

Basis of Reporting

2012 CR Performance Review

centrica

Summary

The Basis of Reporting (BoR) outlines the scope of each of the 8 key performance indicators (KPIs) assured in our 2012 CR Performance Review.

Deloitte have assured our KPIs as stated within their Assurance statement, available at www.centrica.com/CRassurance. To review the assured KPIs, see page 48 of the 2012 CR Performance Review or visit: http://www.centrica.com/files/reports/2012cr/CR_Review_2012.pdf

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British Gas total number of smart meters installed

Description

British Gas installs smart meters in UK homes and businesses as part of the national meter installation programme replacing standard electricity and gas meters in the UK with new smart metering devices. The installation of smart meters in homes and businesses are done through separate programmes. This metric measures the installations in both programmes to produce to a combined total figure of smart meters installed by British Gas.

Unit of Measure

The absolute volume of installed electricity or gas smart meters in residential properties and the absolute volume of installed smart and advanced metering devices in businesses.

Scope

The smart meter installation figure is a composite metric covering electricity and gas smart meter installations in residential properties in the UK, excluding Scottish Islands and Northern Ireland, and the installation of electricity advanced meters and gas dataloggers in UK businesses.

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 2012 was 881,794. Of this, only data since 1 July 2011, totalling 514,482 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 October 2010, 182,683 meters were installed for residential customers by third party Commercial Meter Operators (CMO). This data was not externally assured as evidence was not available due to the historic nature of the data and the cessation of relationships with the CMOs. From October 2010 to July 2011 the installation was transitioned in-house with all meters installed by British Gas from 1 July 2011. Data for installations by British Gas, totalling 352,771, has been subject to external assurance.

For business customers, all meters are installed by third party providers. Prior to July 2011, the data only included installations where customers had been directly referred by British Gas, thereby excluding customers who went to the third party for installation directly. Since 1 July 2011, data reporting processes have been amended to include installations for all business customers. Data prior to July 2011, totalling 184,629, has not been subject to external assurance. Data for installations from July 2011, totalling 161,711, has been subject to review by our external assurance providers.

	Pre July 2011 (not assured)	Post July 2011 (assured)	Total
British Gas Business	184,629	161,711	
British Gas Residential	182,683	352,771	
Total	367,312	514,482	881,794

For residential properties, the measure includes meters installed directly by British Gas and meters installed by Commercial Meter Operators (CMOs) acting on behalf of British Gas. Table A outlines the reporting scope in more detail for the installation of smart meters in residential properties.

For business properties, the measure includes meters installed directly for sites supplied by British Gas, as well as those where the meter has been provided to a non-energy supply British Gas customer for purpose of Energy Analytic propositions and services that British Gas provides. Tables B and C outline in more detail the reporting scope for the installation of smart meters in business properties.

Table A – Reporting scope for smart meter installations in residential properties (BGR)

In Reporting Scope	Out of Scope
Smart Electricity Meter installed by British Gas Smart Meters (BGSM)	In Home Device (IHD) Installation / Exchange
Smart Gas Meter installed by BGSM	Newly acquired customers with smart device installed by another supplier.
Smart Electricity Meter installed by CMO	
Smart Gas Meter installed by CMO	
Smart Meters installed as new connections	
Smart Meters installed in place of existing Dumb Meter	
Smart Meters installed to replace faulty meters as a result of an emergency.	

Table B – British Gas Business (BGB) only - Reporting Scope (Electricity)

In Reporting Scope	Out of Reporting Scope
Smart meters installed as part of BGB programme to replace standard meters	Newly acquired customers with a smart device installed by another supplier.
Smart meters installed as new connections/upgrades	
Smart meters installed to replace faulty meters as a result of an emergency	
Smart meters installed where BGB providing smart services but are not the supplier	

Table C – BGB only - Reporting Scope (Gas)

In Reporting Scope	Out of Reporting Scope
Dataloggers installed as part of BGB programme to upgrade standard meters	Newly acquired customers with a smart device installed by another supplier
Dataloggers installed where BGB providing smart services but are not the supplier	
Dataloggers installed to replace faulty dataloggers as a result of an emergency.	

Calculation methodology

The total smart meter installation figure is a summation of the installations in residential and business properties. The calculations of both components are outlined below.

