

# Our Stakeholder Engagement

Engaging with stakeholders is fundamental to our business success. By listening to and collaborating with stakeholders, we can grow our business and deliver for our customers and society over the long term.



## Customers

Our success depends on our ability to understand what our residential and business customers want and how they feel. By seeking their views and putting ourselves in their shoes, we can focus our business decisions on satisfying the changing needs of our customers – from providing new products that fill a gap in the market to delivering system improvements that enable a better service. We seek feedback in several ways including forums, market research and product testing as well as via complaints channels and surveys.

### Customer insight

Employees at all levels of the business, including senior executives, have the opportunity to immerse themselves in our customers' world and seek feedback to help us target improvements. This can involve regularly meeting with customers on a one-to-one basis in their homes and businesses or in a moderated group. We also analyse customer experience surveys to identify challenges and develop ways we can improve key points in the customer journey.

### Hive Link

Throughout every stage of Hive Link's development, we continuously work with focus groups and individual triallists alongside Carers UK, to carefully create a service that meets the social needs of an ageing population by providing families and friends with peace of mind while supporting loved ones to stay living in their homes for longer. Driven by artificial intelligence and 24/7 notifications, feedback from the trial has helped us develop features that work effectively together which include notifications if a change in usual patterns of behaviour is detected, an activity log to see real-time activity and the ability to set up a Circle in the Hive app to share care among family and friends.

 [Read more in the Business Review on Pages 20 to 25](#)

**“We are great fans of repurposing everyday lifestyle technology to support carers, which is why Hive Link is so exciting. It provides reassurance and peace of mind on both sides.”**

**Madeleine Starr**

Director of Business Development and Innovation, Carers UK



## Colleagues

We want to be an employer of choice. Central to this is providing a workplace where everyone feels motivated and able to deliver for our customers. Listening to our people and taking action to ensure we have the right culture, policies and practices in place is key. Our people can share their thoughts through surveys, performance reviews, consultations, Yammer and our independent Speak Up helpline. Frequently raised issues include leadership, inclusion, remuneration, training and improving our service offer to customers.

### #WeAreListening

Our 2017 employee engagement survey told us that our people wanted more interaction with leaders and to better understand the Company's aspirations. In response, leaders held over 100 in-person and virtual sessions to hear what was on our people's minds, to discuss our strategy and explore how we can grow Centrica together. The sessions generated over 40,000 comments online and provided insight into how to improve our communications, fill jobs internally and develop our people.

### Employee networks

We want everyone at Centrica to be themselves and flourish. Our employee networks for carers, women, disability, ethnicity, veterans and LGBT+, provide us with a body we can engage with to help ensure our people can thrive. In 2018 for example, we collaborated with our LGBT+ network to embed more inclusive language across our policies and worked with our women's network to improve our diversity action plans.

 [Read more about Building the workforce of the future on Pages 62 to 63](#)

 [Read more about Workforce engagement on Page 78](#)



### Investors & shareholders

Shareholders provide funds that help us run and grow our business. In return, they want to know that we are a well run company, able to give them sustainable returns on their investment. We regularly meet with large shareholders, attend conferences and respond to requests for further information in addition to our ongoing reporting cycle. Topics discussed span our financial, operational and responsible business activities. Engagement helps investors understand our performance and raise any concerns, supporting our future decision-making.

#### Annual General Meeting (AGM)

At our AGM, all shareholders can hear about our performance and put questions to the Board of Directors. Members of the Board, Investor Relations and customer service are available before and after the presentation, to speak with shareholders.

#### Climate Action 100+

At the AGM, representatives of the Climate Action 100+, a group representing investors who collectively manage over USD\$30 trillion in assets, asked questions about the action we are taking to tackle climate change. We wanted to have a deeper dialogue so we subsequently set up a roundtable meeting where Iain Conn, Group Chief Executive, and Jim Rushen, Group Head of Environment, shared our long-term vision for enabling customers and the energy system to decarbonise. Engagement enhanced understanding of the role we can play to help shape a low carbon future and has influenced how we will disclose our future progress.

