

Satisfying the changing needs of our customers

Corporate Responsibility Performance Update 2015



Chief Executive's Introduction

"We have a duty to improve and evolve how we do business, and the impact we have on society."



Iain Conn, Chief Executive

The supply of energy and related services is fundamental to human progress. As such, Centrica clearly has a vital role in society, supplying millions of customers and securing the energy they need. However, to succeed in the 21st century, I recognise it is not enough for us simply to provide energy and services for homes and businesses. We have a duty to improve and evolve how we do business, and the impact we have on society.

We conducted a strategic review of our business in 2015. We concluded we are primarily a customer-facing energy and services company and that everything we do is focused on satisfying the changing needs of our customers. This is where we have distinctive capabilities and with over 200 years of experience, is where we can make the greatest direct contribution to society.

The outcome of the review has already sparked changes across our business that will enable us to deliver products and services that respond more competitively to changing customer needs. While securing energy supply remains an important part of our company, we are reducing the scale of our Exploration and Production (E&P) business to a level that allows us to provide the diversity and strength of business mix we require, while also allowing us to invest more in our growing customer-facing businesses.

We have created new global businesses, Connected Home and Distributed Energy and Power (DE&P), to revolutionise the way customers interact with their energy by giving them greater choice and control over how they use and generate energy, while our team of 12,000 engineers and technicians means we are well positioned to provide high quality installation and maintenance services in our customers' premises.

Alongside these changes, we must build trust and enhance our reputation as a purposeful business, a good corporate citizen and an employer of choice. Firstly, we must operate safely and in a compliant and ethical manner, respecting laws and regulations. We must be excellent in customer service. We must strengthen relationships with regulators and all our other stakeholders, and make a positive contribution to specific issues such as pricing and vulnerability, energy security and climate change.

By focusing on these areas, I am confident we will better adapt to the challenges and opportunities that arise in the rapidly-changing world of energy and build trustworthiness in our business and sector. Not only will this secure our long-term sustainable growth, it will define us as a 21st century energy and services company.

While I am encouraged by our progress, we cannot achieve the change needed on our own. We need energy policy that is cost-effective, enables energy security and a lower carbon future and provides effective support for the vulnerable. We also need a regulatory framework which enables these things to happen while encouraging competition. Within that context it is our task to operate responsibly and to deliver excellent propositions and win for our customers.

Iain Conn
Chief Executive

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We provide updates on how we do business throughout the year. Explore more about our material issues, our stories and our data online.



CENTRICA.COM/CR

Strengthening relationships for a better future

Quality relationships with key stakeholders help evolve how we do business and determines our long-term success.



PRIORITISING SAFETY

Ensuring the safety of our people, customers and communities is our top priority. Our focus on safety also makes us a stronger, more productive business for meeting our customers' needs.

All our engineers undergo training to reduce safety risks in customer homes. Despite this, 46 incidents such as trips and falls occurred compared with 29 in 2014. In 2016, we will re-focus our approach to customer safety and introduce improved working practices that reduce risk for our customers.

Our lost time injury frequency rate for employees increased from 0.28 per 200,000 hours worked in 2014 to 0.34⁽ⁱ⁾. Our total recordable injury frequency rate also rose to 1.10 per 200,000 hours worked against 1.00 in 2014⁽ⁱ⁾.

Across exploration and production, we received three Improvement Notices from the UK Health and Safety Executive and experienced one significant process safety event in Canada, which led to a contractor being disabled following exposure to liquid nitrogen while filling a storage tank. This was up from one Improvement Notice and zero significant process safety events in 2014. Eight high potential events that could have resulted in a serious incident also occurred in 2015. Process safety therefore remains a major focus and we have created a three-year improvement plan that will strengthen employee leadership and capability alongside enhancing asset management and assurance processes.

DEVELOPING SKILLS

We must secure skills that satisfy our customers' changing needs while helping our people fulfil their potential.

During 2015, British Gas invested £24.5 million in training 9,000 engineers and 1,200 apprentices. We additionally improved the skills of over 20 apprentices in exploration, production and power alongside 70 people on the graduate programme. Following a successful pilot, Direct Energy will train 100 new technicians in 2016 through our partnership with a local technical school.