Residential

Total smart meters installed = Total gas smart meters installed + total electricity smart meters installed

Business

Total smart meters installed = Total volume of electricity advanced meters installed + total volume of gas dataloggers installed.

- **Electricity Advanced Meters**
Where British Gas (BG) is the energy supplier to the customer, the installation is identified and recorded at the point of receipt of industry dataflow (D0150) indicating a smart meter is on site. Where BG are not the energy supplier to the customer but have provided a Smart meter under separate Energy Services contracts, the installation is identified and recorded following confirmation from the meter installer via 3rd party weekly reports.
- **Gas Datalogger Meters**
All gas datalogger installations are identified and recorded following confirmation from the meter installer of the install via 3rd party weekly reports. This process is the same whether BGB are the meter supplier or not.

Data quality, collection and reporting frequency

Data Quality

For residential installations, a record of the installation is recorded in SAP, via H1 Handheld terminal. Any connectivity issues leading to potentially inaccurate data in SAP is amended by the Site Support team in SAP and within an externally maintained database to ensure accurate reporting.

For business installations, figures for electricity are only recognised through receipt of formal industry dataflow D0150 that indicate to the rest of the industry that a smart meter is present on site. Where British Gas is not the supplier or a gas datalogger has been installed, it is confirmed through agent reports. The overall installation figures are reconciled in December with our strategic install partners through these routes. Successful installs are also monitored through tracking and receipt of polled reads from those meters, customer NPS surveys and tracking of customer complaints.

Data collection

Detailed outlines of the collection for residential installations can be found in Table D and for business installations in Table E.

Table D – data collection for residential installations

Source	Provider	Fuel	Frequency	Purpose	Assumptions
SAP	British Gas	Gas/Elec	Daily	Data for British Gas field operation	All Smart Meters identified by Service Order Description (i.e. type of job booked)
Tracker Database	British Gas	Gas/Elec	Daily	Additional data for operations not updated successfully in SAP ~3% of ops.	Data is manually edited by Site Support team. All Smart Meters identified by Service Order Description (i.e. type of job booked)

Table E – data collection for business installations

Source	Provider	Fuel	Frequency	Purpose	Assumptions
Industry DataFlows (D0149/D0150)	Meter Operator	Elec	Weekly	Industry confirmation of smart meter installation where British Gas is the supplier	All Smart Meters identified through Meter Type defined as RCAMR, NCAMR or RCAMY. Only sites where British Gas is the supplier
Agent Weekly Report	Meter Installer	Elec	Weekly	Confirmation of all installs completed on behalf of British Gas	Meter Installer confirmation of smart installation for British Gas led installations including sites where British Gas is not the supplier. Does not include details for non-led installations such as faulty meters.
Agent Weekly Report	Meter Installer	Gas	Weekly	Confirmation of all installs completed on behalf of British Gas	Meter installer confirmation of advanced metering device (datalogger) for British Gas led installations, including sites where British Gas is not the supplier.
Polled Reads	Data Collector	Elec	Monthly	Successful polled (P) meter read via D0010 dataflow provides confirmation of successful smart installation and communications set-up.	Applicable Data Collector must be appointed before P reads can be delivered to British Gas.

Total carbon emissions

Description

Centrica's total carbon emissions are important non-financial indicators for the company and are included in both Centrica's Annual and Corporate Responsibility reports.

The reporting of the company's total carbon emissions demonstrates our understanding of our greenhouse gas (GHG) footprint, a pre-requisite for the successful management of such emissions and enables comparison with other companies.

Reporting methodology

Unit of measure

Tonnes of carbon dioxide equivalent (tCO₂e)

Scope and organisational boundaries

Centrica has committed to reporting its total carbon emissions based on the Scope 1 and 2 GHG emissions from all wholly owned or partially owned reporting entities across the group¹. This encompasses all global activities associated with our brands, British Gas, Centrica Energy, Centrica Storage and Direct Energy. Where Centrica has only part equity in a reporting entity, (e.g. joint ventures), the emissions are pro-rated to reflect Centrica's share. This equity share approach to our organisational boundaries is an approach supported by the GHG Protocol. It is intended that the reporting approach aligns as closely as possible with the financial accounting approach used in the same reports. This enables the relationship between carbon and financial performance to be compared directly.

