PEOPLE AND PLANET

Creating a more inclusive and sustainable future that supports communities, our planet and each other.

Our People & Planet Plan consists of five Group-wide goals that accelerate action on issues that matter deeply to our business and society, and where we're well-placed to make a world of difference – from achieving net zero and creating the diverse and inclusive team we need to get there, to contributing to the communities we're all part of.

In 2023, we made really positive progress toward the majority of our goals but we're behind on others (see pages 42 to 44). This is partly because transformation takes time, and partly because we re-focused efforts to help customers and communities through the energy crisis which has been a top priority. Consequently since 2022, we've donated £140 million to support people with their energy bills.

With the plans we have in place, we're confident we'll get back on track to meet our goals in the years ahead. Central to this will be continuing to work closely with key stakeholders like colleagues, communities and governments, to help progress our goals and manage wider activities responsibly. In doing so, we can deliver on our Purpose of energising a greener, fairer future, whilst contributing positively to the United Nations Sustainable Development Goals (SDGs).

READ MORE ABOUT OUR PEOPLE & PLANET PLAN, CLIMATE TRANSITION PLAN, SDGs AND MORE AT CENTRICA.COM/PEOPLEANDPLANET

READ MORE ABOUT OUR NON-FINANCIAL KPIS ON PAGES 249 TO 251

> " I'm really proud of what we've achieved through our People & Planet Plan and beyond – whether that's doing more than any other energy supplier to help consumers with their energy bills, or creating a pipeline of flexible and low carbon assets that provide the energy we need today and through the energy transition. The road ahead won't be easy but I'm excited to be energising a greener, fairer future."
>
> **Chris O'Shea** | Group Chief Executive

OUR PEOPLE & PLANET PLAN

Supporting communities, our planet and each other

PEOPLE

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

WE WANT TO:

- Create an engaged team that reflects the full diversity of the communities we serve by 2030[(1)]
- Recruit 3,500 apprentices and provide career development opportunities for under-represented groups by 2030 (2,000 apprentices by the end of 2025)

PLANET

Supporting every customer to live more sustainably.

WE WANT TO:

- Help our customers be net zero by 2050 (28% greenhouse gas intensity reduction by the end of 2030)
- Be a net zero business by 2045 (40% greenhouse gas reduction by the end of 2034)

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

DOING BUSINESS RESPONSIBLY

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

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

PEOPLE

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

GOAL 1

By 2030, we want to:

Create an engaged team that reflects the full diversity of the communities we serve – this means all company and senior leaders to be 48% women, 18% ethnically diverse, 20% disability, 3% LGBTQ+ and 4% ex-service[1]

2023 PROGRESS

Progress against goals: ● On track ● Behind

	ALL COMPANY[2]	SENIOR LEADERS[2]
Women	**30%** ●	**32%** ●
– Excluding Field engineers	**41%** ●	**32%** ●
Ethnically diverse	**15%** ●	**9%** ●
Disability	**3%** ●	**2%** ●
LGBTQ+	**3%** ●	**2%** ●
Ex-service	**2%** ●	**2%** ●

(1) Updated at the start of 2023 to align with newly released 2021 Census data for working populations. We aim to be 40% women, 16% ethnically diverse, 10% disability, 3% LGBTQ+ and 3% ex-service by the end of 2025.

(2) Beyond gender, data is based on voluntary disclosure of 74% ethnic diversity, 45% disability, 51% LGBTQ+ and 3% ex-service. All company relates to everyone who works for Centrica. Senior leaders include colleagues above general management and spans senior leaders, the Centrica Leadership Team and the Board.

To build a more sustainable future, we need the best team – a diverse mix of people and skills, where different thoughts and ideas can grow, and where everyone feels welcome and able to succeed.

Towards this in 2021, our leadership team shared an open letter with colleagues that set out our plan for attracting, promoting and retaining more diverse talent. Since then, we've seen strong progress as better recruitment and retention practices provided an initial boost to the majority of our diversity goals which improved by up to 4%.

Our performance in 2023 has, however, remained relatively static and indicates that it may take time to deliver systemic change across our business and society. In particular, diversifying senior levels and growing disability representation are areas for us to work on. Attracting more women into engineering is also challenging given our large Field engineering team reflects the existing male-dominated market, which impacts our overall Group performance that would otherwise be on track. We're taking action which includes:

- further embedding tailored Diversity, Equity and Inclusion (DE&I) Action Plans and dashboards for each business, with progress reviewed quarterly to drive improvement and accountability;
- expanding talent development programmes to over 150 colleagues from under-represented groups whilst embedding succession planning and diverse shortlisting to strengthen our senior leadership team;
- inspiring more women into engineering through apprenticeships (see goal 2) as we grow diversity among our wider team;
- rolling-out Courageous Conversations about Race training to educate colleagues and make them feel confident to challenge unacceptable behaviour;
- creating a Great Minds programme for launch in 2024 that will help normalise and better support neurodiverse colleagues, whilst encouraging more colleagues to disclose if they have a disability; and
- helping carers better balance work with caring. We extended our industry-leading Carers Leave Policy to colleagues in Ireland which provides up to six week's paid leave when matched with annual leave. And thanks to joint campaigning with Carers UK, all working carers in the UK will now receive statutory carers leave following Royal Assent of the bill.

Through these activities and more (see pages 38 to 40), we've received external recognition for our efforts including earning a place in The Times Top 50 Employers for Gender Equality.

In 2024, we'll continue to embed our DE&I Action Plans, with a particular focus on improving the representation of colleagues who are women, ethnically diverse or have a disability. We'll also encourage colleagues to share who they are via our ongoing #ThisIsMe campaign, which will enable us to target action and track progress more effectively.

> "I enjoyed six years in the military but I was ready for a new adventure. So having embarked on an apprenticeship with British Gas two years ago, I'm pleased to now be a fully qualified engineer. During this transition, the wrap-around support has been invaluable and it's enabled me to be at my best when helping customers with their energy."
>
> **Amy Gray |** British Gas Smart Energy Engineer

WIDER GENDER BREAKDOWN[3]

	2023		2022	
	Women	Men	Women	Men
Board	**5 (42%)**	**7 (58%)**	4 (44%)	5 (56%)
Senior executives and direct reports	**27 (34%)**	**52 (66%)**	24 (33%)	49 (67%)
Senior leaders	**136 (32%)**	**287 (68%)**	117 (33%)	243 (67%)
All company	**6,221 (30%)**	**14,398 (70%)**	5,938 (30%)	14,190 (70%)

(3) Relates to everyone who works for Centrica. Total headcount differs from elsewhere in the report as Spirit Energy are not included above. See page 81 for more on Board diversity.

GOAL 2

By 2030, we want to:

Recruit 3,500 apprentices and provide career development opportunities for under-represented groups (2,000 apprentices by the end of 2025)[1]

2023 PROGRESS

Progress against goals: ● On track ● Behind

Apprentices	**1,198** ●

(1) Base year 2021.

To provide the best service for customers and get to net zero, we need to create thousands of high-quality jobs. To fill these roles, there's a huge opportunity to tap into the talent of under-represented groups to deliver a greener and fairer future. So we've committed to hire an apprentice every day over the next decade.

Since 2021, we've recruited 1,198 apprentices and helped over 750 trainees professionally qualify in areas like gas and whitegoods. This is slightly behind where we wanted to be as we slowed recruitment in 2023 to focus on operational stability across our customer-facing business. As a result, we welcomed 165 apprentices to our team last year. Less hiring opportunity also impacted our Ex-Forces Pathway programme which got off to a flying start in 2022 but meant that by the end of 2023, 227 people had been hired against our rolling ambition to recruit 500 veterans, reservists, spouses and partners, so it will continue into 2024-25.

Meanwhile, progress against our ambition for women to make up 50% of our Smart Energy Apprentices, dipped from 20% to 14% but remains much higher than the national gas engineer average of 0.2% women. In 2024, we'll continue to breakdown stereotypes and inspire more diversity in engineering through recruitment, marketing and volunteering campaigns as we work to diversify our wider team too. This includes ramping up our apprenticeship intake which we hope will get us back on track in the years ahead.

We're also encouraging more young people to choose a career in energy. For example, we're supporting Tech She Can's educational programme, Tech We Can, which has directly reached over 60,000 students.

GOAL 3

By 2030, we want to:

Give 100,000 days to build inclusive communities (35,000 days by the end of 2025)[2]

2023 PROGRESS

Progress against goals: ● On track ● Behind

Days	**20,383** ●

(2) Base year 2019.

We're harnessing the passion of our people to build inclusive communities because strong communities are central to a more sustainable future. It's also a great way to help colleagues develop skills and improve engagement.

Although COVID-19 and the energy crisis impacted volunteering in recent years, volunteering has grown from strength-to-strength and is now on track having reached 20,383 days since 2019. As part of this, colleagues gave 7,228 days in 2023. This far exceeded our annual plan of 4,000 days which had been based on doubling our 2022 performance.