In order to retain and reward our skilled workforce, we are determined to provide fair remuneration. That is why in 2015, we made the commitment to pay at least the Living Wage to our people located in the UK.

IMPROVING CUSTOMER SERVICE

Customers are at the heart of our business and we recognise the need to strengthen our relationship with them by improving our service.

British Gas is investing an additional £50 million between 2015 and 2017 to deliver a better service for residential consumers which will enhance customer service systems, increase resourcing by around 10% and deliver extra training to call centre advisers. More than 350 advisers have already been recruited, while training rose 24% towards our aim of 30% more training days by the end of 2016 compared to 2013. This brings the average monthly training hours per person to 14, up from 11 in 2014.

British Gas invested
£24.5 million in training
9,000 engineers and
1,200 apprentices.

Meanwhile, service levels for business customers were lower than planned following issues relating to the migration to new customer service systems. We are, however, beginning to see improvements that are expected to continue in 2016.

In North America, Direct Energy increased overall training per person from 10 hours in 2014, to 12 hours on average each month. Furthermore, new call centre advisers underwent training to increase call-handling efficiency.

Over time, these investments should help reduce complaints and improve satisfaction. Our net promoter score (NPS)⁽ⁱⁱ⁾ which measures satisfaction, increased in British Gas to +4 from -4⁽ⁱⁱⁱ⁾ in 2014. Direct Energy NPS declined from +38 in 2014, to +37.

EMBEDDING ETHICS

To create sustainable business success and value in society, it is vital we have a strong moral compass underpinning all of our relationships and activities.

Our Business Principles set out the ethical standards we expect and in 2016, we will evolve our approach to ethics to ensure we obtain the highest levels of conduct and compliance.

We also work with suppliers to uphold ethical, social and environmental standards in the products and services we buy. This reduces risk while increasing transparency and reliability in our supply chain. In 2015, 46 potentially higher risk suppliers completed assessment on these issues, resulting in an average supplier risk score of 54 (low risk). This is better than the multi-industry average of 42 (medium risk) and marks an improvement from 51 (low risk) in 2014. Where suppliers receive a medium or high risk rating, we collaborate to raise standards by creating corrective action plans.

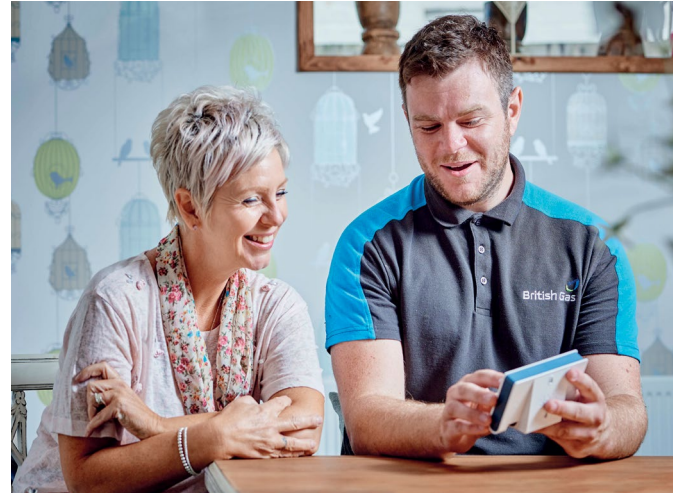
(i) Unit has been updated from 100,000 hours worked to better align with industry standards. 2014 performance has been restated to align with the updated unit.

(ii) British Gas and Direct Energy NPS is not comparable due to different methodologies.

(iii) Restated due to changes in methodology which now focuses on experiences at the end of key customer journeys.

Supporting changing customer needs

Energy can be complex but we are making it easier to understand and control, while ensuring support for those most in need.



THE ISSUE AND OUR ROLE

Every household receives energy bills but not enough people understand their costs or how to reduce them. At the same time, changing and challenging financial circumstances mean some people struggle to pay for their energy.