 [Read more about Shareholder engagement on Pages 78 to 79](#)

 [Read more about Enabling all our customers to use energy more sustainably on Pages 60 to 61](#)

### Government & regulators

We actively engage governments, regulators and legislators, either directly or through trade associations. We respond to issues of concern and provide expertise to support policy development around topics such as Brexit and market competition as well as employment and environmental practices. These open conversations and consultations enable us to contribute to government priorities and improve understanding of our business, to ensure the energy system functions in the interests of customers over the immediate and longer term.

#### Retail choice

Alongside trade associations and large businesses, we engaged the legislature and regulators of California, to make the energy market more competitive and improve consumer choice in North America. Our engagement supported the passage of Senate Bill 237 into law which in phase one, raised the cap on the volume of energy that large energy users can buy directly from competitive energy providers. We aim to build on this progress, with phase two investigating further expansion.

#### Industry insight

We want the countries where we operate to have the right building blocks in place to respond to the rapidly changing world of energy. We engaged with the UK Government on our Powering Britain report series which illustrates the economic and environmental benefits distributed energy solutions can create if adopted by key sectors. Our findings support the Government’s Clean Growth Strategy and we hope it will promote positive policy development.

 [Read more in Political and Regulatory Intervention on Page 45](#)

**“We gained a better understanding of senior management’s perspective on the challenges presented by climate change and how this, together with other trends such as digitisation and increasing consumer power, is directly influencing company strategy. We look forward to continuing our dialogue on Centrica’s long-term ambition for decarbonisation of heat and power, scenario analysis and shorter-term targets.”**

**Bruce Duguid and Andy Jones**  
Hermes ESOS, Lead investor for Centrica under Climate Action 100+



## Suppliers

Reliable and ethical supply chains are essential for serving our customers and supporting strong communities. We take great care to treat our suppliers fairly and collaborate to drive high standards in order to maximise opportunities and minimise risks across our supply chain. We interact with our suppliers in a variety of ways including tender and bid processes, surveys, site inspections and events. These interactions cover a broad range of topics such as cost efficiencies and ways of working as well as environmental and modern slavery compliance.

## Risk management

We assess suppliers on their social, ethical and environmental standards. If they receive a medium or high-risk rating, we always consider ways we can work together to raise standards and reduce risk. In 2018, we conducted 14 on-the-ground ethical site inspections in a range of countries including Sri Lanka and China, to gain a stronger insight into potential issues and we worked with 12 suppliers to build tailored action plans to deliver necessary improvements.

## Responsible Sourcing Council (RSC)

We work with third parties to drive responsible procurement practices forward. We attended all RSC events in 2018 which has enabled us to benchmark activities and further embed best practice. We hosted the first RSC meeting of 2019 to share our responsible procurement achievements so that others could learn from our experience as well as collaborate with us to find solutions to some of our challenges.

 [Read more about Procurement and Supplier Management on Page 50](#)

**“The continued support of Bord Gáis Energy will mean Focus Ireland can prevent more families from becoming homeless in the first place and help to ensure that others already impacted can exit homelessness.”**

**Pat Denningan**  
CEO, Focus Ireland



## Communities & NGOs

It is important that we make a positive contribution to our communities and join forces to overcome major challenges. To strengthen our impact, we share our knowledge and invite input from a range of stakeholders including NGOs and charities as well as communities more broadly, through methods such as industry working groups, consultations, global partnerships and community investment. The focus of our engagement can vary considerably from environmental protection to tackling enduring social issues.

## Cornwall Local Energy Market

In 2018, we continued to work with a community of businesses, households and renewable generators in the UK to test a more flexible energy system that balances demand on the grid, stimulates the growth of renewables and creates opportunities to reduce energy bills. By engaging the local community on the ambitions of this project, we will be able to fully roll-out the trial and technologies such as solar and battery storage to around 150 homes and businesses in 2019.

## Focus Ireland

Over the last five years, Bord Gáis Energy has worked with Focus Ireland to help prevent family homelessness, build awareness of the growing homeless crisis nationally and demonstrate the need for further government support. During 2018, we ran a Prevention Campaign to identify those at risk of homelessness, funded advisers and supported homeless families in emergency accommodation. For our efforts, we were awarded the 2018 Corporate Philanthropist of the Year Award by The Community Foundation for Ireland.

 [Read more about Creating stronger communities on Pages 64 to 65](#)