Substantive gains were largely made possible by fully embedding team targets at the start of the year to help drive and plan volunteering activity, whilst expanding volunteering opportunities via 'The Big Difference', which is inspiring colleagues to get involved in local causes they care passionately about.

To maintain momentum, we'll continue to expand volunteering opportunities in 2024 including via our Get Set for Positive Energy schools partnership with Team GB and ParalympicsGB. This will stand us in good stead for the annual step-up required in the years ahead, which will see us move from 1 in 4 colleagues volunteering in 2023 to 1 in 3 by 2030.

Alongside volunteering, we support our communities with donations and fundraising focused in three key areas – helping people with their energy today, building a more sustainable energy future for tomorrow, and making a big difference in our local communities everyday. Towards these causes, we invested over £500 million in total community contributions during 2023[3].

(3) Comprises £409.44 million in mandatory and £88.08 million in voluntary contributions to support vulnerable customers and colleagues which includes the Warm Home Discount and Energy Company Obligation amongst others, alongside £4.05 million in charitable donations.

SOME OF THE WAYS WE MADE A DIFFERENCE IN 2023

10

New community organisations helped on the journey to net zero though our Energy for Tomorrow social impact fund, which has an annual budget of up to £600,000 and has supported 36 initiatives to date

>800

Good causes supported through The Big Difference in 2023 – our £2 million local community fund that supports organisations like The Baby Bank in Windsor and the Children's Hospices Across Scotland

£140m

Cumulatively donated in energy bill support since 2022 to help customers through the energy crisis, which in 2023 included an additional £84 million being committed in the UK for distribution mainly via British Gas and the British Gas Energy Trust

In Ireland during 2023, we donated €3 million in energy bill support managed by Bord Gáis Energy and charity partners like Focus Ireland, and we absorbed higher energy costs over the first half of the year

€432k

Donated and fundraised during the year to help prevent family homelessness via our €4.4 million partnership with Focus Ireland, which has helped nearly 8,400 family cases since 2015

PLANET

Supporting every customer to live more sustainably.

GOAL 4

By 2050, we want to:

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

2023 PROGRESS	
Progress against goals: ● On track ● Behind	
Reduction	**10%** ●

(1) Net zero goal measures the greenhouse gas (GHG) intensity of our customers' energy use including electricity and gas with a 2019 base year of 183gCO_2e/kWh, normalised to reflect acquisitions and divestments in line with changes in Group customer base. Target aligned to the Paris Agreement and based on science to limit global warming, corresponding to a well below 2°C pathway initially and 1.5°C by mid-century.

The biggest thing we can do to tackle climate change, is to help our customers use energy more sustainably. This is because around 90% of our total GHG emissions (scope 1, 2 and 3), come from the gas and electricity provided to customers (scope 3). In 2023, we provided energy, services and solutions that cut the GHG intensity of the energy our customers use by 10% against the 2019 base year – equivalent to the annual emissions of more than 860,000 homes. Savings were predominantly driven by our renewable and low carbon energy tariffs alongside energy efficiency and optimisation solutions like air source heat pumps and Hive Active Heating. This was up from the 6% reduction achieved in 2022 and was largely due to a rise in the zero-carbon content of our reported electricity fuel mix, which improved by 5% to 80% compared to the UK national average of 55%.

In 2023, we helped our customers progress their journey to net zero by supporting them with measures to decarbonise power, heat and transport by:

- introducing market-leading incentives that encourage the adoption of low carbon technologies – whether that's offering heat pump price and performance guarantees, or providing free electric vehicle (EV) charging for a year with the purchase of a Hive charger;
- delivering around 3,000 heat pumps for the able to pay market and via the Energy Company Obligation (ECO);
- cumulatively installing over 34,000 EV charging points since 2013; and
- launching PeakSave Sundays which has encouraged over 500,000 customers to shift their energy use away from peak demand to reduce pressure on the grid, with the reward of cutting costs as well as emissions.

13.0GW

Route-to-market for renewables under our management – enough to power around 12 million homes

Whilst we currently purchase energy certificates such as Renewable Energy Guarantees of Origin and Nuclear Declarations to back both our green and standard tariffs, we'll review whether that's the right thing for our customers and our business in 2024. We're acutely aware that the debate around the value of these certificates is evolving, with recent research studies and broader expert opinion, identifying a number of issues such as the risk that certificates do not incentivise the building of additional renewable or zero carbon power generation. We'll engage a range of stakeholders on our approach and provide an update in due course.

In the meantime as set out in our Climate Transition Plan (see pages 52 and 54), we'll continue to help customers reduce their emissions by focusing on energy efficiency and optimisation services alongside low carbon technologies and cleaner energy.

GOAL 5

By 2045, we want to:

Be a net zero business (40% GHG reduction by the end of 2034)[2]

2023 PROGRESS	
Progress against goals: ● On track ● Behind	
Reduction	**21%** ●

(2) Net zero goal measures scope 1 (direct) and 2 (indirect) GHG emissions based on operator boundary. Comprises emissions from all operated assets and activities including the shipping of Liquified Natural Gas (LNG) alongside the retained Spirit Energy assets in the UK and Netherlands. Non-operated nuclear emissions are excluded. Target is normalised to reflect acquisitions and divestments in line with changes in Group structure against a 2019 base year of 2,132,680mtCO_2e. It's also aligned to the Paris Agreement and based on science to limit global warming, corresponding to a well below 2°C pathway initially and 1.5°C by mid-century.

Meaningful progress has been made against our net zero target in 2023, with our total GHG emissions reducing by 21% against the 2019 base year. This was up from the 5% reduction delivered in 2022 and was largely driven by reduced emissions from our Whitegate power station as well as our gas production operations. Sustainable savings were also secured via the gradual roll-out of our EV road fleet and across our property portfolio with lower occupancy being driven by FlexFirst, which lets colleagues choose when they want to work from home or come into the office.

Although we're currently ahead of the glidepath for our net zero target, like many energy companies, our journey to net zero won't be a linear one. This is because we operate in a challenging geopolitical environment where security of supply is a real risk for consumers and as a leading supplier of energy in the UK and Ireland, we have a responsibility to ensure they have the energy they need. Towards this, we increased LNG activity and began work on two new 100MW flexible peaking gas-fired power plants in Ireland which will come online in 2024. Whilst these investments will play an important role in securing a more affordable supply of energy as well as providing flexible power to back-up intermittent renewables, they are predicted to cause our emissions to rise from 2024 before they come back down again around 2027. With general consensus being that gas will be essential during the energy transition until at least the mid-2030s, our action is in line with what's needed, although it does make our pathway to net zero more challenging in the short term. All of our gas peaking plants will, however, be capable of running on hydrogen when hydrogen is available which will help us meet our goal in the medium to long term, which we expect to do.

Alongside these activities, we'll continue to drive wider emissions out of our business and identify opportunities wherever possible to support the adoption of lower carbon energy for customers via our Climate Transition Plan – from securing up to 800MW of low carbon and transition assets by 2025 which includes solar, battery storage and flexible generation, to exploring the conversion of our Rough gas storage facility to store hydrogen and more (see pages 52 and 54).

70%

Our GHG emission reduction over the last decade[3]

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

OUR FOUNDATIONS

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

CUSTOMERS

We've taken decisive steps to secure a stronger service for customers. For example, in 2023, we invested in engineer training and customer service systems, whilst recruiting 700 additional customer contact roles in the UK as part of our aim to move all call centre resource onshore. Compared to 2022, these operational improvements have contributed to our British Gas Services Engineer Net Promoter Score (NPS) rising by seven points to +71 and our British Gas Energy Touchpoint NPS gaining four points to +17, alongside a reduction in complaints. In Bord Gáis Energy complaints similarly reduced over the course of the year but against a backdrop of challenging conditions, our Journey NPS declined by one point to +18 despite a five point improvement in the second half of 2023. Meanwhile, at Centrica Business Solutions, customer concern for high energy bills and complexity relating to government support schemes led to an increase in complaints. Despite this, customer service delivery remained strong with energy supply Touchpoint NPS improving by one point to +32. See pages 23 to 24 for more.

In recognition that energy bills remain a worry, we continued to help customers through the energy crisis. In 2023, we more than doubled our energy support fund to total £140 million, which is the largest voluntary support package provided by an energy supplier in the UK and Ireland. Since 2022, this has enabled meaningful advice and grants to be provided to customers struggling with their energy bills whilst providing help at the heart of communities (see pages 16 and 43).

COLLEAGUES

It's important that colleagues feel safe, engaged and rewarded. Although we had no colleague fatalities in 2023, a member of the public tragically lost their life in a road traffic accident involving one of our Dyno Franchisees. We also had one Tier 1 process safety gas release at a Spirit Energy asset, resulting in our process safety incident frequency rate increasing from zero to 0.09 per 200,000 hours worked. Our total recordable injury frequency rate did, however, improve by 25% to 0.84 per 200,000 hours worked (see page 27). We continue to focus on keeping safety front-of-mind by reinforcing a strong safety culture, which in 2023 included improving new starter, safety and role-specific training.