We offer competitively priced tariffs to win and retain customers while providing innovative products and services that satisfy their changing needs. This gives customers greater understanding and control over energy, helping them use less of what we sell and lower their energy bills.

We also recognise our role to help government support vulnerable people with their energy needs. We are working across sectors and have formed strategic partnerships that deliver invaluable debt advice and financial support for those who need it most.

OUR PROGRESS

Providing competitive prices

We regularly review our energy prices to ensure they remain competitive. In the UK since November 2014, wholesale gas prices have reduced by 41% but as most of our energy is bought in advance to help protect customers from pricing volatility, our cost of gas has reduced by 24%. Wholesale energy costs make up 40% of the average British Gas residential dual fuel bill and was offset to some extent by other rising external costs, such as distribution charges alongside social and environmental taxes. British Gas was, however, able to reduce household gas prices three times since the start of 2015 and was the only major supplier to do so. The average residential dual fuel bill was cut by 14%, bringing the average daily charge for energy to around £3.14. Our post-tax profit margin for our UK residential customers was 5.6% in 2015.

To help reduce bills, we continued to advocate for a more cost-effective UK energy policy. This included engagement with government on our [Energy Choices](#) report, which outlines alternative pathways by prioritising lower cost technologies, setting cost-effective carbon targets while maintaining support for vulnerable people.

Investing for smarter energy use

With the most customers in the UK, British Gas is leading the mandatory smart meter roll-out, having installed 2.5 million in homes and businesses since 2009. This is around 70% of all smart meters installed in the UK⁽ⁱ⁾. Smart meters enable accurate billing and help customers explore their energy use and costs in real-time, allowing

for more informed choices that can reduce bills. As a result, we are prioritising the roll-out to our vulnerable customers.

Using smart meter data, Direct Energy was able to launch North America's first online energy insights dashboard, 'Direct Your Energy'. Similar to British Gas' 'my energy' tool, energy use is shown by categories such as appliance and compares it to similar households, highlighting where savings might be made.

Hive is also a powerful tool for giving greater control over energy. Over 300,000 smart thermostats have been sold in the UK to control heating and hot water remotely, with 58% of Hive users saying it has helped save money on their energy bills. Hive is now available in the Republic of Ireland while a new family of products including smart plugs, lights and sensors, are being introduced throughout 2016, enabling more of the home to be controlled via an app.

We have also sold nearly 200,000 smart thermostats in North America, helping Direct Energy customers save up to 20% on their energy bills.

To further develop our leadership capabilities in cutting-edge products, we acquired AlertMe, an energy management and services company and have established a global Connected Home business in which we will invest £500 million over the next five years. Panoramic Power were also acquired to lead the future development of wireless sensors that identify ways businesses can reduce operating costs.

Helping those who need support

Over 3,000 customers in North America were supported through our [Neighbor-to-Neighbor](#) bill assistance programme in Texas, while 1.9 million vulnerable customer households were helped in the UK.

Our mandatory contributions in the UK included one-off payments of £140 to over 650,000 vulnerable customers as part of the Warm Home Discount scheme. Through the delivery of energy efficiency products via [Energy Company Obligation](#) (ECO), those most in need will also save an estimated £400 million on their energy bills. £11.6 million in mandatory contributions for customers and non-customers were additionally made to the independent charity, the [British Gas Energy Trust](#). This assisted over 24,500 people with household debt advice and grants as well as funding debt advisers at organisations like [Shelter](#), British Gas' strategic charity partner.

Through partnership with [National Energy Action](#), we also developed targeted fuel poverty strategies for communities across the UK.

Overall, we spent more than £220 million supporting those most in need during 2015, mainly through mandatory government programmes in the UK.

1.9 million vulnerable customer households were helped in the UK.

(i) Based on Department of Energy & Climate Change quarterly statistics, September 2015.

Securing energy to fuel society

The world of energy is changing and we must adapt to it by sourcing and optimising energy supplies that satisfy the changing needs of our customers.



