



SAY ON CLIMATE Assessment

UK

centrica

2025

Transparency rating

58%

of alignment with FIR
recommendations



PERFORMANCE SCORE

38 %

NARRATIVE SCORE

A B C D E

TREND SCORE

=

Centrica has set a **Net Zero ambition by 2040 for its operations and by 2050 for its customers**, with limited reliance on offsetting (a maximum of 10%) and a commitment not to invest in the exploration of new gas fields. The company refers to 1.5°C aligned scenarios **but states that its decarbonisation trajectories, not certified by an external third party, are WB2°C in the medium term** (2032 for its operations' emissions and 2030 for its customers' emissions) **and even well above WB2°C before 2032 for its operations' emissions**. Similarly, emissions will increase in 2024 compared with 2023, and **no precise reduction target has been communicated for the short term** (before 2030). In the medium term, **the Group is targeting -50% absolute GHG emissions for its operations (2032) and -28% in intensity for its customers (2030)**. The action plan is detailed for emissions linked to operations and customer emissions, but lacks precise figures, particularly for the part linked to operations. Lastly, Centrica plans to **make 50% of its investments 'green' by 2028**, without giving sufficient details on the nature and allocation of these investments. Variable remuneration includes a climate criterion, but it is given little or no weighting and the extent to which it has been achieved is not detailed.

As early as 2021, the **French Forum for Responsible Investment (FIR)** has called for the widespread adoption of stringent Say on Climate (SOC). After a first edition on 2022, the FIR signed again [an agreement with 48 French and European signatories](#), encouraging the development of SOC. Meanwhile, in 2022, FIR began analyzing the climate plans of French companies that submit them to shareholder vote. After joining forces in 2023, **FIR and ADEME** extended their partnership in 2024 by teaming up **with Ethos and the World Benchmarking Alliance**. Again this year, these players will be working together to study the climate plans of **European companies** submitted to a consultative vote by shareholders at their general meetings in 2025.

In 2022, FIR had published [fact sheets](#) assessing the extent to which French companies' climate strategies were in line with **its recommendations**. In 2023, as part of the partnership with ADEME, these analysis reports will be enriched **with the ACT assessment tool** to measure the contribution of corporate strategies and actions to the mitigation objectives of the Paris Agreement.

Analyses will be published as they become available, ahead of their annual general meetings.

As in previous years, FIR wishes to salute the efforts of companies that contribute to improving shareholder dialogue, and encourages them to reiterate the Say on Climate exercise annually.

CONTENTS

- ▶ [Assessment according to the FIR analysis grid](#)
- ▶ [ACT assessment](#)
- ▶ [FIR recommendation grid](#)
- ▶ [ACT evaluation methodology](#)
- ▶ [ACT Generic methodology](#)

Ambition Net Zero 2050

Ambition of carbon neutrality 2040 for the Group's activities and 2050 for its customers' activities
Does not provide for more than 10% compensation for the Group's activities and those of its customers

Reference scenario(s) used

Refers to the SBTi "linear annual reduction method" scenario aligned with 1.5°C for the Group's operations and the UK Climate Change Committee's (CCC) Balanced Net Zero (BNZ) Pathway aligned with 1.5°C.

Also refers to the UK Climate Change Committee's (CCC) Balanced Net Zero (BNZ) Pathway scenario aligned with 1.5°C for the alignment of its customers' emissions.

▷ However, decarbonisation trajectories have not yet been certified by SBTi.

▷ Before 2030, the trajectories are not aligned with a 1.5°C scenario (WB2°C for the 2032 target for its operations, well above WB2°C before 2030; WB2°C for the 2030 target for its customers' activities).

