

Investor Factsheet: **Responsible Business 2017**

Satisfying the changing needs of our customers.



centrica

Being a responsible business

We provide energy and services that are at the heart of our customers' lives. To continue doing that and generate greater value in society over the long term, we focus on being a responsible business.

This helps us realise our strategy to deliver for the changing needs of our customers and be a trusted corporate citizen, an employer of choice and a 21st century energy and services company, driving long-term shareholder value through returns and growth.

The Investor Factsheet brings together key metrics from across our reporting suite, giving our investors the information that matters to them.



Want to find out more?
centrica.com/responsibility
centrica.com/ar18

26m

Customer accounts

33,140

Employees worldwide

£307m

Tax contribution

70%

Reduction in carbon emissions for every pound of revenue generated than in 2010

Caring for our customers

We care about our customers and challenge ourselves to provide market leading products, services and solutions that not only satisfy them, but enhance their lives and business success.

Customers

Metric	Unit	2017	2016	What's next
Consumer net promoter score (NPS):⁽ⁱ⁾				
• UK Home	Number	+1 [†]	+3 ⁽ⁱⁱ⁾	Continue to deliver new products and services that satisfy the changing needs of our customers while delivering a strong customer service
• North America Home		+33 [†]	+32 ⁽ⁱⁱ⁾	
• Ireland		+17 [†]	+20	
• Connected Home		+39 [†]	+45	
Business NPS:⁽ⁱ⁾				
• UK Business	Number	-11 [†]	-8 ⁽ⁱⁱ⁾	
• North America Business		+33 [†]	+31 ⁽ⁱⁱ⁾	
Vulnerable households helped by UK Home initiatives ⁽ⁱⁱⁱ⁾	Number	741,721	964,670	Continue to ensure customers in vulnerable circumstances receive the help they need to stay warm safe and debt-free
Smart meter installations (UK Home and UK Business)	Number (cumulative since 2009)	4,703,566	3,851,990	Maintain industry leadership in smart meter installation and transition to an enduring delivery infrastructure to meet the mandated roll-out by 2020
Customer safety incidents	Number	27	35	Continue to deliver a strong customer safety performance by focusing on training, tools and work practices

[†] We engaged PricewaterhouseCoopers LLP ("PwC") to undertake a limited assurance engagement, reporting to Centrica plc only, using International Standard on Assurance Engagements ("ISAE") 3000 (Revised): 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information' and ISAE 3410: 'Assurance Engagements on Greenhouse Gas Statements' over the metrics highlighted with the symbol '†' for the Annual Report and Accounts 2017. See centrica.com/assurance to view the assurance statement and the Basis of Reporting.

(i) NPS measures customer satisfaction and in 2017, the methodology was implemented consistently across the UK, Ireland and North America. Prior year figures have been restated where applicable.

(ii) Values previously reported were assured by Deloitte LLP for the Annual Report and Accounts 2016 – UK & Ireland Home: +4 and UK & Ireland Business: -16 while North America Home and North America Business are as previously reported. Data relating to Ireland was not assured by Deloitte LLP. See centrica.com/responsibility/downloads to view Deloitte's assurance statement and the Basis of Reporting.

(iii) Methodology was improved in 2017 to no longer include customers on the Priority Services Register; a list including potentially vulnerable customers who may require extra support but may not have needed to receive help with their energy during the period. Prior year figure has been restated.

Being an employer of choice

We want to be the best at attracting and retaining a talented and diverse workforce who are motivated and able to deliver for our customers.