THE ISSUE AND OUR ROLE

Energy is an enabler of society's progress and global demand for it is expected to rise by nearly a third by 2040⁽ⁱ⁾. With millions of people increasingly reliant on energy, we have an ongoing responsibility to source, generate and supply competitively priced energy for our customers.

We must evolve how we do this to create stronger energy propositions that meet the needs of our customers, the environment and makes us a more resilient business.

Gas remains an important part of our strategy because it is one of the most affordable energy sources for heating homes and running businesses, is the lowest carbon fossil fuel and backs-up intermittent renewable energy.

We continue to be a sizeable producer of gas and oil. We are, however, reducing the scale of our oil and gas E&P business to reflect the conclusions of our strategic review to rebalance the Group's investments in favour of our customer-facing activities.

We will continue to concentrate on serving our customers' energy needs by expanding trading capabilities while taking a leading role in creating a new model for generating and supplying energy through our new global DE&P business.

Together with our innovative products and services (see page 3), this approach will improve energy security by diversifying supply and reducing demand.

OUR PROGRESS

Evolving our energy supply

In 2015, we produced 78.6mboe of gas and oil, while increasing our focus on purchasing more competitive and diverse energy supplies on the global market. In 2016 and beyond, we will concentrate on significantly growing our presence in Liquefied Natural Gas (LNG) which is forecast to account for a growing share of the world's energy mix.

The development of natural gas from shale could also strengthen energy security in the UK and throughout 2015, we continued to explore its potential through our 25% stake in the Bowland exploration licence operated by Cuadrilla Resources. Despite plans to mitigate possible adverse impacts on the local community such as noise and traffic, planning consent was refused in July. Our partners have since appealed the decision and we await the outcome in 2016.

Alternatives to fossil fuels are important as we transition to a lower carbon future. We hold a 20% stake in the UK's existing nuclear power fleet and while we have been pivotal in shaping the UK's wind industry through our role as an early developer, we have taken the decision to sell our 245MW

wind farm capacity by the end of 2017. Owning and operating wind farms no longer fit with our customer-focused strategy which is why we will instead continue to be an enabler of other operators' wind projects, committing to take electricity through a limited number of Power Purchase Agreements (PPAs).

To reduce risks associated with increased energy trading, particularly in respect of LNG, PPAs and entry into new markets, we have sought to maintain rigorous controls in contracting to ensure future partners meet the legal standards we expect.

At the end of 2015, our overall commitment to secure gas and power for customers totalled over £50 billion.

We have taken the decision to sell our 245MW wind farm capacity.

Revolutionising energy supply

We have established a new global DE&P business and expect to invest £700 million over the next five years to revolutionise the traditional, centralised way of generating and supplying energy.

We will give large scale energy users such as businesses and hospitals, the ability to take control of their energy and use it more intelligently to reduce, generate and manage it themselves. DE&P will bring together flexible, local generation with storage and renewable technologies alongside energy efficiency measures and smart building management systems. All of these technologies will be managed from a smart energy control centre to help keep costs and carbon emissions as low as possible.

DE&P will also develop new propositions and technologies that reduce demand on the grid and reward customers with lower bills for shifting use away from peak times. Together with battery storage and smarter grids, this will help energy use become more efficient, reduce consumption and improve future energy security.

(i) International Energy Agency, 2015.

Reducing carbon emissions to combat climate change

Fossil fuels contribute to climate change so we are helping customers reduce their carbon while driving down emissions across our business.



THE ISSUE AND OUR ROLE

Energy is essential to the lives of individuals, families and businesses but we recognise that fossil fuels are also the biggest contributor to climate change; one of society's greatest global challenges.

We fully support climate change targets set at a national and international level by helping customers cut carbon emissions from their energy consumption alongside those generated by our business.

With over 90% of our carbon emissions coming from customers, empowering them to reduce emissions is vital. We are well placed to do this through market-leading products and services that give customers greater choice and control over their energy.

OUR PROGRESS

Our commitment to disclose and effectively manage risks related to climate change were again recognised in 2015 by CDP, an international non-governmental organisation (NGO), who ranked Centrica as a leader in disclosure and awarded us a 'B' for performance⁽ⁱ⁾. This was down from an 'A' the previous year, due mainly to reduced low carbon nuclear and renewable generation.