Current GHG emissions (2024 vs 2023)

Increase in emissions on all scopes vs. 2023, but 20% reduction in emissions from its operations and 10% reduction in the carbon intensity of its customers' emissions since 2019

SCOPE 1	SCOPE 2 (market based)	SCOPE 3
1,726,177tCO ₂ (vs 1,678,457) 7%	7,706tCO ₂ e (vs 7,383) 0%	21,860,510tCO ₂ e (vs.21,180,922) 93%

Short-term GHG emissions reduction target (before 2030)

▷ The company expects emissions from its operations to increase until around 2030 (due in part to increased emissions from gas storage and electricity generation)

▷ Does not have precise and communicated targets for reducing its emissions before 2030

Medium-term GHG emissions reduction target (between 2030 and 2040)

Emissions from its operations:

Absolute reduction of 50% in 2032 vs. 2019

Customer emissions:

28% reduction in the intensity of energy use by customers in 2030 vs. 2019 (corresponding to 27% in absolute terms)

▷ The company declares that all its medium-term targets (2030 and 2032) are WB2°C, but these targets are not certified by an external third party.

▷ Targets not in line with a 1.5°C scenario

Long-term GHG emissions reduction target (2050 or earlier)

Net zero 2040 for emissions from its operations (95% reduction in 2040 vs 2019) and Net zero 2050 for its customers' activities

▷ No precise reduction targets communicated between 2030 and 2050 for its customers' activities (communicates on a trajectory if current conditions are maintained and a Net Zero trajectory targeted)

Action plan measures

- For actions on emissions linked to Centrica's operations:

1/Up to 2032: the levers for reduction involve in particular reducing emissions from LNG transport and gas production.

For gas production and storage, the most important reduction lever involves, for example: depleting existing gas reserves by mid-2030s, assessing the viability of CCUS on the Morecambe Net Zero Hub, planning the phased conversion to hydrogen at the Rough storage facility, being an active partner in H2H Easington and the Humber Hydrogen Hub, and actively developing green and blue hydrogen projects across the UK. Target 3GW of hydrogen production capacity by 2030 (16.7 GW of assets under management in renewable and flexible assets by 2024)

2/After 2032: the main reduction levers are those linked to lower emissions from gas storage and baseload energy production.

- For actions linked to its customers' emissions:

1/up to 2030: reduction through efficiency measures, savings linked to fuel switching, decarbonisation of gas, decarbonisation of the electricity grid (the most important lever); 2/from 2030 to 2050: same levers but with greater emission reductions (particularly for savings linked to fuel switching).

The company makes an effort to publish the contribution of each type of action to reducing emissions, and illustrates this with numerous examples

It also talks about the steps it is taking with the public authorities to implement its plan

○ However, this contribution could be more precise (exact % contribution of each action or type of action) and the measures could be quantified for the emission reduction part linked to the operations (e.g. solar and wind power?).

CAPEX / OPEX investment alignment

Target of 50% of total investment in green activities between 2023 and 2028 (across security and flexibility of supply, renewable generation and customers), equivalent to £282m in 2024

The company plans to publish its taxonomic alignment in 2026

▷ The company could be more transparent about what it refers to as "green activities".

▷ Could be more granular and detailed to better understand investment allocation per share

Remuneration

Annual variable: 37.5% based on a "scorecard" made up of 14 criteria, one of which is entitled "progress towards the climate transition plan" (two objectives: to be Net Zero on its operations in 2045* and on its customers' activities in 2050; the company states that it has met its objective for the first and is a little behind for the second).

▷ Lack of transparency on the % allocated to the criterion linked to progress on the climate plan (1 criterion out of 14 sharing 37.5% of the annual variable)

▷ Lack of transparency on the proportion of the target achieved for the climate plan criterion

▷ For the long term: a criterion linked to the climate transition plan but little transparency on the % allocated and the achievement of the target

Annual consultative vote on implementation

* the deadline is now 2040

No annual consultative vote on the climate report

Consultative vote on strategy every three years

No commitment, but a consultation had already taken place in 2022

Caption:

○ Indicates that all the criteria for obtaining all the points have been met, but suggests improvements in terms of transparency

