

2012 STAKEHOLDER ENGAGEMENT SUMMARY

Stakeholder Group	How we engage	Stakeholder feedback and the actions we took
Customers	Surveys and online forums Focus groups, workshops and interviews Direct feedback through websites, social media and customer service advisors Customer Panels, for both business and domestic customers	Prioritise affordability Minimised price increases to customers by providing lowest tariff increase of the six major UK energy providers, introduced Tariff Check to let customers know if British Gas has a better tariff for them, and by providing energy efficiency solutions to reduce energy consumption. Improve customer service Consolidated our Energy and Services customer service teams in British Gas to simplify the customer journey and empowered employees to share learning. Customer satisfaction increased in 2012 in British Gas by 15% and in Direct Energy by 40% based on Net Promoter Score. Clarity on tariffs and pricing Redesigned bills and annual statements to make them easier for customers to understand. Consumer campaign group Which? awarded British Gas a five-star rating for the clarity of the new bills.
Government	Consultation responses Direct engagements with government and regulator representatives Engagement with politicians	Security of supply Continued to work closely with UK Government and Parliamentarians to bring forward policies to help reform the electricity market, and helped inform regulators in Texas about policy considerations under review to address resource adequacy concerns. Energy efficiency and fuel poverty Responded to consultations in the UK on Green Deal and ECO to contribute to the development of those programmes. Shared our learning and customer insights from smart meter enabled products in the US with regulators and legislators to show the impacts of load-shifting to off-peak periods and increased awareness of energy efficiency. Trust Improving the understanding of what makes up the average consumer bill and how people can best control their energy costs. Showing regulators and legislators in the US the tangible innovation that competitive markets bring and providing the data to support the resulting benefits from giving consumers choice and control.
Investors including SRIs	Performance and strategy updates Focus groups and workshops Direct engagements	Risk of increased regulatory scrutiny Briefing our investors about our engagement with government and regulators on key issues for the business including the reform the electricity market through the Electricity Market Reform, Gas Generation strategy and Capacity Mechanisms. Managing environmental risks and community relations Continued implementation of environmental management systems in all our operations. Discussions with coastal communities helped gain consent for our proposed Race Bank offshore wind farm project. Governance and remuneration Changed the way we report on remuneration to make performance targets and outcomes more transparent and total remuneration easier to understand.
Employees	One on one discussions Training, workshops and master classes 2012 employee engagement survey	Understanding of business vision British Gas introduced new programmes to engage employees on our vision during 2012, including the 'Extraordinary You!' programme for engineers. Learning and development opportunities Continued training and development opportunities including The CE Way of Management in Centrica Energy and Direct Energy's Leaders Journey. Fair reward Implemented a new performance management system to ensure managers make informed pay decisions and developed a new benefits programme to allow UK employees to tailor their mix of salary and benefits to suit their needs.

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NGOs	<p>Focus groups</p> <p>Direct engagements including during planning consultations</p> <p>Strategic partnerships</p> <p>External panel, CR Advisory Group, set up in 2011</p>	<p>Increase investment in renewables and reduce carbon emissions</p> <p>First power at our Lincs offshore wind farm, capable of providing enough electricity for 200,000 homes upon completion. The annual carbon savings we have enabled through our customer energy efficiency measures have saved the equivalent of the emissions from a 1.8GW wind farm.</p> <p>Support vulnerable customers</p> <p>We have the widest criteria in the UK's Warm Home Discount Scheme, providing 500,000 customers with the £130 rebate on their electricity bill in the 2012/13 winter. In North America, our work with federal and state agencies helped support more than 61,000 customers in Texas with almost £6m in grants.</p> <p>Managing our environmental impacts</p> <p>Minimised the environmental impact from laying a cable through salt marshes at our Lincs wind farm, with a Natural England study concluding the area would be fully recovered within five to seven years.</p>
Suppliers	<p>One-on-one discussions</p> <p>Site visits</p> <p>CR supplier assessments</p> <p>Supplier Forum</p>	<p>Payment terms</p> <p>We are a signatory of the Prompt Payment Code and we have signed up to the Government Supply Chain Finance initiatives.</p> <p>Listening to suppliers</p> <p>Through our 'Voice of the supplier' programme, we are contacting our major suppliers to get feedback on their experience of engaging with Centrica and the areas we can improve.</p> <p>Risk management</p> <p>We are now rolling out a supplier assessment programme designed to work with suppliers to improve social and environmental performance within our supply chain.</p>
Communities	<p>Social media and online discussion forums</p> <p>Regular and ad hoc meetings with charities and local community partners</p> <p>Public consultations</p> <p>Employee volunteering</p>	<p>Community investment</p> <p>In 2012, we contributed £233.6 million to supporting vulnerable customers, charities and community and social projects through our mandatory programmes and charitable activities.</p> <p>Poverty and social exclusion</p> <p>Started a five-year agreement with Shelter to help one million British households improve the standard of their homes. Contributed £12.7m into the British Gas Energy Trust to provide people struggling to pay their bills with advice and grants.</p> <p>Skills and employment</p> <p>Continued our UK apprentice and graduate schemes. Supported the launch of the Plotr campaign to help young people in the UK around qualifications and career choices.</p>
Trade Unions	<p>Formal consultation, national quarterly meetings and regular local meetings</p> <p>Informal regular and ad-hoc meetings</p> <p>Informing local representatives about matters that affect their members</p>	<p>How we manage change and business re-organisations</p> <p>Extensive formal consultation took place in all our business restructures, and we supported employees through a range of measures including regular communications, career development, outplacement and financial support.</p> <p>Pensions auto enrolment and benefits transformation project</p> <p>Unions have been fully engaged throughout the pensions auto enrolment and benefits transformation process through consultation and communication.</p>