Employees

Metric	Unit	2017	2016	What's next
Employee engagement ⁽ⁱ⁾	Percentage favourable	52 [†]	–	Take action to improve engagement and strive towards exceeding the IBM external global benchmark
Diversity:				
• Female and male employees	Percentage	29 female [†] 71 male [†]	29 female 71 male	Continue to improve gender balance and our female talent pipeline across the business, including at a senior leadership and Board level
• Female senior management		28 [†]	26	
• Gender pay gap ⁽ⁱⁱ⁾		12 mean 30 median	– –	
Retention	Percentage	85.8 [†]	81.4	Improve retention levels following the restructuring of our business through effective management and monitoring
Absence	Days per full time employee ⁽ⁱⁱⁱ⁾	14.8 [†]	11.6	Focus on driving down absence through good management practices, including proactive intervention and preventative action
Total employee volunteering hours ^(iv)	Number	57,340	53,513	Grow the skills of our people and make a strong impact in local communities through volunteering
Lost time injury frequency rate	Per 200,000 hours worked	0.36 [†]	0.30 ^(v)	Grow our safety culture to deliver an incident-free workplace, enabled through targeted safety interventions in key performance areas and an improved management system
Total recordable injury frequency rate	Per 200,000 hours worked	0.98 [†]	0.98 ^(v)	
Significant process safety events (Tier 1)	Number	0 [†]	2 ^(v)	Strengthen our understanding, monitoring and controls related to process safety
Process safety incident frequency rate (Tier 1 and Tier 2)	Per 200,000 hours worked	0.14 [†]	0.33	
Road safety incident frequency rate	Per one million kilometres driven ^(vi)	0.32	0.76	Deliver proactive driver safety programmes, based on behavioural insight and performance analysis
Fatalities	Number	0 [†]	1 ^(v)	Maintain zero fatalities by continuing to promote safety as our highest priority

† Included in PwC's limited assurance scope.

(i) Measurement in 2017 moved to a new provider to enable best practice external benchmarking. Due to changes in methodology, the 2017 target is no longer applicable and providing a direct prior year comparative is not possible. However, based on a comparison of employee responses to like-for-like engagement questions, our performance improved 6% in 2017 from 2016. Performance in 2016 was previously assured by Deloitte LLP for the Annual Report and Accounts 2016 – 4.31 out of 6.

(ii) Data based on 5 April 2017 snapshot for UK employees and constitutes our first year of reporting. Read our Gender Pay Statement to find out more at centrica.com/genderpay

(iii) Relates to absence from sickness rather than wider forms of absence such as bereavement.

(iv) Includes volunteering during and outside business hours when enabled by Centrica.

(v) Assured by Deloitte LLP for the Annual Report and Accounts 2016.

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

Enabling the low carbon transition

We are tackling climate change by reducing emissions across our business and providing products and services that lead to a lower carbon future.

Carbon emissions

Metric	Unit	2017	2016	What's next
Total carbon emissions ⁽ⁱ⁾	tCO ₂ e	4,103,348 [†]	5,073,320 ⁽ⁱⁱ⁾	Continue to adopt best practice in monitoring and reporting our global carbon emissions, while analysing the long-term impact of our strategy
Scope 1 emissions	tCO ₂ e	4,044,754 [†]	4,986,299 ⁽ⁱⁱⁱ⁾	Continue to take proactive steps to reduce our carbon emissions through innovation, technology and cultural change
Scope 2 emissions	tCO ₂ e	58,594 [†]	87,022 ⁽ⁱⁱⁱ⁾	Maintain the reduction of emissions associated with our use of electricity, particularly as part of our internal carbon footprint target
Total carbon intensity by revenue	tCO ₂ e /£	146	187 ⁽ⁱⁱⁱ⁾	Continue to analyse the impact of our strategic plans on our carbon intensity
Internal carbon footprint (core property, fleet and travel)	tCO ₂ e	75,706 [†] (18% reduction against target)	84,989 ^(iv) (8% reduction against target)	Review our 2025 target, following the restructuring of our business Our target is to reduce our core internal carbon footprint by 20% to 73,547tCO ₂ e by the end of 2025 (baseline: 2015)
Carbon intensity of Central Power Generation	gCO ₂ /kWh	125	137 ^(v)	Review the metric, target and long-term environmental goals in our Central and Distributed Energy & Power businesses Our target was to reduce our Central Power Generation carbon intensity by 55% to 200gCO ₂ /kWh by the end of 2020 (baseline: 2008)
Total customer carbon savings from measures installed	tCO ₂ e (cumulative since 2008)	30,853,738 ^(vi)	26,509,236 ^(vii)	Continue to gain insights from the metric in order to better understand how our energy generation and efficiency products can help our customers reduce their environmental impact

† Included in PwC's limited assurance scope.

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

(ii) Restated due to availability of improved data. Values previously reported were assured by Deloitte LLP for the Annual Report and Accounts 2016 – Total carbon emissions: 5,119,709tCO₂e, Scope 1 emissions: 5,032,493tCO₂e and Scope 2 emissions: 87,216tCO₂e.