Alongside physical health, we're always mindful of wider wellbeing. So we ran campaigns that talked about the importance of being open about mental health whilst encouraging use of our comprehensive suite of support which includes a company-funded benefit healthcare plan for all, a wellbeing app, and our 100-strong network of mental health first aiders. In recognition of the cost of living crisis, we also introduced a Colleague Support Foundation to provide dedicated money advice and grants (see page 39). The CCLA continued to rank us a leader for our approach and disclosure on mental health.

We maintained focus on fair reward practices – from paying at least the Real Living Wage in the UK and upholding equal pay, to working to reduce pay gaps. Our gender pay gap continued to be largely driven by more men working in higher paid jobs like engineering, coupled with more women working in valued but lower paid jobs such as customer service. In 2023, our median gender pay gap improved by 9% to 14%. Our ethnicity pay gap, which we publish voluntarily, is due to similar factors as the gender pay gap, and increased by 1% to 11% median. We're fully committed to reducing our pay gaps over time as we help transform our business, sector and society (see pages 42 to 43).

Action like this is important to colleague engagement. In 2023, our engagement score improved by 0.3 points to 7.7, with gains driven by the value we place on recognition and growing our colleagues, as well as a stronger belief in our purpose and strategy. This was on track with our annual goal and is approaching top quartile performance for our sector. With engagement being fundamental to our productivity and our success, we'll target top quartile performance in 2024 by striving to provide a more inclusive and fulfilling place to work.

COMMUNITIES AND ETHICS

Our Code and Our Values set out the standards we expect for anyone who works for us or with us. This ensures we operate with integrity and in a way that benefits our communities.

At the heart of Our Code is our commitment to uphold and protect human rights. We therefore take action to ensure colleagues and workers in our supply chain are safeguarded from abuses through activities like risk-based training and ongoing due diligence, alongside monitoring of supplier selection and renewal. If suppliers receive a high-risk rating relating to the country where they operate or the products/services provided, we consider appropriate action which may involve conducting a third-party audit to better understand the level of risk. Where concerns are identified, we work with suppliers to raise standards, and if they can't or won't improve, we may end the relationship and report any abuse.

In 2023, we ramped up our audit programme by conducting 20 on-the-ground site inspections and over 6,500 remote worker surveys. These spanned workwear and manufacturing as well as solar panels, battery systems, smart meters and wider electrical products across Bangladesh, Cambodia, China, Hong Kong, India, Pakistan, the Netherlands and the UK. Whilst we've not identified any specific instances of modern slavery, we agreed 142 improvement opportunities with suppliers to help raise standards across labour as well as health and safety practices. The majority of actions have now been completed and the rest are planned to finalise in 2024. As part of our due diligence and monitoring across supplier selection and contract renewals, we also ensured compliance with sanctions on Russia.

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

During 2023, 96% of colleagues completed refresher training on Our Code and confirmed they'd uphold its principles. If anyone suspects Our Code is being contravened, we provide a confidential 24/7 Speak Up helpline. In 2023, we had 1.4 reports of concern per 100 colleagues which broadly aligns with the external benchmark of 1.5, demonstrating that colleagues feel safe to speak up. Reports mainly related to perceived unfair treatment and fraud. All reports were investigated by the Ethics and Compliance team, with quarterly monitoring via the Safety, Environment and Sustainability Committee as well as the Audit and Risk Committee, with matters as appropriate, brought to the attention of the Board.

READ MORE IN OUR MODERN SLAVERY STATEMENT AT CENTRICA.COM/MODERNSLAVERY

ENVIRONMENT

Monitoring and managing our wider environmental impact is crucial. Our water consumption remained relatively steady during 2022-23, increasing by 6% to 335,512m^3. Waste decreased by 19% to 15,161 tonnes due to a reduction in decommissioning works and process enhancements in 2023 compared to 2022.

NON-FINANCIAL AND SUSTAINABILITY INFORMATION STATEMENT

In line with the Non-Financial Reporting Directive and Companies Act 2006, we have set out where the relevant information we need to report against can be located.

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

Reporting requirement	Section
Business model	Our Strategy & Business Model – Pages 9-11
Reporting requirement and policy position Our Code sets out our position on key issues by providing a high-level summary of key policies that form the foundation for how we do business. READ MORE AT CENTRICA.COM/OURCODE	**Due diligence and outcome**
Colleagues Our policy states that we work collaboratively to create a workplace that has a respectful and inclusive culture whilst offering fair reward and recognition. We're also committed to working safely and provide proactive support to ensure colleagues' health and wellbeing.	○ Group Chief Executive's Statement – Page 8 ○ Stakeholder Engagement – Pages 15 and 17 ○ Principal Risks and Uncertainties: People, Safety and Operational Asset Integrity – Pages 33 to 34 ○ Group Chief People Officer's Report – Pages 38 to 40 ○ People and Planet – Pages 42 to 43 and 45 ○ Key Performance Indicators (KPIs) – Pages 27, 39, 42 to 43, 45 and 249 to 250
Environmental matters This policy sets out that we endeavour to understand, manage and reduce our environmental impact. Towards this, we will play our part in the transition to net zero.	○ Chair's Statement – Page 5 ○ Group Chief Executive's Statement – Page 8 ○ Business Model and Market Trends – Pages 10 to 13 ○ Stakeholder Engagement – Pages 15 to 17 ○ Business Review – Pages 24 to 25 ○ Principal Risks and Uncertainties: Energy Market, Government and regulatory intervention, Weather, Political, Legal, Regulatory or Ethical Intervention/ Compliance, Operational Asset Integrity and Climate Change – Pages 29, 31 to 32 and 34 ○ People and Planet including TCFD – Pages 44 to 45 and 47 to 55 ○ KPIs – Pages 24 to 26, 44 to 45, 53 to 54, 249 and 251
Social matters Our policy states that we will treat all of our customers fairly. As part of this, we strive to provide services and solutions that meet their needs as well as care for customers who need extra support. We also want to make a big difference by helping to create more inclusive and sustainable communities. We partner with community and charity organisations on key issues and inspire colleagues to volunteer and fundraise.	○ Chair's Statement – Pages 4 to 5 ○ Group Chief Executive's Statement – Pages 6 to 7 ○ Stakeholder Engagement – Pages 15 to 17 ○ Business Review – Pages 23 to 24 ○ Principal Risks and Uncertainties: Inflation and cost of living, Technology, Customer, Political, Legal, Regulatory or Ethical Intervention/Compliance, Cyber and Safety – Pages 29, 31 to 32 and 34 ○ People and Planet – Pages 43 to 45 and 52 ○ KPIs – Pages 23 to 24, 27, 43, 45 and 250 to 251
Human rights This policy commits that wherever we work in the world, we respect and uphold the fundamental human rights and freedoms of everyone who works for us or with us.	○ Stakeholder Engagement – Page 15 to 16 ○ Principal Risks and Uncertainties: Political, Legal, Regulatory or Ethical Intervention/Compliance and Safety – Pages 31 and 33 ○ People and Planet – Page 45 ○ KPIs – Pages 45 and 251
Anti-bribery and corruption Our policy commits us to working with integrity, within the laws and regulations of all the countries in which we operate and in accordance with recognised international standards. This includes not offering or accepting bribes or other corrupt practices. We will not tolerate any form of bribery or corruption from suppliers or others.	○ People and Planet – Page 45 ○ Principal Risks and Uncertainties: Political, Legal, Regulatory or Ethical Intervention/Compliance – Page 31 ○ Based on materiality, KPIs specific to anti-bribery and corruption are not reported externally.

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Climate change requires urgent action. As an energy, services and solutions company, we have an essential role in helping our customers, communities and our business get to net zero.

It's important that we analyse and report what we're doing to effectively manage the impact of climate-related risks and opportunities across our business (see our Business Model on pages 10 to 11). That's why since 2020, we've chosen to structure our reporting around the Task Force on Climate-related Financial Disclosures (TCFD) recommendations (see page 55), to drive greater transparency and action on climate-related matters. Whilst we've achieved full compliance for the third year running in our 2023 reporting, we'll endeavour to continuously improve across all TCFD disclosure requirements to ensure we stay abreast of evolving best practice and stakeholder feedback.

GOVERNANCE

As tackling climate change is at the heart of our purpose and strategy, climate change is a key issue for the Board. Governance is therefore embedded across the full breadth of our business, with the Board supported in its duty to oversee climate-related matters via a series of Board-level and executive-level committees (see governance diagram overleaf). In 2023, climate matters were reviewed by the Board and its Committees in a number of meetings including at all three meetings of the Safety, Environment and Sustainability Committee as well as via the annual Board strategy review. This was complemented by further embedding net zero criteria in our Group investment framework and into strategic planning processes (see page 50).