Whilst Centrica follows the equity share approach described by the GHG Protocol; the IPIECA guidance is also followed, to the extent that the equity share is applied to the organisation that controls the assets and not the assets themselves. Hence, where the organisation has contractually dedicated exclusive use of them; both operating and financial leased properties, vehicles and platforms are included within Scope 1 and 2. Sub-leases are excluded irrelevant of their lease type.

A calendar year reporting period is adopted for GHG reporting i.e.1st January to 31st December. This again aligns with the company's financial reporting periods.

Materiality

For entities and assets, in which we have equity, all material GHG emissions are reported. However, GHG emissions not material to the business are only reported when they are readily available, including, where Centrica is the operator of the asset. The criterion for material emissions is dependent on the central business of the asset, as summarised in Appendix B. This is consistent with ISO 14064-1².

¹ Note: Where an entity is operated as a component of another entity and the environmental regulators treat the facilities as a whole, they are reported as a single reporting entity at the equity of the main facility.

² BS ISO 14064-1 states "The organisation may exclude from quantification direct or indirect GHG sources or sinks whose contribution to GHG emissions or removals is not material or whose quantification would not be technically feasible or cost effective."

Greenhouse Gas Emission Sources

The GHG emissions include emissions from:

Scope 1

- The combustion of fossil fuels in the premises, vehicles, equipment and machinery owned³ by the reporting entity⁴
- The leakage or escape of GHG emissions from the above

Scope 2

- The GHG emissions associated with the electricity, heat and steam we import for use in our premises, vehicles, equipment and machinery

Greenhouse gasses are defined in section 92 of the Climate Change Act 2008 (c. 27) as carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCS), perfluorocarbons (PFCS) and sulphur hexafluoride (SF₆).

Other GHG's including HCFC's are also captured and reported where relevant.

Also, in accordance with the GHG Protocol, greenhouse gases that are released during the combustion of biologically sequestered carbon (biomass and biofuels) are reported as a separate line of the Scope 1 emissions. Currently the company has low volumes of biofuels and biomass consumption, including biodiesel for on-site generators and minor consumption of biomass for a biomass boiler.

Table A below, details which emissions are in scope

Table A – Scope 1 & 2 Emissions

In scope	Out of scope
Offices and Depots	
Scope 1 Emissions from offices that we wholly or partially own or lease <ul style="list-style-type: none"> • Gas use • Diesel use • Refrigerant leakage • Biofuels used onsite to generate heat and power for on and offsite use (sequestered carbon to be reported as a separate line) 	Scope 1 Emissions from offices that we sub-lease to others
Scope 2 Emissions from offices that we wholly or partially own or lease <ul style="list-style-type: none"> • Imported power (whether from Centrica or other supplier) 	Scope 2 Emissions from offices that we sub-lease to others

³ Owned can mean owned or exclusively leased by the reporting entity (refer below).

⁴ The equity approach is applied to the reporting entity and does not necessarily reflect the actual ownership of the assets used by that reporting entity. For example, we lease many of the offices and vehicles that we use, but we report them as scope 1 and apportion the emissions based on the equity we have in the reporting entity that uses them. We believe this approach to be the most comparable to the financial reporting approach.

In scope	Out of scope
Fleet	
Scope 1 Emissions from: <ul style="list-style-type: none"> • Commercial fleet • Company cars (business travel only - via mileage expenses or fuel card records) • Rental cars where the fuel is claimed back as expensed mileage (typically where it is a temporary company car) 	Scope 1 Emissions from: <ul style="list-style-type: none"> • Personal mileage in company cars, including commuting • Rental car fuel use unless claimed back as expensed mileage • Grey Fleet (personally owned cars used for company business)
Power Generation Reporting Entities	
Scope 1 Emissions from power generating entities where we have equity: <ul style="list-style-type: none"> • Carbon dioxide (CO₂) from fuel combustion • Fugitive GHG (incl. methane (CH₄) from gas turbines, Sulphur Hexafluoride (SF₆) leakage, fugitive natural gas emissions, refrigerant leakage (HFCS and PFCS); and emissions of Nitrous Oxide (N₂O)) 	Scope 1 Fugitive emissions below the materiality threshold (see Appendix B)
Scope 2 Imported power for plant consumption (whether from Centrica or other supplier)	Scope 2 Emissions from power generating reporting entities where we have no equity even where we purchase power on a site specific basis i.e. Tolling or PPA ⁵
Fuel Production Reporting Entities	
Scope 1 GHG emissions from reporting entities where we have equity: <ul style="list-style-type: none"> • Carbon dioxide (CO₂) from fuel combustion including flaring • Venting and fugitive GHG (incl. methane (CH₄) from gas turbines, Sulphur Hexafluoride (SF₆) leakage, fugitive natural gas emissions, refrigerant leakage (HFCS and PFCS); and emissions of Nitrous Oxide (N₂O)) 	Scope 1 Fugitive emissions below the materiality threshold (see Appendix B)
Scope 2 Imported power for plant (whether from Centrica or other supplier)	n/a