(iii) Restated due to availability of improved data.

(iv) Restated due to availability of improved data and divestments.

(v) Assured by Deloitte LLP for the Annual Report and Accounts 2016.

(vi) Comprising of 93% mandatory and 7% voluntary initiatives. A growing share of carbon savings are generated from voluntary initiatives in recent years, reflected by over a third of savings arising from voluntary products and services in 2017.

(vii) Restated due to availability of improved data. Comprising of 94% mandatory and 6% voluntary initiatives. UK value previously reported was assured by Deloitte LLP for the Annual Report and Accounts 2016 – 26,786,285tCO₂e.

Building strong communities

We are increasing the positive impact our presence has in society by working with communities to address key issues, while contributing to the local economy.

Community

Metric	Unit	2017	2016	What's next
Total community contributions	£ million	155.5 ⁽ⁱ⁾	201.4 ⁽ⁱⁱ⁾	Make a meaningful difference in the communities where we live and work
Average sustainability risk rating of assessed suppliers	Risk score out of 100 ⁽ⁱⁱⁱ⁾	56 (low risk)	57 (low risk)	Continue to assess sustainability risks among our strategic and higher risk suppliers

(i) Comprising of £141.9 million in mandatory and £9.3 million in voluntary contributions which largely support vulnerable customers, £3.6 million in charitable donations calculated using the London Benchmarking Group (LBG) methodology alongside £0.7 million in leverage which encompasses employee fundraising. The reduction in mandated contributions is predominantly due to phasing of the Energy Company Obligation.

(ii) Comprising of £188.2 million in mandatory and £7.4 million in voluntary contributions which largely support vulnerable customers, £5.0 million in charitable donations calculated using the LBG methodology alongside £0.8 million in leverage which encompasses employee fundraising.

(iii) A score near 100 is low risk. High risk companies have limited or no tangible actions on sustainability, medium risk companies take partial tangible action on selected sustainability issues, low risk companies have a structured sustainability approach with policies and action to manage major sustainability issues while lowest risk companies have strong sustainability credentials and reporting embedded across their business.



Bringing Connected Home benefits to customers in new markets

We have grown the Hive ecosystem, expanding the range of products and services that make our customers lives easier.

In 2017, Connected Home launched new subscriptions plans across the UK, Ireland and North America, to enable our customers to choose the package that works for their home. This includes smart bulbs and plugs, door and window sensors alongside a new smart home security camera.

1.6m

Connected Home cumulative products sold

+39

NPS for UK Hive customers

In the UK, we launched the Hive Leak Plan, a subscription service featuring the new Hive Leak Sensor. This monitors water flow around the home, notifying the customer of potential leaks through the Hive app and connecting the customer with a British Gas engineer, who can repair the problem.

We entered Italy via a five-year partnership with energy supplier, Eni gas e luce. This has the potential to enable Eni's eight million customers to access and use our products. Partnerships like this will increasingly be the focus for growing our Connected Home business.

“ Having full control of your central heating and hot water in the palm of your hand, it's so simple to use and the money it saves you over the 12 months is awesome. ”

UK Hive Active Heating customer

Helping St George's Hospital deliver operational efficiency

St George's Hospital in Tooting is the largest healthcare provider in South West London.

During 2017, we continued to work with the hospital to deliver end-to-end solutions that improve energy efficiency and operational performance, while reducing carbon emissions.

An energy centre is being installed to replace the existing 40-year-old system. This comprises of a new combined heat and power (CHP) plant, efficient boilers and lighting alongside heating, ventilation and air conditioning (HVAC) systems. Meanwhile, energy use is optimised through a building management system.

Each year the St George's Hospital project is projected to save:

£1m

Cost efficiencies

6,000tCO₂e

Carbon emissions

“ The energy centre will deliver recurring savings in energy costs year-on-year which can be redirected into patient care. It also helps St George's Hospital meet their goal of reducing their carbon footprint. ”

Alan Barlow
Director UK & Ireland
Distributed Energy



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Company registered in England
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We are a world leader
for disclosure and
action on tackling
climate change and
water scarcity, receiving
an A- and an A grade
respectively.



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We are a long standing
constituent of the Index,
demonstrating strong
environmental, social and
governance (ESG) practices.