Enabling customers to cut carbon

Our expected £1.2 billion investment over the next five years in Connected Home (see page 3) and DE&P (see page 4), can help our customers lower their emissions through greater insights and control over how they use and generate energy.

Cost-effective energy efficiency measures such as insulation, are also delivered as part of ECO. During 2015, we installed 149,000 measures through ECO which will generate lifetime savings of 2.8mtCO₂e.

Furthermore, we help customers reduce reliance on fossil fuels by investing in alternative energy sources. Solar energy is growing in North America and during 2015, Direct Energy installed solar panels in 2,164 homes and businesses, generating

28MWp. This was up from 19MWp the previous year, following the acquisition of residential solar capabilities in July 2014. In the UK, British Gas exited residential solar due to challenging market conditions and will now focus on large scale solar for businesses. Combined, installations rose from 7MWp to 34MWp across 697 UK homes and businesses.

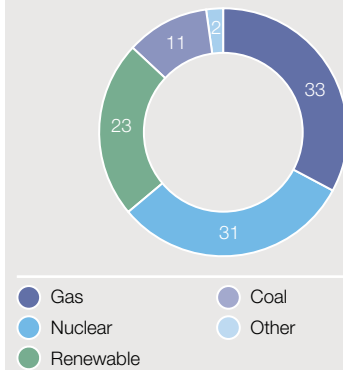
Balancing demand on the grid also reduces impact from fossil fuels because less energy needs to be generated to meet peak demand. In 2015, Direct Energy launched Reduce Your Use Rewards where customers save 5% on their bill by lowering usage during a peak event. In 2016, British Gas expects to roll-out its own Time-of-Use tariff to reduce consumption at peak hours.

In total, we calculate that we have helped our UK customers save over 22mtCO₂e since 2008, the majority of which was through mandated government schemes.

Reducing our own emissions

We now emit nearly 70% less carbon for every pound of revenue raised than in 2010, having gradually shifted away from being a large scale energy producer.

Our UK fuel mix of power sold %



In 2015, the carbon intensity of our power generation fell by 24% to 117gCO₂/kWh. This surpasses our target of 260gCO₂/kWh by 2020, largely due to reduced gas generation, stronger nuclear generation and divestments made in 2014. We have now revised our target to 200gCO₂/kWh by 2020, which better reflects our business.

The carbon intensity of all power sold to our UK customers during 2014/15, was one of the lowest among major UK energy suppliers at 240gCO₂/kWh; well below the UK average of 360gCO₂/kWh⁽ⁱⁱⁱ⁾.

Meanwhile, the internal carbon footprint of our core business was 79,096tCO₂e. This meant we exceeded our target to reduce emissions by 20% since 2007, achieving a total reduction of 27%.

Our carbon emissions		
	2015	2014
Total carbon emissions	4,393,016tCO ₂ e	5,587,885tCO ₂ e ⁽ⁱⁱ⁾
Scope 1	4,272,477tCO ₂ e	5,452,079tCO ₂ e ⁽ⁱⁱ⁾
Scope 2	120,539tCO ₂ e	135,806tCO ₂ e ⁽ⁱⁱ⁾
Total carbon intensity by revenue	157tCO ₂ e/£m	190tCO ₂ e/£m

We report on an equity basis with practices drawn from WRI/WBCSD Greenhouse Gas Protocol, IPIECA's Petroleum Industry Guidelines for Reporting Greenhouse Gas Emissions and Defra's Environmental Reporting Guidelines.

(i) Based on 2014 data.

(ii) Restated due to availability of improved data.

(iii) ElectricityInfo.org.

Non-financial key performance indicators

Selected non-financial key performance measures have been assured by Deloitte LLP using the International Standard on Assurance Engagements ISAE 3000 (Revised). View Deloitte's 2015 assurance statement and Basis of Reporting at centrica.com/CRassurance.