To aid the Board in overseeing climate change matters and in managing regular engagement on the issue with stakeholders like investors, government and regulators, it's vital the Board have the collective skills required. Consequently, the Board continuously seeks to strengthen capabilities on climate change across energy, regulation, geopolitics and technology, to reduce risk and maximise opportunities. To assess capability, the Board has 'climate change and sustainability' as one of the 11 criteria used in the Skills Matrix, spanning climate science, climate risk and mitigation, alongside evolving stakeholder expectations. In 2023, 60% of the Board were identified as having these competencies which enables us to effectively govern climate matters and we aim to strengthen this even further in the future. To support and grow capability in 2023, the Board underwent deep-dive sessions run by internal and external experts on greenwashing, evolving Environment, Social and Governance (ESG) regulations and responsible sourcing.

Effectiveness in tackling climate change is incorporated in our remuneration scheme for Executive Directors via the 'Restricted Share Plan' (RSP). Vesting is subject to an underpin determined by the Remuneration Committee, whereby the Committee assesses performance across a range of financial and non-financial KPIs, including our Climate Transition Dashboard alongside any material risk of regulatory failures (see pages 85 to 87). The RSP vests every three years with the first vesting period due at the end of 2024.

Our approach to governance and disclosure is strongly influenced by the materiality of ESG matters which includes climate-related issues. To understand what's important and what's not, we assess the impact of these issues on our stakeholders as well as on our business. To do this, we undertake research and conduct direct engagement with stakeholders (see page 15) whilst applying our TCFD financial materiality thresholds. Through identification of our material issues together with associated laws and regulations, management teams can then ensure the necessary processes are in place to effectively measure, manage, mitigate and disclose. We recognise that stakeholder needs and the regulatory landscape are continuously evolving, so we remain agile and adjust our approach in line with expectations.

LISTING RULE COMPLIANCE

We've complied with the requirements of LR 9.8.6R, by including climate-related financial disclosures that are consistent with the four TCFD pillars and the 11 recommended disclosures that are set out on page 55.

TCFD | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Our climate-related financial disclosures additionally comply with the requirements of the Companies Act 2006, as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.

A DIAGRAM OF OUR CLIMATE GOVERNANCE

The Board

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

- Sets strategy for People and Planet matters including climate change
- Reviews strategic and financial planning to ensure integration of climate considerations as we transition to net zero
- Oversees progress against climate targets and ambitions, whilst ensuring related risks and opportunities are managed effectively
- Approves People and Planet annual reporting
- Chaired by Scott Wheway with attendance including the Group Chief Executive, who has overall accountability for climate change and regularly attends Committee meetings as well as chairs the CLT

READ MORE ON PAGES 57 TO 71

Challenge

Report

Our Committees

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

Safety, Environment and Sustainability Committee (SESC)

- Meets three times a year and is primarily responsible for supporting the Board in overseeing climate change
- Assesses and approves proposals relating to net zero targets and the Climate Transition Plan, whilst monitoring progress alongside risks and opportunities
- Reviews annual reporting and associated requirements like TCFD
- Monitors stakeholder views on matters such as climate change
- Chaired by Heidi Mottram, Independent Non-Executive Director

READ MORE ON PAGES 82 TO 83

Audit and Risk Committee (ARC)

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

READ MORE ON PAGES 72 TO 78

Remuneration Committee

- Meets four times a year
- Ensures Executive Directors are appropriately rewarded - they consider lots of non-financial reporting items as part of this, including progress against our Climate Transition Plan
- Chaired by Carol Arrowsmith, Independent Non-Executive Director

READ MORE ON PAGES 84 TO 102

Challenge

Report

Centrica Leadership Team (CLT)

Ensures ongoing oversight and challenge on climate strategy

CLT – As frequently as needed at the eight meetings held per year and chaired by the Group Chief Executive, the CLT monitors, assesses and informs progress and plans relating to net zero targets and ambitions as well as Principal Risks and opportunities. At meetings of the Centrica Investment Committee, a sub-committee of the CLT, investment opportunities are reviewed with regard to how we can deliver net zero.

Challenge

Report

Sub-groups

Supports leadership on integrating climate change into strategy

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

Group Risk and Controls Review – Chaired by the Group Chief Financial Officer with business unit Managing Directors and Chief Financial Officers in attendance, they review Principal Risks and opportunities alongside controls quarterly (see page 28)

Challenge

Report

Business units

Follows and provides feedback on climate strategy

Managers and teams – Operationalises climate change considerations in line with Group strategy

Risk owners – Identifies, assesses and mitigates climate risks and opportunities

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

STRATEGY

2023 saw no material changes to the shape of our business, so we decided not to re-run our scenario analysis as the 2022 analysis remains fit for purpose. In 2023 we did, however, focus efforts on wider related improvements such as expanding the scope of our analysis to include additional sites like our new solar farm in Codford, whilst increasing stakeholder engagement across the value chain.

Our scenario analysis conducted in 2022 to test our strategic resilience to climate change, was run using ten independent climate scenarios that are most relevant to national climate targets as well as our business and the key markets in which we operate across the UK and Ireland. As a next step, we used our in-house scenario analysis model, to assess the various plausible pathways relating to global warming ranging between 1.5°C to 4°C[1], and the potential positive and negative impact of each on our businesses' key services, solutions and assets.

Our in-house model projects our key lines of business based on the relevant external scenario, whilst maintaining our market share and unit margin at a consistent level. This allows us to calculate the potential growth or shrinkage of gross margin (GM) across each business in isolation or in aggregate, out to 2050. In 2023, we updated our short, medium and long-term time horizon intervals from 2025, 2035 and 2050 to 2028, 2038 and 2050, which acknowledges the passage of time since our first publication and better aligns with our latest strategic business plan. We consider this time horizon appropriate as it also aligns with our net zero targets and Climate Transition Plan, as well as encompassing the expected lifetime of the vast majority of our assets alongside the materialisation of key potential transitional risks and opportunities.

As we continue to shift our reported timeframes further out whilst keeping our base-year static, our analysis naturally shows a greater impact as the scenarios accelerate towards net zero. We do, however, recognise that scenarios extending this far out into the future are subject to significant uncertainties and carry material dependencies, which need to be taken into consideration when reviewing insights.

Other critical assumptions on matters such as policy and technology pathways are as per the independent scenarios utilised in the analysis.

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

Scenarios used:

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

Net financial benefit

Our modelling suggests an overall net financial benefit for the Group across all climate scenarios

Our scenario analysis findings (see page 51), show that based on our strategic plans and capabilities, we're well-placed to mitigate the risks and seize the opportunities presented by climate change as we journey to net zero. Indeed, our modelling suggests an overall net financial benefit for the Group across all scenarios assessed.

This is because as a uniquely integrated energy company with market-leading positions across the energy value chain, our business model has been designed to be resilient and evolve in line with the needs of the energy transition, to ensure that we deliver on our Purpose of energising a greener, fairer future. That said, in any given scenario, we fully recognise that the potential for risks to manifest is subject to uncertainty, as are the opportunities and our ability to pivot effectively to realise them. We therefore always consider this uncertainty when assessing our strategic resilience to decarbonisation.

Looking at our findings, we see parts of our business exposed to potential transitional risks and opportunities, such as those relating to policy and regulatory changes which range from 'low' to 'high' in significance over the longer term. For example, the key risk for British Gas and Bord Gáis Energy, mainly relates to the gradual phase-out of natural gas in heating which although an essential transition fuel in the mid-term, may require a shift in the range of services and solutions offered to customers. We believe we're well positioned to pursue the opportunities created by this shift, given our brands have all the necessary systems and capabilities to adjust from the trading and sale of gas and electricity, to a system that's more heavily dependent on electricity and hydrogen.

For instance:

- our market-leading engineering workforce primarily installs gas heating solutions today, but can be gradually upskilled to deliver new solutions via our centre of excellence training campuses that are located around the UK; and
- we're continuing to enhance our strategic resilience by structurally altering our business model to establish positions in low carbon solutions like heat pumps and hydrogen, which are expected to drive the energy transition forward. This includes launching an internal business unit, New Business and Net Zero, which is dedicated to delivering low carbon solutions to residential customers, alongside Centrica Business Solutions 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.

Moreover, most of the modelled opportunities exist in areas where we've a strong market presence and are associated with relatively mature technologies like EVs, electric heat pumps, solar and battery storage. Clean hydrogen for heating is the only high-impact opportunity we've identified that's reliant on more emerging technology, which may therefore be harder to harness. Consequently, we've been proactive in hydrogen research and development opportunities – whether that's the trial of hydrogen production at our Brigg power station with HiiROC, or the exploration of hydrogen fuel switching at our Easington Terminal.

