

## Independent assurance statement by Deloitte LLP to Centrica plc on the Corporate Responsibility section of the Annual Report and Accounts 2013 and Corporate Responsibility Performance Review 2013

### What we looked at: scope of our work

Centrica has engaged us to perform limited assurance procedures on the company's Group or Business Unit level compilation of selected corporate responsibility (CR) performance indicators for the year ended 31 December 2013. The assured data<sup>1</sup> appears in the Performance Measures Corporate Responsibility section in the Annual Report and Accounts 2013, pages 185 and 186, at [www.centrica.com/performanceasures](http://www.centrica.com/performanceasures) and Corporate Responsibility Performance Review 2013 and are indicated by footnote symbols.

For the year ended 31 December 2013 the assured indicators comprise of:

- British Gas net promoter score (NPS) (Number)
- Direct Energy net promoter score (NPS) (Number)
- Vulnerable households helped by British Gas initiatives (Number)
- Total carbon emissions (Tonnes CO<sub>2</sub> equivalent)
- Internal carbon footprint (property, fleet and travel) (Tonnes CO<sub>2</sub> equivalent)
- Carbon intensity of power generation (gCO<sub>2</sub>/kWh)
- Smart meter installations (residential and business customers) (Number of meters installed, cumulative since 2009)
- Employee engagement (Mean score out of 6)
- Retention (Percentage)
- Absence (Days per full time employee)
- Lost time injury frequency rate (LTIFR) (Per 100,000 hours worked)
- Total recordable injury rate (TRIR) (Per 100,000 hours worked)
- Significant process safety event (number)
- Road safety incidents rate - low severity (Per 1 million km driven)
- Road safety – number of high severity incidents (Number)
- Fatalities (Number)
- Total community contributions (£ million)
- Total employee volunteering hours (Number of hours)

### What standards we used: basis of our work, criteria used and level of assurance

We carried out limited assurance on the selected key performance indicators in accordance with the International Standard on Assurance Engagements 3000 (ISAE 3000). To achieve limited assurance the ISAE 3000 requires that we review the processes, systems and competencies used to compile the areas on which we provide assurance. This is designed to give a similar level of assurance to that obtained in the review of interim financial information. It does not include detailed testing of source data or the operating effectiveness of processes and internal controls.

### What we did: key assurance procedures

To form our conclusions, we undertook the following procedures:

- Understood, analysed and tested on a non-statistical sample basis the collation, validation and reporting of selected CR performance data at Group or Business Unit level, as indicated by footnote symbols in the Performance Measures Corporate Responsibility section in the Annual Report and Accounts 2013, pages 185 and 186, at [www.centrica.com/performanceasures](http://www.centrica.com/performanceasures) and Corporate Responsibility Performance Review 2013, in accordance with their definitions and basis of reporting.
- Reviewed the content of the CR section of the Annual Report and Accounts 2013 and CR Performance Review 2013 against the findings of the aforementioned procedures.

### What we found: our assurance conclusion

Based on the scope of our work and the assurance procedures we performed, nothing has come to our attention that causes us to believe that the selected CR performance indicators are materially misstated.

### Limitations

The process an organisation adopts to define, gather and report data on its non-financial performance is not subject to the formal processes adopted for financial reporting. Therefore, data of this nature is subject to variations in definitions, collection and reporting methodology with no consistent, accepted standard. This may result in non-comparable information between organisations and from year to year within an organisation as methodologies develop. To support clarity in this process, Centrica have developed a Basis of Reporting document for 2013, which defines the scope of each assured metric and the method of calculation. It should be read together with this report.

<sup>1</sup> Scope of performance data varies as described in the Basis of Reporting document for 2013 available at [www.centrica.com/CRassurance](http://www.centrica.com/CRassurance)

### Our independence and competence in providing assurance to Centrica

- We complied with Deloitte's independence policies, which address and, in certain cases, exceed the requirements of the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* in their role as independent auditors, and in particular preclude us from taking financial, commercial, governance and ownership positions which might affect, or be perceived to affect, our independence and impartiality, and from any involvement in the preparation of the report.
- We have confirmed to Centrica that we have maintained our independence and objectivity throughout the year and in particular that there were no events or prohibited services provided which could impair our independence and objectivity.
- Our team consisted of a combination of Chartered Accountants with professional assurance qualifications and professionals with a combination of environmental, CR and stakeholder engagement experience, including many years' experience in providing corporate responsibility report assurance.

In relation to our work performed on the CR performance indicators for 2013, we note the following specific limitations:

- British Gas Net Promoter Score (NPS) and Direct Energy NPS: we understood, analysed and tested on a non-statistical sample basis the collation, validation and reporting of data at Business Unit level, however, our testing did not examine the integrity of the software and systems used by third party vendors.
- Vulnerable Customers: we understood, analysed and tested on a non-statistical sample basis the collation, validation and reporting of data at Business Unit level, however, our testing did not examine the underlying systems used by Centrica and its partners to collate and report data.
- Smart Meters: Only data since 1 July 2011, totalling 930,344 installations, has been subject to external assurance due to the availability of evidence for smart meters installed by third party Commercial Meter Operators prior to this. The cumulative total of the smart meters installed for residential and business customers since the start of the programme in 2009 until the end of 2013 was 1,297,656.
- Employee Engagement: our testing did not examine the underlying systems used by Centrica and its partners to collate and report data.
- Community Contributions: we reviewed group collation of the total community contribution figure. Our testing did not examine the underlying systems used by Centrica and its partners to collate and report data for the programmes which comprise the community contributions figure – both voluntary and mandatory.

## Roles and responsibilities

### Centrica:

- The Directors are responsible for the preparation of the CR section in the Annual Report and Accounts 2013 and the CR Performance Review 2013 and for the information and statements contained within the section. They are responsible for determining the CR goals and establishing and maintaining appropriate performance management and internal control systems from which the reported information is derived.

### Deloitte:

- Our responsibility is to independently express conclusions on the subject matters as defined within the scope of work above to Centrica plc in accordance with our letter of engagement. Our work has been undertaken so that we might state to Centrica those matters we are required to state to them in this statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Centrica for our work, for this report, or for the conclusions we have formed.

### Deloitte LLP

London

26 March 2014