For further performance, explore over 100 metrics in our data centre at centrica.com/datacentre

Safety					
Metric	Unit	2015 target	2015	2014	What's next
Lost time injury frequency rate (LTIFR)	Per 200,000 hours worked ⁽ⁱ⁾	Measure only	0.34⁽ⁱⁱ⁾ (high performance zone)	0.28 ⁽ⁱⁱⁱ⁾ (high performance zone)	Introduce new leadership training and embed a stronger health and safety culture among our people to drive injury reduction
Total recordable injury frequency rate (TRIFR)	Per 200,000 hours worked ⁽ⁱ⁾	Measure only	1.10⁽ⁱⁱⁱ⁾	1.00 ⁽ⁱⁱⁱ⁾	
Significant process safety event	Number	0	1^(iv) (high performance zone)	0 ^(iv) (high performance zone)	Implement a three-year improvement plan focused on strengthening leadership and capability alongside enhancing asset management and assurance processes
Road safety incident rate – low severity	Per one million kilometres driven ^(v)	Measure only	0.6	0.2 ^(iv)	Reduce road safety incidents through proactive driver safety programmes
Road safety – number of high severity incidents	Number	Measure only	1	2 ^(iv)	
Fatalities	Number	Measure only	0⁽ⁱⁱⁱ⁾	0 ^(iv)	Continue to maintain safety as our highest priority

(i) Unit has been updated from 100,000 hours worked to better align with industry standards.

(ii) Assured by Deloitte LLP for the 2015 Annual Report. See centrica.com/CRassurance to view Deloitte's 2015 assurance statement and the 2015 Basis of Reporting.

(iii) Restated to align with the updated unit. The metrics were assured by Deloitte LLP for the 2014 Annual Report, based on 100,000 hours worked. See centrica.com/CRdownloads to view Deloitte's 2014 assurance statement and the 2014 Basis of Reporting.

(iv) Assured by Deloitte LLP for the 2014 Annual Report. See centrica.com/CRdownloads to view Deloitte's 2014 assurance statement and the 2014 Basis of Reporting.

(v) Where actual distance travelled is not available, distance is calculated using fuel consumption and business expense claims data.

Customers					
Metric	Unit	2015 target	2015	2014	What's next
British Gas net promoter score (NPS) ⁽ⁱ⁾	Number	Return to the high performance range	+4⁽ⁱⁱ⁾ (median performance zone)	-4 ⁽ⁱⁱⁱ⁾	Return to the high performance zone
Direct Energy net promoter score (NPS) ⁽ⁱ⁾	Number	Remain within the high performance range	+37⁽ⁱⁱ⁾ (high performance zone)	+38 ^(iv) (high performance zone)	Remain within the high performance zone
Vulnerable households helped by British Gas initiatives	Number (million)	Measure only	1.9⁽ⁱⁱⁱ⁾	1.8 ^(iv)	Continue to support our most vulnerable customers through voluntary and mandatory contributions such as the British Gas Energy Trust and Warm Home Discount scheme
Smart meter installations (residential and business customers)	Number (cumulative since 2009)	Measure only	2,509,398^{(iii) (v)}	1,736,323 ^{(iv) (vi)}	Continue to be the UK leader in smart meter installations to ensure we are fully mobilised for delivery of the mandated roll-out by 2020 ^(vii)

(i) British Gas and Direct Energy NPS is not comparable due to different methodologies.

(ii) Assured by Deloitte LLP for the 2015 Annual Report. See centrica.com/CRassurance to view Deloitte's 2015 assurance statement and the 2015 Basis of Reporting.

(iii) Restated due to changes in methodology which now focuses on experiences at the end of key customer journeys. Due to the restatement, the previously awarded median performance zone is no longer applicable to this score.

(iv) Assured by Deloitte LLP for the 2014 Annual Report. See centrica.com/CRdownloads to view Deloitte's 2014 assurance statement and the 2014 Basis of Reporting.

(v) Only data representing 2,142,086 smart meter installations has been subject to assurance by Deloitte LLP due to the historical nature of the data.

(vi) Only data representing 1,369,011 smart meter installations has been subject to assurance by Deloitte LLP due to the historical nature of the data.