▷ Failure to obtain full points



PERFORMANCE SCORE

38%

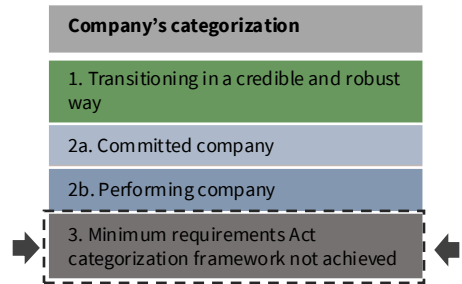
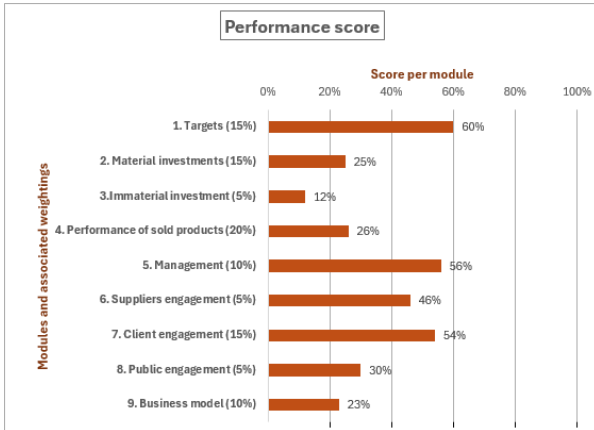
NARRATIVE SCORE

A B **C** D E

TREND SCORE

=

ACT Generic Methodology



*The company's categorization explanations are available in slide 6

The score for each module is weighted (see slide 7) and results in a performance score.

Transition plan's assessment

Performance score

1. Targets : Centrica has set a net-zero target for its operations and its customer emissions, without having clearly defined what this means in terms of emission reductions. Centrica's targets are not sufficiently ambitious to be aligned with the IEA oil and gas industry transition pathway.

2. Material investment: Centrica's trend in past emissions from material investments has sufficiently decreased which is positive, but the company projects that emissions will increase in the future. The company's CAPEX investments towards green activities is still too low (31%), but the company has committed not to invest in exploring new gas fields.

3. Immaterial investment : Centrica does not report quantified information on its R&D activities on climate protection.

4. Sold product performance: Centrica has identified its actions levels for decarbonisation of its activities and has quantified the expected impact of each action, which is positive. A financial quantification of the costs associated to each measure is still missing. Centrica advocates for the use of hydrogen for domestic heating, which the vast majority is currently produced from fossil fuels. The company should bring forward evidence that hydrogen is more advantageous than other existing technologies, such as heat pumps, before advocating for hydrogen.

5. Management : Overall Centrica has put in place a governance and a transition plan that can allow the management of its climate related challenges. According to publicly available data, the management has no low-carbon transition related expertise. The transition plan should include additional financial information. Management incentives should also include long-term components.

6/7. Value chain engagement : Overall supplier engagement is in place but key components are lacking. Centrica can improve its supplier engagement by defining a response in case of supplier non-compliance to the climate related requirements. Client engagement is also present but actions that are deployed should also cover collaboration & innovation, compensation and customer motivation via marketing and choice architecture.

8. Public engagement : Centrica has a climate policy and reviews its memberships. Centrica is a member of the IOGP which advocates for a continued role for fossil gas in a future energy-mix. Centrica engages with public authorities on climate but does not partner with authorities or local partners to implement long term policies with concrete step such as pilot programs.

9. Business model : Centrica has committed to end exploration activities and exploit its existing gas reserves.

Transition plan's consistency (narrative score): Overall the company's business model and strategy is partly aligned with the low-carbon transition and there is evidence that the company is strategically repositioning itself. Unfortunately the company is involved in a carbon bomb project in the UK gas operation.

Trend score : Centrica receives a trend score of =. If the company were reassessed in the near future, its score would likely remain unchanged.

Areas of improvements :

Even though the company has a comprehensive reporting and is exploring decarbonisation activities, its progress to reduce its major emission sources is not sufficient. It is highly positive that the company has reported stopping oil and gas exploration. The action plan should be directed towards existing and proven solutions, such as heat pumps and renewables, instead of focusing on unproven technologies such as CCUS or hydrogen. The company's narrative towards fossil gas is not ambitious enough and Centrica is encouraged to allocated and disclose financial resources towards solutions that shift its fossil dependent business towards existing climate positive solutions.

