ ISAE 3000

(13.1.1.4) Further details of the third-party verification/assurance process

We have limited assurance of our total energy use metric undertaken annually, including in 2023. This includes our fuel and electricity consumption. The assurance is undertaken by a 3rd party assuror, DNV.

(13.1.1.5) Attach verification/assurance evidence/report (optional)

Qu. 13.1.1.5 Assurance Statement 2023.pdf
[Add row]

(13.2) Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.

	Additional information
	N/A

[Fixed row]

(13.3) Provide the following information for the person that has signed off (approved) your CDP response.

(13.3.1) Job title

CEO of Centrica

(13.3.2) Corresponding job category

Select from:
☑ Chief Executive Officer (CEO)
[Fixed row]

(13.4) Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.

Select from:
☑ No