Alongside transitional risks and opportunities, sit our physical risks. During the scenario analysis, we took into account acute physical risks relating to extreme weather such as the risk of increased wave height as well as chronic physical risks which include those associated with longer term shifts in climate patterns that lead to sea level rise or sustained heat waves. Across both, our focus was on our energy assets in Centrica Energy Storage+, Centrica Business Solutions and Spirit Energy, which are typically more vulnerable to these kinds of risks due to the nature of activity undertaken. In 2023, we built on our 2022 assessment by running scenario analysis on new sites. This included our new solar farm in Codford and our distribution centre in Leicester. The analysis re-confirmed that we're generally exposed to physical acute risks that are 'low' in significance in the near and longer term. Our only potential 'medium' risk arose from a physical chronic risk, whereby a rise in mean temperature with an extreme >4°C warming future by 2050, reduces energy demand for heating. This risk, however, would be partially offset by an increase in cooling demand and counters many of the transitional risks, to provide a natural hedge for the Group.

The risk of asset impairment was additionally refreshed in 2023 based on price forecasts aligned with a 1.5°C scenario. This showed that our most exposed assets were our gas production fields alongside our investment in nuclear. We found that the impact on the value of our gas assets was relatively 'low' due to both existing impairment headroom and the fact that the majority of 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 over net zero price forecasts (see note 7 to the financial statements). Further details on how the Directors' have considered the impact of climate risk and opportunities on the wider financial reporting judgements and estimates, are provided in note 3 to the financial statements.

In 2023, we shifted our approach 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[1].

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.

As the energy transition deepens, all modelled scenarios involve significant disruption to our markets. So we'll need to adapt accordingly. 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 commitment to invest up to £100 million in low carbon and transition assets[2] annually from 2020 to 2025, whilst exploring longer term optionality at assets for hydrogen storage and carbon capture and storage.

Our assessment of how climate-related issues might affect our business, is integrated into our annual strategic and financial planning process at a business unit level as well as a Group level. This includes growth plans for key opportunities identified, with metrics and targets to determine whether performance is on track. All investment proposals are additionally assessed on their anticipated GHG emissions, EU taxonomy eligibility and their role in delivering net zero, the outcome of which informs the final investment decision. This process importantly underpins how we are pivoting our organisation towards a lower carbon future and helps shape our decisions on energy, services and solutions.

READ MORE ABOUT OUR FINANCIAL PLANNING PROCESS IN OUR CDP DISCLOSURE AT CENTRICA.COM/CDP23

Progressing opportunities for a greener future in 2023:

65MW

Battery storage plant planned in Perthshire to store offshore wind energy – our largest battery storage project to date that'll be capable of powering 130,000 homes and is due to be up and running by 2028

18MW

Solar farm built and opened at Codford which can power 5,000 homes – our first Centrica-owned solar farm

(1) 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.
(2) A mixed portfolio of solar, battery and gas-fired peaking assets, all enabling the grid to decarbonise.

SUMMARY OF OUR MOST MATERIAL RISKS AND OPPORTUNITIES[1]

Impact on gross margin (GM)

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

TFCD category	Climate related trend	Potential financial impact	Potential materiality	2028 (short term)	2038 (medium term)	2050 (long term)	Strategic response and resilience
Transition: Policy, Markets and Technology	Transition away from fossil fuelled heating	**Risk:** Reduced GM from the sale and servicing of natural gas residential boilers and commercial Combined, Heat and Power (CHP) units at British Gas Services & Solutions (BG S&S), Centrica Business Solutions (CBS) and Bord Gáis Energy (Bord Gáis)	>2° C	low	low	medium	Strategic aim to remain the market leader in heating solutions in the UK and Ireland (UK&I), whilst growing market share in heating installs Installation of hydrogen-ready boilers and CHP units
			1.5° C	low	high	high	
Transition: Policy, Markets and Technology	Growth in low carbon heating market	**Opportunity**: Increased sales and servicing of electric and hydrogen fuelled heating systems, and associated opportunities in energy efficiency at BG S&S, CBS and Bord Gáis	>2° C	low	medium	medium	Heat pump business launched with material growth plans, aiming for 20,000 installs a year by 2025 with plans to build from there Partnering to grow capability and adoption with hydrogen use trials alongside research and development into low carbon CHP
			1.5° C	medium	high	high	
Transition: Policy, Markets and Technology	Transition away from natural gas	**Risk:** Reduced GM from the sale of natural gas from fuel switching and energy efficiency at British Gas Energy (BGE), CBS and Bord Gáis	>2° C	low	low	high	Strategic aim to grow customer numbers in UK&I energy supply
			1.5° C	medium	high	high	
Transition: Policy, Markets and Technology	Growth in low carbon heating market	**Opportunity:** Increased sales of electricity and green/low carbon hydrogen at BGE, CBS and Bord Gáis	>2° C	medium	medium	high	Systems and capabilities in place to pivot towards trading and selling hydrogen Partnering in hydrogen production and use trials to grow capability and adoption
			1.5° C	medium	high	high	
Transition: Markets	Growth of EV transport market	**Opportunity:** Access to new and growing value pools related to EV charging installs, operation and maintenance (O&M), and energy supply at BG S&S and Bord Gáis	>2° C	low	high	high	Internal business unit, New Business and Net Zero, launched with the aim of becoming a leader in EV charging infrastructure installs and O&M Ambition to install up to 100,000 EV charging points per annum by 2025
			1.5° C	low	high	high	
Transition: Energy Source	Growth in demand for renewable energy	**Opportunity:** Strong growth in solar and battery markets driven by decarbonisation at CBS, Bord Gáis and BG S&S	>2° C	low	low	low	Strategy to invest up to £100 million each year by 2025 to build a low carbon and transition asset portfolio of more than 800MW Value derived from install, O&M and asset ownership
			1.5° C	low	medium	medium	
Physical Chronic	Rising mean temperatures	**Risk:** Reduced sales of natural gas and electricity for heat at BGE, CBS and Bord Gáis	>2° C	low	low	medium	Strategic aim to grow customer numbers in UK&I energy supply Heat pump business launched with material growth plans, which is also capable of providing cooling
			1.5° C	low	low	low	
Net impact for the Group			>2° C	+ (high)	+ (high)	+ (high)	Analysis suggests an overall net financial benefit for the Group across all scenarios, based on our strategic plans, portfolios and capabilities
			1.5° C	+ (medium)	+ (high)	+ (medium)	

(1) Our financial scenario analysis is conducted every three years unless there is a material change to the business or external scenarios. Materiality above is therefore based on 2021 Group GM due to our last scenario analysis taking place in 2022 (see page 49). A well-below and well-above 2°C scenario for global warming has been used to best demonstrate the spectrum of proactive and inactive progress on climate change in our key markets, and the impact this may have on our business. In the analysis which spans over 95% of the Group, this table includes our most material risks and opportunities together with the inclusion of our most material physical risk because whilst less material than all other key risks in the long term, we believe it's important to transparently show the net impact of physical risk on GM. All listed 'opportunities' result in a positive impact on GM whilst all listed 'risks' correlate to a negative impact on GM. The table concludes by showing an overall positive net financial benefit for the Group across all climate scenarios and time periods assessed.

OUR CLIMATE TRANSITION PLAN SET OUT IN 2021

Our Plan helps us effectively manage our risks and opportunities to ensure we deliver our net zero targets, whilst enabling a fair and affordable transition for all. Within our Plan, we've set a number of ambitions that are aspirational but are fully baked into business unit growth plans, to advance the energy transition.

Our ambitions to help our customers be net zero by 2050 are to:

- double the number of Hive customers to 2.5 million by 2025;
- deliver 6 million additional smart meters by 2025;
- achieve annual installs of up to 100,000 EV charging points and 20,000 heat pumps by 2025; and
- invest up to £100 million in low carbon and transition assets each year from 2020 to 2025[1].

Our ambitions to be a net zero business by 2045 are to:

- build a zero-emission road fleet in the UK by 2025[2];
- cut our UK property emissions by a further 50% by 2030;
- progress our strategic transformation to exit remaining activities in oil and gas exploration and production with the intention to run-off remaining fields and meet decommissioning obligations substantively by the early 2030s, whilst stopping any further investment in new oil and gas fields;
- redirect investment into assets that drive the transition forward – from securing up to 800MW of low carbon and transition assets by 2025[1], to exploring the conversion of our Rough gas storage facility to store hydrogen by 2035, and decarbonising the Humber industrial cluster by 2040; and
- grow the portion of our capital allocated to green-eligible activities from 5% to at least 50% by 2025[2].

We can't achieve these ambitions on our own, so we'll need to maintain an open dialogue with customers, government and others, to ensure they play their part as we play ours. For the transition to be a success, we must also ensure that we don't leave anyone behind. We'll therefore champion the needs of our customers and ensure support for those who struggle with their energy bills, create thousands of high quality inclusive green jobs, back sustainable initiatives in communities and work towards a low carbon supply chain.

Every three years, we'll provide an update on our Climate Transition Plan, with the next iteration due in 2024 followed by a shareholder advisory vote at the AGM in 2025. At the AGM in 2022, our existing Plan achieved a 79.96% shareholder advisory approval rate.