SAY ON CLIMATE 2025 evaluation grid

based on follow-up to FIR recommendations

	●	●	●
Ambition net zero 2050	If the ambition of contributing to carbon neutrality by 2050 is declared and clear explanations are given on how to achieve this neutrality The level of negative emissions is limited	The ambition to contribute to carbon neutrality by 2050 is declared and the explanations on how to achieve this neutrality are clear. The level of negative emissions is high	A declared ambition, but very little clarity on how the company intends to achieve carbon neutrality (no long-term reduction targets, targets set are not very credible, heavy reliance on offsetting, etc.) or no declared ambition to be carbon neutral by 2050
Reference scenarios used	The company positions its climate strategy in relation to a 1.5°C warming scenario for all scopes	The company uses a reference scenario limiting warming to between 2°C and 1.5°C, or 1.5°C for only part of its scope	No reference scenario explicitly mentioned or scenario(s) not used to define the strategy
Current GHG emissions	Disclosure of absolute greenhouse gas emissions; breakdown by scope; downward trend in past emissions (over at least 3 years) in line with company targets	Insufficiently detailed disclosure of absolute greenhouse gas emissions and/or lack of substantiated justification for the absolute increase in emissions over the last 3 years	No public data or little or no justification for the upward trend in emissions intensity and absolute values
Short-term GHG emissions reduction target	If the quantified emission reduction targets before 2030, expressed at least in absolute terms, cover the 3 scopes and are set in relation to the company's 1.5°C alignment trajectory. This trajectory has been scientifically validated.	If the quantified emission reduction targets before 2030 do not cover the majority of the company's activities, or if these targets cover all activities but are on a trajectory of between 2°C and 1.5°C	No quantified target for reducing emissions in the short term, or targets that are not very ambitious in the short term (reference year too far in the past, no absolute reduction, not scientifically validated, etc.)
Medium-term GHG emissions reduction target	If the quantified emission reduction targets between 2030 and 2040, expressed at least in absolute terms, cover the 3 scopes and respect the alignment with a 1.5°C scenario. This trajectory has been scientifically validated	If the quantified emissions reduction targets between 2030 and 2040 do not cover the majority of the company's activities, or if these targets cover all activities but are on a trajectory of between 2°C and 1.5°C	No quantified target for reducing emissions in the medium term, or targets that are not very ambitious in the medium term (reference year too far in the past, no absolute reduction, not scientifically validated, etc.)
Long-term GHG emissions reduction target	If the quantified emission reduction targets for 2050 or earlier, expressed at least in absolute terms, cover the 3 scopes and are set in relation to the company's 1.5°C alignment trajectory. This trajectory has been scientifically validated	If the quantified emission reduction targets for 2050 or earlier do not cover the majority of the company's activities, or if these targets cover all activities but are on a trajectory of between 2°C and 1.5°C	No quantified target for reducing emissions in the long term, or targets that are not very ambitious in the long term (reference year too far in the past, no absolute reduction, not scientifically validated, etc.)
Action plan measures	Detailed measures for each scope of the company with a sufficient level of detail, including short- and medium-term figures, to enable the alignment of this plan with the objectives set to be assessed.	Detailed measures for each scope of the company, but insufficient detail to assess the level of alignment with the objectives set (lack of quantified measures in particular)	Measures with little or no detail
Investment alignment (OPEX / CAPEX)	Details the proportion of investments (OPEX and CAPEX) that contribute to meeting short- and medium-term targets, and explains how these investments enable the targets to be met	The information provided on the contribution of investments to the achievement of objectives does not allow an understanding of how the company achieves the objectives set	No investments contributing to the achievement of explicit objectives
Remuneration	All variable parts of the remuneration of corporate officers include at least one criterion that assesses the achievement of greenhouse gas emission reduction targets. The % of remuneration determined by this criterion is published; it represents a significant proportion (10% or more)	At least part of the variable part of the remuneration of corporate officers is covered by a non-diluted criterion for reducing greenhouse gas emissions in line with the reduction trajectory defined by the company	The criterion included in the remuneration of corporate officers relating to the reduction in greenhouse gas emissions is diluted, or does not follow the reduction trajectory defined by the company. or No criteria relating to the reduction of greenhouse gas emissions are included in executive remuneration
Annual consultation on implementation	The company undertakes to consult shareholders annually on the implementation of its climate change strategy	The company is committed to consult shareholders on the implementation of its climate strategy over the coming years	The company does not undertake to consult shareholders on the implementation of its climate strategy
Consultation on strategy every three years	The company undertakes to consult shareholders on its climate strategy at least every three years	The company undertakes to consult shareholders on its climate strategy over the coming years	The company makes no commitment to consult shareholders on its climate strategy