(vii) British Gas has delivered around 70% of all smart meters installed in the UK, based on Department of Energy & Climate Change quarterly statistics, September 2015.

People and partners

Metric	Unit	2015 target	2015	2014	What's next
Employee engagement	Mean score out of 6	Strive towards top quartile performance, measured against an independent high performance benchmark	4.84⁽ⁱ⁾ (median performance zone)⁽ⁱⁱ⁾	4.79 ⁽ⁱⁱⁱ⁾ (median performance zone) ⁽ⁱⁱⁱ⁾	Continue to strive towards top quartile performance, measured against an independent high performance benchmark
Diversity – female and male	Percentage	Measure only	29 female 71 male	30 female 70 male	Continue to improve gender balance in our talent pipeline, including leadership roles and wider recruitment
Retention	Percentage	Measure only	90.6⁽ⁱ⁾	91.0	Encourage and maintain healthy retention levels through effective management and monitoring
Absence	Days per full time employee	Measure only	8.1⁽ⁱ⁾	7.7	Focus on driving down absence through good management practices, including proactive intervention and preventative action
Total community contributions	£ million	Measure only	228.1^(iv)	408.7 ^(v)	Seek ways we can make a meaningful contribution in local communities
Total employee volunteering hours ^(vi)	Number of hours	Measure only	52,588	66,729	
Average corporate responsibility (CR) risk rating of assessed suppliers	Risk score out of 100 ^(vii)	Measure only	54 (low risk)	51 (low risk)	Continue to assess CR risks among our strategic and higher risk suppliers

(i) Assured by Deloitte LLP for the 2015 Annual Report. See centrica.com/CRassurance to view Deloitte's 2015 assurance statement and the 2015 Basis of Reporting.

(ii) Zone rating relates to long-term incentives for Executive Director remuneration. Performance against the metric's independent high performance benchmark was in the upper quartile; below top quartile performance.

(iii) Assured by Deloitte LLP for the 2014 Annual Report. See centrica.com/CRdownloads to view Deloitte's 2014 assurance statement and the 2014 Basis of Reporting.

(iv) Comprising of £214.1 million in mandatory and £8.0 million in voluntary contributions which largely support our vulnerable customers, £4.7 million in charitable contributions calculated using the London Benchmarking Group methodology alongside £1.4 million in leverage which includes employee fundraising.

(v) Comprising of £361.7 million in mandatory and £40.0 million in voluntary contributions which largely support vulnerable customers, £4.8 million in charitable contributions calculated using the London Benchmarking Group methodology alongside £2.1 million in leverage which includes employee fundraising. The previously reported total of £406.5 million has been restated due to a change in methodology which now incorporates leverage.

(vi) Includes volunteering during and outside of business working hours when enabled by Centrica.

(vii) A score nearer to 100 is lower risk. High risk companies have limited engagements or tangible actions on CR, medium risk companies have a structured CR approach with policies and action on major issues while low risk companies have strong CR credentials embedded across their business.

Carbon

Metric	Unit	2015 target	2015	2014	What's next
Total carbon emissions ⁽ⁱ⁾	Tonnes CO ₂ equivalent	Measure only	4,393,016⁽ⁱⁱ⁾	5,587,885 ⁽ⁱⁱⁱ⁾	Continue to adopt best practice in monitoring and reporting our global carbon, while analysing impacts from our strategy
Scope 1 emissions	Tonnes CO ₂ equivalent	Measure only	4,272,477⁽ⁱⁱ⁾	5,452,079 ⁽ⁱⁱⁱ⁾	Remain committed to taking proactive steps to reduce our carbon emissions through innovation, technology and cultural change
Scope 2 emissions	Tonnes CO ₂ equivalent	Measure only	120,539⁽ⁱⁱ⁾	135,806 ⁽ⁱⁱⁱ⁾	Continue to reduce emissions associated with our use of electricity, particularly as part of our internal carbon footprint target
Total carbon intensity by revenue	Tonnes CO ₂ equivalent/£	Measure only	157	190	Continue to analyse developing trends as we deliver on our strategic plans
Internal carbon footprint (core property, fleet and travel)	Tonnes CO ₂ equivalent	Reduce our core internal carbon footprint by 20% by end of 2015 (baseline: 2007)	79,096^{(ii) (iv)}	79,837 ⁽ⁱⁱⁱ⁾	Reduce our core internal carbon footprint by 20% by end of 2025 (baseline: 2015)
Carbon intensity of power generation	gCO ₂ /kWh	Reduce our power generation carbon intensity to 260 by end of 2020	117	154	Achieve our revised carbon intensity target of 200 by end of 2020 ^(v)
Total customer carbon savings from measures installed by British Gas	Tonnes CO ₂ equivalent (cumulative since 2008) ^(vi)	Measure only	22,099,835	17,949,077 ^(vii)	Continue to provide innovative and energy efficient products through mandatory and voluntary initiatives Enhance the robustness of this relatively new metric and explore how our ongoing performance can inform business activities