READ MORE ABOUT PROGRESS AGAINST OUR AMBITIONS ON PAGE 54

READ MORE AT CENTRICA.COM/CLIMATETRANSITION

READ MORE ABOUT CLIMATE ENGAGEMENT WITH TRADE ASSOCIATIONS AT CENTRICA.COM/TRADEASSOCIATIONS

(1) A mixed portfolio of solar, battery and gas-fired peaking assets, all enabling the grid to decarbonise.
(2) From 2024, our ambition for a zero-emission van fleet will be extended out to 2030 (see page 53). Our capital allocated to green investment will also run out to 2028 (see page 11).

RISK MANAGEMENT

Transition and physical climate risks alongside all wider risks, continued to be predominantly managed via our ERM Framework to ensure consistency in identification and controls management. The Framework uses a time horizon of 0–3 years to assess Principal Risks, coupled with a longer timeframe of 3–20 years to assess Emerging Risks. Following this process, climate change was made a Principal Risk in 2021 through to 2023.

The process starts with our wider strategic planning process, whereby Group Strategy and Environment, run the climate scenario analysis to identify and assess risks and opportunities across a range of plausible future scenarios. They then work closely with Group Enterprise Risk and Control, to ensure full consideration of potential financial impacts across time horizons, alongside integration within the ERM Framework, the Group Principal Risks table and business unit risk registers. Climate change risks alongside other business unit risks are then considered at the Group Risk and Controls Review. The most material Principal Risks which include Climate change alongside other risks that may impact our ability to deliver on our Climate Transition Plan such as Weather and Operational Asset Integrity, are subsequently reported to the CLT and then to the Board's ARC (see page 28). This is supported by more detailed reports on climate change strategy, progress, risk and opportunities, presented to the SESC. The Board Annual Planning Conference then examines the external landscape and strategic plans, which includes risk relating to market, competition, technology and policy, that are all influenced by climate change. With this context, the Board is able to review the robustness of the business's strategic proposals and transition plans.

READ MORE ABOUT RISK ON PAGES 28 TO 37

METRICS AND TARGETS

We've a strong track record in adopting best practice reporting of GHG emissions as well as in setting and achieving climate-related targets. Having fully considered the TCFD recommendations on metrics and targets, we report those that are most relevant and material to our business and stakeholders. As part of this, we robustly manage and mitigate our impact through our metrics, targets, ambitions.

These include:

- **metrics** for energy consumption and global GHG scope 1, 2 and 3 emissions (see emissions table overleaf). The majority of these metrics have undergone limited external assurance every year since 2012. In 2022-23, our emissions declined, mainly as a result of reductions at our Whitegate power station as well as our gas production operations.

- targets in our People & Planet Plan focus on being a net zero business by 2045 and helping our customers be net zero by 2050. They therefore actively contribute to the UK's target to get to net zero by 2050. The targets are also aligned to the Paris Agreement and based on science, corresponding to a well below 2°C pathway initially and 1.5°C by mid-century. We are, however, currently unable to progress our validation by the Science Based Target initiative (SBTi) due to the continued delayed Oil and Gas guidance, which the SBTi believe will apply to us. In alignment with best practice, our targets will predominantly be delivered through carbon abatement rather than offsetting. Although we expect to have hard-to-remove residual emissions in the 2040s, we'll use our in-house carbon trading team to engage high-quality carbon removal projects like tree planting, to achieve net zero in a credible way. Our targets receive limited external assurance on a rotational basis every three years. In 2023 we were on track with both our customer and business targets (see page 44); and
- climate transition ambitions. Our ambitions were introduced in our Climate Transition Plan to help respond to key risks and opportunities, and drive progress toward our People & Planet Plan net zero targets. Through incorporation into budgets, business plans and accounting assumptions, good progress is being delivered against our ambitions although we're behind on some of them. For example, our EV van fleet roll-out has been slowed due to deployment issues which includes not all engineers being able to charge their vehicles easily and efficiently due to the majority not having private driveways in which to charge their EV, especially as the wider charging infrastructure is growing at a slower rate than anticipated. This means we will not meet our 2025 ambition. Delivering for our customers will remain our top priority, so we have re-set our ambition for a zero-emission van fleet to 2030, which still remains five years ahead of the re-stated UK ban of new petrol and diesel vans. Likewise, demand for installing EV charging points and heat pumps has grown over the years but at a slower pace than expected. So we'll need to remain focused on developing capability and market-leading offers that excite customers into taking up and harnessing the value these technologies create (see page 44). We will review our ambitions in full as we develop our updated Climate Transition Plan due for publication in 2024. See more about our progress in our Climate Transition Dashboard overleaf, the performance of which is embedded into remuneration arrangements for Executive Directors.

To ensure we reduce our emissions and progress toward our climate transition targets and ambitions, we use an internal carbon price which helps guide commercial decisions in line with our Climate Transition Plan. In 2023 our internal carbon price ranged between £92/tCO_2e and £119/tCO_2e. The carbon price is time-sensitive and rises over time to incentivise future decisions and better predict long-term impact of regulation on our business. For example in 2023, our internal carbon price was utilised for hedging to support the decarbonisation of our fuel mix as well as to determine the price point for bidding in the energy market auction for potential future generation assets, alongside power purchase agreements.

Whilst the metrics and targets set out below and on pages 44 and 54 relate to our most material climate-related risks and opportunities, we measure and track a number of wider less material environmental metrics including water and waste (see pages 45 and 251). Our metrics, targets and ambitions will likely evolve in line with best practice and the changing world around us.

OUR ENERGY USE AND GHG EMISSIONS

	2023	2022
Total GHG emissions (scope 1 and 2)(1)	**1,681,475tCO_2e** †(2)	2,009,885tCO_2e (3)(4)
Scope 1 GHG emissions	**1,674,829tCO_2e** †(5)	2,004,693tCO_2e (4)(6)
Scope 2 GHG emissions	**6,647tCO_2e** †(7)	5,193tCO_2e (4)(8)
Scope 3 GHG emissions(9)	**21,180,922tCO_2e**	24,330,208tCO_2e
Total GHG intensity by revenue(10)	**64tCO_2e/£m** (11)	85tCO_2e/£m (12)
Total energy use	**7,437,652,380kWh** †(13)	9,047,097,047kWh (14)

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

† Included in DNV's independent limited assurance report. See page 249 or centrica.com/assurance for more.
(1) Comprises scope 1 and scope 2 emissions as defined by the Greenhouse Gas Protocol.
(2) Comprises UK 547,542tCO_2e and non-UK 1,133,933tCO_2e.
(3) Comprises UK 726,891tCO_2e and non-UK 1,282,994tCO_2e.
(4) Restated due to availability of improved data.
(5) Comprises UK 542,244tCO_2e and non-UK 1,132,585tCO_2e.
(6) Comprises UK 722,810tCO_2e and non-UK 1,281,883tCO_2e.
(7) Market-based, comprises UK 5,299tCO_2e and non-UK 1,348tCO_2e. Location-based is 17,041tCO_2e.
(8) Market-based, comprises UK 4,082tCO_2e and non-UK 1,111tCO_2e. Location-based is 16,275tCO_2e.
(9) Includes emissions from the following scope 3 categories defined by the Greenhouse Gas Protocol: purchased goods and services, capital goods, fuel and energy-related activities, waste generated in operations, business travel, employee commuting, upstream and downstream transportation and distribution, use of sold product and investments. All emissions are calculated in line with the methodologies set out by the Greenhouse Gas Protocol's technical guidance, apart from working from home emissions which are based on methodology set out in EcoAct's homeworking emissions whitepaper. Other categories spanning upstream leased assets, processing of sold products, end-of-life treatment of sold product, downstream leased assets and franchises, are not included because they are not relevant to our business.
(10) Carbon intensity of revenue is employed as our intensity measure because it is the most meaningful intensity measure for our diverse business and is the most widely used and understood measure for climate-related stakeholders such as CDP. Based on statutory revenue.
(11) Comprises UK 25tCO_2e/£m and non-UK 267tCO_2e/£m.
(12) Comprises UK 42tCO_2e/£m and non-UK 203tCO_2e/£m.
(13) Comprises UK & Offshore 1,654,616,311kWh and non-UK energy use 5,783,036,069kWh.
(14) Comprises UK & Offshore 2,394,832,533kWh and non-UK energy use 6,652,264,514kWh.