⁵ PPA and Tolling agreements, as well as open market power purchases, are Scope 3 emissions and therefore outside of the Scope of this BoR, even though the financial gains from them are included in our financial accounts.

Calculation methodology

Scope 1 – Direct GHG Emissions

Scope 1 emissions are the sum of:

1. EU Emission Trading Scheme [EU ETS] values where available. Where reporting entities are not part of the EU ETS scheme, including in North America, the equivalent to the EU ETS is calculated. This being the sum of CO₂ emissions from fossil fuel combustion (including flaring).
2. Plant fugitive and venting GHG emissions
3. Fleet and property combustion and refrigerant emissions

Site specific emission factors are used where there is site specific variation (e.g. unprocessed natural gas) to convert activity data into GHGs. Where there is negligible site specific variation, standard emission factors, from published sources are applied, including:

- The Greenhouse Gas Protocol – Revised Edition from the WRI and WBCSD
- Guidelines to DEFRA/DECC's GHG Conversion Factors for Company Reporting by DEFRA
- United States Energy Information Administration (EIA)
- eGrid
- Environment Canada

Where activity data is submitted in energy units (e.g. kWh of gas consumption), the emission factor is based on the assumption that the energy units are the gross calorific value, unless specified otherwise. This is based on natural gas suppliers typically quoting gas consumption in gross energy units and natural gas being the main fuel source used.

Scope 2: Electricity indirect GHG emissions

Scope 2 GHG emissions are from the generation of purchased electricity, heat or steam consumed by the company. Centrica currently imports neither heat nor steam. Purchased electricity is defined as electricity that is purchased or otherwise brought into the organisational boundary of the company. Scope 2 emissions physically occur at the facility where electricity is generated.

The DEFRA Total Direct GHG five year grid-rolling average is used to calculate the carbon emissions of our imported power for UK and Rest of World (DEFRA provide values for all countries). The United States of America emission factors are sourced from the latest Emissions & Generation Resource Integrated Database eGRID Summary Tables. The Canadian emission factors are sourced from Environment Canada Electricity Intensity Tables.

In the UK, where we purchase grid power from ourselves, we could justifiably use Centrica's own (lower) power carbon intensity to calculate GHG emissions for this imported power. Moreover, as we already report the emissions associated with power generation within the scope 1 emissions of our exporting assets, it could be argued that we are double counting the same emissions in the scope 2 emissions of our importing assets. A solution would be to report our scope 2 emissions as zero in these cases or remove the relevant emissions from our scope 1 totals. However, we have retained the approach of reporting our Scope 2 emissions as if they are imported from another generating organisation using the countries' standard grid emission factors. This ensures transparent accounting of our total scope 1 and 2 emissions and enables trends in our imported electricity consumption to be understood.

Data quality, collection and reporting frequency

Data quality

The majority of data is submitted in the ourEnvironment software system by the Business Units, sites or associated functions. In the limited instances where this is not the case, data is submitted using excel spreadsheets.

In the ourEnvironment system, all the scope 1 and 2 Indicators have a tolerance check activated, where the value entered must be within 50% of the value for the same period in the previous year. Where the value is +/- 50% of the previous value, a comment must be made and/or supporting documentation attached.