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

(ii) Assured by Deloitte LLP for the 2015 Annual Report. See centrica.com/CRassurance to view Deloitte's 2015 assurance statement and the 2015 Basis of Reporting.

(iii) Restated due to availability of improved data.


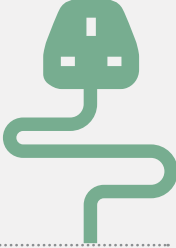





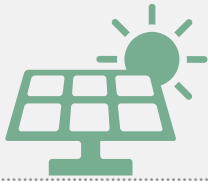
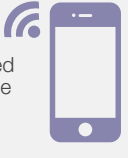


(iv) Internal carbon footprint reduced 27% since 2007; exceeding our target of 20% by end of 2015.

(v) Target revised to better reflect changes in our power generation portfolio following divestments made.

(vi) Baseline year extended from 2010 to 2008. The adjustment was made to improve completeness of data following an in-depth review of the metric.

(vii) Restated to align with the updated baseline year.

Our year in numbers

Safety	Customers	People and Partners	Energy security	Carbon
<p>1 significant process safety event occurred, up from 0 in 2014</p> 	<p>0 fatalities since 2008</p>	<p>£228m contributed to communities, including over £220m in mandatory and voluntary initiatives for vulnerable people</p>	<p>240gCO₂/kWh is the carbon intensity of all power sold to our UK customers during 2014/15, 33% lower than the UK average</p> 	<p>2.5m smart meters installed by British Gas since 2009 – around 70% of all smart meters installed in the UK</p>
<p>Over £50bn committed to secure gas and power for our customers</p> 	<p>£700m investment expected in our new Distributed Energy and Power business which will give large scale energy users, such as businesses and hospitals, the ability to take control of their energy and use it more intelligently</p> 	<p>£50m dedicated to improving British Gas' residential customer service between 2015 and 2017</p>	<p>£8m committed to 12 social enterprises which has helped over 24,000 people through Ignite, the UK's first corporate impact investment fund focused on energy and backed by Centrica</p> 	<p>22mtCO₂e calculated savings from products we have installed for our UK customers since 2008, mainly through mandated government schemes which is equivalent to the average annual emissions of 5.9m UK homes</p> 
<p>8 consecutive years as a leader in disclosure and a 'B' performance awarded in 2015 for effectively managing our climate change impact by CDP, an international NGO representing around a third of the world's invested capital</p> 	<p>2,164 homes and businesses have benefitted from solar panels installed by Direct Energy, generating 28MWp</p> 	<p>£400m estimated bill savings for vulnerable people through energy efficiency products installed as part of the Energy Company Obligation</p>	<p>£500m to be invested in our global Connected Home business to create cutting-edge products that give customers greater choice and control over their energy</p> 	<p>Over 50,000 children supported with energy education and careers advice in schools across the UK</p> 
		<p>£24.5m spent in training 9,000 British Gas engineers and 1,200 apprentices</p> 	<p>£593,000 (US\$305,400) contributed via the Neighbor-to-Neighbor bill assistance programme in Texas, helping over 3,000 Direct Energy customers in need of assistance</p> 