SAY ON CLIMATE FR - 2025

Weighting: the two final criteria correlated with the vote are given a weighting of 0.5 each, while the other nine retain a weighting of 1.

→ IT'S TIME TO ACT

WHAT IS ACT ?

A joint voluntary initiative of the UNFCCC secretariat Global Climate Agenda.

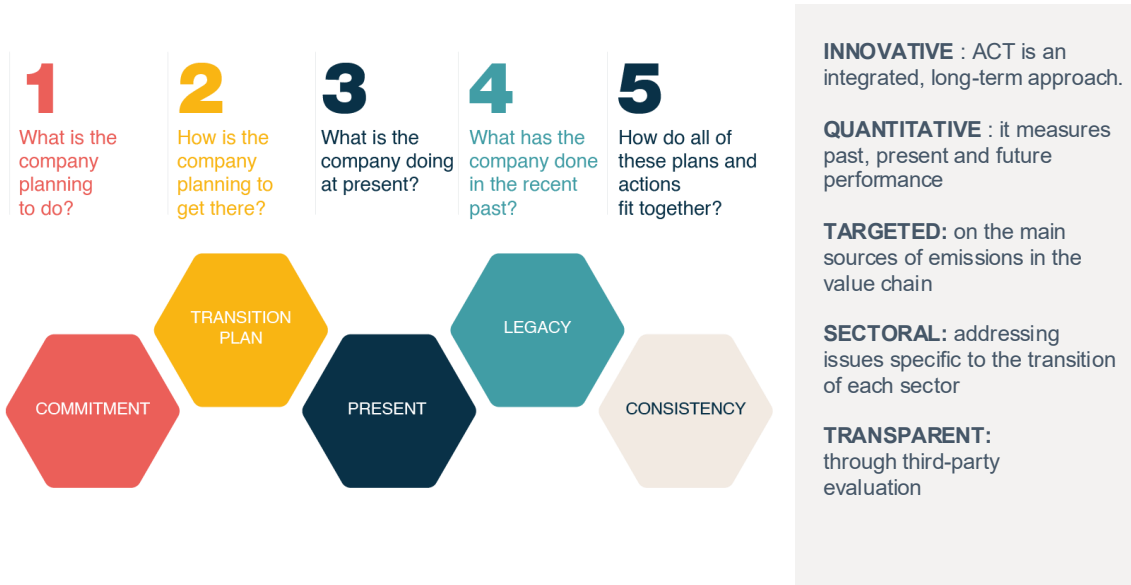
WHY ACT ?

Drive climate action by companies and align their strategies with low-carbon pathways.

HOW DOES ACT WORK ?

ACT provides sectoral methodologies as an accountability framework to assess how companies' strategies and actions contribute to the Paris mitigation goals.

FRAMEWORK



ACT ASSESSMENT

For what purpose?

Credibly measure the contribution to the net-zero objective in relation to sectoral low-carbon trajectories.

For whom?

Companies with science-based objectives and/or a transition plan ready for assessment



ACT assessment categorization

The purpose of this categorization is to leverage on the ACT assessment methodologies, that provide an in-depth assessment of strengths and weaknesses of company’s transition plans and propose a categorization framework providing a clear signal on a company’s situation. It is willing to address the following question “what is a good ACT score?”.
All the information on this paper is to be found [here](#).