OUR CLIMATE TRANSITION DASHBOARD – PROGRESS AGAINST OUR CLIMATE TRANSITION PLAN 2021[1]

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

Progress against targets and ambitions: ● On track ● Behind

TARGETS & AMBITIONS	2023 Progress	2022 Progress
Customer GHG emissions – 28% intensity reduction by 2030 and net zero by 2050 (from 2019)	**10% reduction** ● On track	**6% reduction** ● Behind
Hive Active Heating – 2.5 million customers by 2025 (units to date)	2.4m ● On track	2.0m ● On track
Smart meters – 6 million additional installed by 2025 (from 2020)	3.0m ● On track	2.3m ● On track
EV charging points – 100,000 in year by 2025 (annual units)	7.0k ● Behind	7.4k ● Behind
Heat pumps – 20,000 in year by 2025 (annual units)	3.0k ● Behind	1.0k[2] ● Behind
Centrica GHG emissions – 40% reduction by 2034 and net zero by 2045 (from 2019)	**21% reduction** ● On track	**5% reduction[3]** ● On track
Low carbon and transition assets – 800MW installed by 2025 (from 2020)[4]	132MW ● On track	101MW ● On track
Fleet by 2025 (total to date)[5]		
– 100% EV van roll-out	29% ● Behind	23% ● Behind
– 100% EV car roll-out	74% ● On track	43% ● On track
Property – 50% reduction in UK emissions by 2030 (from 2019)	65% ● On track	63% ● On track
Capex – grow capital allocated to green activities from 5% to at least 50% by 2025 (from 2019)[5]	31% ● On track	9% ● On track

(1) Glidepath trajectory for climate transition ambitions is not linear. Demand is expected to increasingly grow, resulting in accelerated delivery against the target as we approach the target date.
(2) Restated to additionally include installations via ECO.
(3) Restated due to availability of improved data.
(4) A mixed portfolio of solar, battery and gas-fired peaking assets, all enabling the grid to decarbonise.
(5) From 2024, our ambition for a zero-emission van fleet will be extended out to 2030 (see page 53). Our capital allocated to green investment will also run out to 2028 (see page 11).

READ MORE ABOUT OUR WIDER DATA AND TRENDS IN OUR DATA CENTRE AT CENTRICA.COM/DATACENTRE

TASK FORCE ON CLIMATE RELATED FINANCIAL DISCLOSURES

The table below sets out the 11 TCFD recommendations and where the related information can be found.

Recommendation	Recommended disclosure	Pages
Governance	a) Describe the Board's oversight of climate-related risks and opportunities	Pages 47 to 48 and 57 to 71
	b) Describe management's role in assessing and managing climate-related risks and opportunities	Pages 47 to 48, 52, 72 to 78 and 82 to 83
Strategy	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	Pages 49 to 52,138 to 142 and 152 to 156
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	Pages 49 to 52, 138 to 142 and 152 to 156 CDP 2023 submission centrica.com/CDP23
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Pages 49 to 52
Risk management	a) Describe the organisation's processes for identifying and assessing climate-related risks	Pages 28 to 29, 48 and 52
	b) Describe the organisation's processes for managing climate-related risks	Pages 28 to 29, 31 to 32, 34, 48 and 52
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	Pages 28 to 29, 48 and 52
Metrics and targets	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Pages 52 to 54 Data centre at centrica.com/datacentre
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Pages 49 to 53
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Pages 44 and 52 to 54 Climate Transition Plan at centrica.com/climatetransition

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

Raj Roy
Group General Counsel
& Company Secretary
14 February 2024

PEOPLE AND PLANET – PERFORMANCE MEASURES

In 2023, we engaged DNV Business Assurance Services UK Limited (DNV) to conduct an independent limited assurance engagement using the International Standard on Assurance Engagements (ISAE) 3000 (Revised): ‘Assurance Engagements Other Than Audits or Reviews of Historical Financial Information’. DNV has provided an unqualified opinion in relation to four KPIs that are identified with the symbol ‘†’ and feature on pages 1, 53 and 251. It is important to read the responsible business information in the Annual Report and Accounts 2023 in the context of DNV’s full limited assurance statement and Centrica’s Basis of Reporting, which are available at centrica.com/assurance

READ MORE ABOUT OUR PEOPLE & PLANET PLAN ON PAGES 41 TO 55

READ MORE ABOUT OUR WIDER NON-FINANCIAL PERFORMANCE AT CENTRICA.COM/DATACENTRE

READ MORE ABOUT OUR SASB DISCLOSURE AT CENTRICA.COM/PEOPLEANDPLANET

PROGRESS AGAINST OUR PEOPLE & PLANET PLAN

Key: Progress against goals On track ● Behind ●

Goal	Milestone	2023 Progress		2022 Progress	
Create an engaged team that reflects the full diversity of the communities we serve by 2030 – this means all company and senior leaders to be[i]: o 48% women o 18% ethnically diverse o 20% disability o 3% LGBTQ+ o 4% ex-service	By the end of 2025: o 40% women o 16% ethnically diverse o 10% disability o 3% LGBTQ+ o 3% ex-service	**All company:** [ii]		All company: [ii]	
		o 30% women	Behind	o 30% women	On track
		– 41% excluding Field engineers	On track	– 41% excluding Field engineers	On track
		o 15% ethnically diverse	On track	o 14% ethnically diverse	On track
		o 3% disability	Behind	o 3% disability	Behind
		o 3% LGBTQ+	On track	o 3% LGBTQ+	On track
		o 2% ex-service	On track	o 2% ex-service	Behind
		Senior leaders: [ii]		Senior leaders: [ii]	
		o 32%women	Behind	o 33% women	On track
		– 32%excluding Field engineers	Behind	– 32%excluding Field engineers	On track
		o 9% ethnically diverse	Behind	o 9% ethnically diverse	Behind
		o 2% disability	Behind	o 3% disability	Behind
		o 2% LGBTQ+	On track	o 0% LGBTQ+	Behind
		o 2% ex-service	On track	o 3% ex-service	On track
Recruit 3,500 apprentices and provide career development opportunities for under-represented groups by 2030 (base year 2021)	2,000 apprentices by the end of 2025	**1,198 apprentices**	Behind	1,033 apprentices	On track
Inspire colleagues to give 100,000 days to build inclusive communities by 2030 (base year 2019)	35,000 days by the end of 2025	**20,383 days**	On track	13,155 days [iii]	Behind
Help our customers be net zero by 2050 [iv] (base year 2019)	28% greenhouse gas (GHG) intensity reduction by the end of 2030	**10% reduction**	On track	6% reduction	Behind
Be a net zero business by 2045 [v] (base year 2019)	40% GHG reduction by the end of 2034	**21% reduction**	On track	5% reduction [iii][vi]	On track

(i) Updated at the start of 2023 to align with newly released 2021 Census data for working populations.

(ii) Beyond gender, Centrica’s 2023 performance is based on colleague voluntary disclosure of 74% ethnic diversity, 45% disability, 51% LGBTQ+ and 3% ex-service. For 2022, this was 72% ethnic diversity, 40% disability, 47% LGBTQ+ and 2% ex-service. All company relates to everyone who works for Centrica. Senior leaders include colleagues above general management and spans senior leaders, the Centrica Leadership Team and the Board.

(iii) Restated due to availability of improved data.

(iv) Net zero goal measures the greenhouse gas (GHG) intensity of our customers’ energy use including electricity and gas with a 2019 base year of 183gCO_2e/kWh, normalised to reflect acquisitions and divestments in line with changes in Group customer base. Target aligned to the Paris Agreement and based on science to limit global warming, corresponding to a well below 2°C pathway initially and 1.5°C by mid-century.

(v) Net zero goal measures scope 1 (direct) and 2 (indirect) GHG emissions based on operator boundary. Comprises emissions from all operated assets and activities including the shipping of Liquified Natural Gas (LNG) alongside the retained Spirit Energy assets in the UK and Netherlands. Non-operated nuclear emissions are excluded. Target is normalised to reflect acquisitions and divestments in line with changes in Group structure against a 2019 base year of 2,132,680mtCO_2e. It’s also aligned to the Paris Agreement and based on science to limit global warming, corresponding to a well below 2°C pathway initially and 1.5°C by mid-century.

(vi) Previous figure included in DNV’s limited assurance scope for the Annual Report 2022 was 6%. See centrica.com/performanceandreporting for our 2022 Basis of Reporting and DNV’s 2022 Assurance Statement.

PROGRESS AGAINST OUR FOUNDATIONS

People

Metric	2023	2022	What's next
Customers			
British Gas Services & Solutions – Services Engineer Net Promoter Score (NPS) (i)	**+71**	+64	Deliver energy, services and solutions that energise a greener, fairer future for all
British Gas Energy – Energy Touchpoint NPS (ii)	**+17**	+13	
Bord Gáis Energy – Journey NPS (iii)	**+18**	+19	
Centrica Business Solutions – Energy supply Touchpoint NPS (iv)	**+32**	+31	
British Gas Services & Solutions – Services complaints per customer (v)	**6.0%**	7.0%	Maintain focus on driving down complaints by improving customer experience
British Gas Energy – Energy complaints per customer (vi)	**13.3%**	14.4%	
Bord Gáis Energy – Complaints per customer (vii)	**1.7%**	2.2%	
Centrica Business Solutions – Energy supply complaints per customer (vii)	**12.2%**	9.1%	
Customer support provided during the energy crisis (cumulative) (viii)	**£140m**	£53m	Ensure customers in vulnerable circumstances receive the help they need with their energy bills during the energy crisis and beyond
Customer safety incident frequency rate per 1,000,000 jobs completed	**2.82**	3.64	Keep customers safe by following controls and encouraging customers to maintain distance from work areas

(i) Measured independently, through individual questionnaires, the customer's willingness to recommend British Gas following a gas engineer visit.
(ii) Measured independently, through individual questionnaires, the customer's willingness to recommend British Gas Energy following contact.
(iii) Weighted NPS for the main customer interaction channels.
(iv) Measured independently, through individual questionnaires and the customer's willingness to recommend.
(v) Total complaints, measured as any expression of dissatisfaction where we identify material distress, inconvenience or financial loss, as a percentage of average customers over the year.
(vi) Total complaints, measured as an expression of dissatisfaction in line with submissions made to Ofgem, as a percentage of average customers over the year.
(vii) Total complaints, measured as any oral or written expression of dissatisfaction, as a percentage of average customers over the year.
(viii) Forms part of our total community contributions in the Communities section on page 251.