The categorization framework proposed is the following:

- 1. Companies transitioning in a credible and robust way;
- 2. Companies partially satisfactory on one or two of the following aspects:
 - a. Companies “committed” that are ambitious enough but have not yet demonstrated the performance;
 - b. Companies “performing” that have demonstrated good GHG trajectory at the moment but haven’t provide aligned ambitions.
- 3. Companies **not** transitioning in an enough credible and robust way.

The categorization of companies proposed in this paper is based on thresholds on the global performance score, complemented by safeguards on relevant sub-module performance score levels, on narrative and on trend scores. The categorization framework is sum-up in the table below :

Category	1. Transitioning in a credible and robust way	2a. Committed	2b. Performing	3. Not transitioning in a credible and robust way ²
Criteria application	Criteria blocks are cumulative			Criteria blocks are alternative ³
Global performance score	≥12/20	No threshold.		Global < 12/20 AND
Module performance scores	Module 1 ≥ 75% Modules 2+4 ≥ 60% Where relevant: Modules 6+7≥ 50%	Module 1 ≥ 75%	Modules 2+4 ≥ 60%	Module 1 < 75% AND Modules 2+4 < 60%
Narrative score	≥ C global AND ≥ C on consistency and credibility AND reputation			< C global OR <C on consistency and credibility OR reputation
Trend score	= or +			-

ACT Methodology

Generic

The full ACT methodology for the Generic sector can be found on [our website](#). The detailed assessment is summarized in a score based on three criteria: performance, overall consistency and trend. It takes the following form:

- **Performance:** number between 1 and 20
- **Evaluation (consistency):** letter between A and E
- **Trend:** + (improvement), - (deterioration), = (stable)

Module	Indicateur
1. Targets	1.1 Alignment of scope 1+2 emissions reduction targets
	1.2 Alignment of upstream scope 3 emissions reduction targets
	1.3 Alignment of downstream scope 3 emissions reduction targets
	1.4 Time horizon of targets
	1.5 Achievement of previous and current targets
2. Material investment	2.1 Trend in past emissions intensity from material investment
	2.2 Trend in future emissions intensity from material investment
	2.3 Share of Low Carbon CAPEX
	2.4 Locked-in emissions from own fleet and buildings
3. Intangible investment	3.1 R&D spending in low-carbon technologies
	3.2 Company climate change mitigation patenting activity
4. Sold product performance	4.1 Product-specific interventions
	4.2 Trend in past product / service specific performance
	4.3 Locked-in emissions from sold products
	4.4 Sub-contracted transport service performance
5. Management	5.1 Oversight of climate change issues
	5.2 Climate change oversight capability
	5.3 Low-carbon transition plan
	5.4 Climate change management incentives
	5.5 Climate change scenario testing
6. Supplier engagement	6.1 Strategy to influence suppliers to reduce their GHG emissions
	6.2 Activities to influence suppliers to reduce their GHG emissions
7. Client engagement	7.1 Strategy to influence client behaviour to reduce their GHG emissions
	7.2 Activities to influence customer behaviour to reduce their ghg emissions
8. Policy engagement	8.1 Company policy on engagement with associations, alliances, coalitions or thinktanks
	8.2 Associations, alliances, coalitions and thinktanks supported do not have climate-negative activities or positions
	8.3 Position on significant climate policies
	8.4 Collaboration with local public authorities
9. Business model	9.1 Revenue from low-carbon products and/or services
	9.2 Changes to business models
	9.3 Share of product/service sales used in client low-carbon products/services

Narrative scoring

1. Business model and strategy
2. Consistency and credibility
3. Reputation
4. Risks

Trend scoring

1. Probability of emissions' evolution
2. Evolution of business model and strategy

Disclaimer:

The information and assessments disclosed here do not constitute investment or voting advice. Each organisation individually determines the most appropriate way to use this information. In addition, the information and assessments contained in this document reflect a judgement at the time these assessments were made and do not guarantee that the most recent information on the company has been taken into account, as this information may have been published between the assessment and the publication of this document.