Metric	2023	2022	What's next
Colleagues			
Colleague engagement (i)	**7.7**	7.4	Strive to achieve top quartile performance by connecting colleagues with our purpose and strategy, whilst supporting them to be their best
Gender pay gap (ii)	**14% median** **15% mean**	23% median 15% mean	Reduce our pay gaps by building a diverse and inclusive team through our People & Planet Plan and associated Diversity, Equity and Inclusion Action Plans
Gender bonus gap (iii)	**14% median** **36% mean**	12% median 30% mean	
Ethnicity pay gap (ii)(iv)	**11% median** **2% mean**	10% median 3% mean	
Ethnicity bonus gap (iii)(iv)	**25% median** **4% mean**	23% median 0% mean	
Retention	**90%**	88%	Improve retention through our focus on talent development whilst providing a supportive and inclusive culture
Absence (v)	**10 days**	10 days	Reduce absence through good management practices alongside proactive support and education via our health and wellbeing suite of support
Total recordable injury frequency rate (TRIFR) per 200,000 hours worked	**0.84**	1.12	Drive down TRIFR and LTIFR by keeping safety front-of-mind and reinforcing a strong safety culture whilst advancing controls and monitoring
Lost time incident frequency rate (LTIFR) per 200,000 hours worked	**0.44**	0.67	
Process safety incident frequency rate (Tier 1 and 2) per 200,000 hours worked	**0.09**	0	Continue to ensure robust operational controls and operator competencies, timely safety-critical maintenance programmes and effective performance management
Significant process safety events (Tier 1)	**1**	0	
Fatalities	**1**	1	Return to zero fatalities

(i) Colleague engagement methodology has changed from percentage favourable to an average score out of 10, measuring how colleagues feel about the Company.
(ii) Based on hourly rates of pay for all employees at full pay (including bonus and allowances) at the snapshot dates of 5 April 2022 and 2023. Read our Gender and Ethnicity Pay Statement to find out more at centrica.com/pay.
(iii) Includes anyone receiving a bonus during the 12-month period leading up to the pay gap snapshot date and who are still employed on the snapshot date.
(iv) Based on 74% of colleagues in 2023 and 70% of colleagues in 2022, who confirmed whether they are from a Black, Asian or Mixed/Multiple ethnic group.
(v) Relates to absence from sickness rather than wider forms of absence such as bereavement.

Metric	2023	2022	What's next
Communities			
Total community contributions	**£501.6 million** [(i)]	£293.5 million [(ii)]	Make a big difference in our local communities – from helping people with their energy bills and energy efficiency, to volunteering and fundraising for causes that colleagues care passionately about
On the ground site audits completed	**20**	9	Continue to monitor and raise standards across our supply chain to reduce risk and guard against modern slavery, focusing on enhancing engagement and controls
Sites completing remote worker surveys	**13**	6	
Colleagues committed to Our Code	**96%**	98%	Ensure all colleagues uphold Our Code as part of our commitment to doing the right thing and acting with integrity

(i) Comprises £409.4 million in mandatory and £88.1 million in voluntary contributions to support vulnerable customers and colleagues, alongside £4.0 million in charitable donations which includes £0.21million in contributions from third parties such as colleague fundraising. Sum of constituent parts is lower than total due to rounding. Voluntary category extended to include colleagues following the introduction of our Colleague Support Foundation.

(ii) Restated due to availability of improved data. Comprises £243.8 million in mandatory and £45.1 million in voluntary contributions to support vulnerable customers, alongside £4.5 million in charitable donations which includes £0.23 million in contributions from third parties such as colleague fundraising. Sum of constituent parts is lower than total due to rounding.

Planet

Metric	2023	2022	What's next
Greenhouse gas (GHG) and energy			
Total GHG emissions (scope 1 and 2) [(i)]	**1,681,475tCO_2e** [(ii)]†	2,009,885tCO_2e [(iii)(iv)(v)]	Measure and reduce our emissions through our People & Planet Plan by focusing on being a net zero business by 2045 and helping our customers be net zero by 2050
Scope 1 emissions	**1,674,829tCO_2e** [(vi)]†	2,004,693tCO_2e [(iv)(v)(vii)]	
Scope 2 emissions	**6,647tCO_2e** [(viii)]†	5,193tCO_2e [(iv)(v)(ix)]	
Scope 3 emissions [(x)]	**21,180,922tCO_2e**	24,330,208tCO_2e	
Total GHG intensity by revenue [(xi)]	**64tCO_2e/£m** [(xii)]	85tCO_2e/£m [(xiii)]	Analyse the impact of our strategy on decoupling GHG emissions from value creation
Total energy use	**7,437,652,380kWh** [(xiv)]†	9,047,097,047kWh [(v)(xv)]	Remain focused on energy efficiency as we strive to be a net zero business by 2045
Water, waste and non-compliance			
Total water use	**335,512m^3**	317,760m^3	Effectively monitor, manage and reduce our water use and waste production, as well as our incidence of environmental non-compliance
Total waste generated	**15,161 tonnes**	18,686 tonnes	
Environmental non-compliance [(xvi)]	**12**	22	

Reporting is based on operator boundary which is the more commonly used approach for reporting environmental matters, and includes all emissions from our shipping activities relating to LNG alongside the retained Spirit Energy assets in the UK and Netherlands. Non-operated nuclear emissions are excluded.

† Included in DNV's independent limited assurance report. See page 249 or centrica.com/assurance for more.

(i) Comprises scope 1 and scope 2 emissions as defined by the Greenhouse Gas Protocol.

(ii) Comprises UK 547,542tCO_2e and non-UK 1,133,933tCO_2e.

(iii) Comprises UK 726,891tCO_2e and non-UK 1,282,994tCO_2e.

(iv) Restated due to availability of improved data.

(v) Included in DNV's limited assurance scope for the Annual Report 2022. See centrica.com/performanceandreporting for our 2022 Basis of Reporting and DNV's 2022 Assurance Statement. Previous figures included in DNV's limited assurance scope include total GHG emissions 2,007,655tCO_2e, scope 1 1,994,153tCO_2e and scope 2 13,502tCO_2e.

(vi) Comprises UK 542,244tCO_2e and non-UK 1,132,585tCO_2e.

(vii) Comprises UK 722,810tCO_2e and non-UK 1,281,883tCO_2e.

(viii) Market-based, comprises UK 5,299tCO_2e and non-UK 1,348tCO_2e. Location-based is 17,041tCO_2e.

(ix) Market-based, comprises UK 4,082tCO_2e and non-UK 1,111tCO_2e. Location-based is 16,275tCO_2e.

(x) Includes emissions from the following scope 3 categories defined by the Greenhouse Gas Protocol: purchased goods and services, capital goods, fuel and energy-related activities, waste generated in operations, business travel, employee commuting, upstream and downstream transportation and distribution, use of sold product and investments. All emissions are calculated in line with the methodologies set out by the Greenhouse Gas Protocol's technical guidance, apart from working from home emissions which are based on methodology set out in EcoAct's homeworking emissions whitepaper. Other categories spanning upstream leased assets, processing of sold products, end-of-life treatment of sold product, downstream leased assets and franchises, are not included because they are not relevant to our business.

(xi) Carbon intensity of revenue is employed as our intensity measure because it is the most meaningful intensity measure for our diverse business and is the most widely used and understood measure for climate-related stakeholders such as CDP. Based on statutory revenue.

(xii) Comprises UK 25tCO_2e/£m and non-UK 267tCO_2e/£m.

(xiii) Comprises UK 42tCO_2e/£m and non-UK 203tCO_2e/£m.

(xiv) Comprises UK & Offshore 1,654,616,311kWh and non-UK energy use 5,783,036,069kWh.

(xv) Comprises UK & Offshore 2,394,832,533kWh and non-UK energy use 6,652,264,514kWh.

(xvi) Includes breaches of environmental authorisation including permit, licence and consent coupled with wider environmental legislation where we are either required to notify the regulator or where an authority or regulator is involved. The majority of incidents relate to offshore activities.