All emissions are to be submitted in accordance with the Group Procedure for Environmental Reporting. This includes:

- The data being provided in the time frames required,
- The most accurate data at the time of submission to be used, following the hierarchy of accuracy (direct measurement, if not then calculation, if not then estimation)
- Records to be maintained on site to provide an audit trail

The EU Emissions Trading Scheme (ETS) emissions are externally verified annually and represent almost half of our total Scope 1 emissions. Hence where there is an EU ETS value, it is used. This maximises the integrity of the total scope 1. However, the EU ETS emissions data are subject to annual verification during March/April of the following year. If data is reported externally by Centrica prior to receiving the EU ETS verification it is caveated to that extent, otherwise figures are restated as soon as verified data becomes available. In the compilation of the EU ETS values, two approaches are used:

- Unverified Emissions calculations – calculated internally - based on gas chromatography samples of actual gas consumed at sites; and
- Verified Emissions calculations – evaluated annually using the finalised internal view of emissions for the calendar year and then verified by an accredited third party for compliance with the EU ETS.

GHG emissions associated with office fuel use and vehicle emissions are not covered by EU ETS, however the majority of these emissions are covered by the assurance for the Carbon Trust Standard. The UK office GHG emissions are also covered by the CRC Energy Efficiency Scheme.

The group totals are compiled by Centrica Group Environment with sign off from:

1. Group Environmental Reporting Manager
2. Group Head of Environment
3. Group Director of Health, Safety, Environment and Security

Assumptions

The GHG emission methodologies and associated assumptions are included in Tables B.

Table B – Calculations and assumptions

UK and European Building and Vehicle Emissions				
Category	Source	Calculation	Emission factors	Assumptions
Buildings				
Electricity	Solely occupied sites: meter readings validated against bills	Consumption (kWh) x emission factor	DEFRA's Five Year Grid Rolling Average (GRA) (recalculated annually for all years)	n/a
	Serviced offices: calculated using average Centrica power use per FTE	Average Centrica European power use per FTE x FTE in office x emission factor	As above	There will be a lower rate of improvement in the serviced offices; therefore an average (2009) Centrica power use/FTE value is applied to all years
Gas	Solely occupied sites: meter readings validated against bills	Consumption (kWh) x emission factor	DEFRA's Gross Calorific Value	n/a
	Serviced offices: calculated using average Centrica gas use per FTE	Average Centrica European gas use per FTE x FTE in office x emission factor	As above	There will be a lower rate of improvement in the serviced offices; therefore an average (2009) Centrica gas use/FTE value is applied to all years
Fleet				
Commercial	Fuel card data	Fuel volume (l) x emission factor	DEFRA Total Direct GHG emission factor relevant to fuel type	All Fleet activity is for business purposes
Company cars	Expenses data provided by external HR provider	Mileage (m) x emission factor	Vehicle-specific manufacturers tail-pipe emission factors (where this is not available an emission factor based on a Centrica UK average by vehicle type is used)	Mileage claims are accurate
	Fuel card data	Volume (l) x emission factor	DEFRA Total Direct GHG emission factor relevant to fuel type	47% of fuel use is private and therefore excluded (based on a March 2010 review and an expanded review in November 2011)

North American – Building and Vehicle Emissions				
Category	Source	Calculation	Emission factors	Assumptions
Buildings				
Electricity	Solely occupied sites: meter readings validated against bills	Consumption (kWh) x location specific emission factors	Emissions & Generation Resource Integrated Database eGRID Year 2007 Summary Tables Environment Canada Electricity Intensity Tables 2008 data	n/a
	Serviced offices: square footage and type	Square footage x consumption rate (by property type) x state/province emission factor	(as above) Consumption rates (by location and building type) from Energy Information Administration (EIA)	n/a
Gas	Solely occupied sites: meter readings validated against bills.	Consumption (m ³) x gas emission factor	United States Energy Information Administration (EIA)	n/a
	Serviced offices: square footage and type	Square footage x consumption rate (by property type) x gas emission factor	Consumption rates (by building type) from EIA	n/a
Fleet				
Commercial	Fuel card data	Fuel volume (l) x emission factor	GHG Protocol Tools (WRI), GHG emissions from transport or mobile sources 2011	All Fleet activity is for business purposes

Power Generation Emissions				
Category	Source	Calculation	Emission factors	Assumptions
Fuel Consumption for EU ETS sites				
EU ETS of gas fuelled power stations	Provided bi-annually Verified emissions data provided annually by an accredited third party	Sum of emission volumes in tonnes, across months, and across all reporting entities	Site specific dependent on analysis of calorific value of fuel used	Unverified emissions, are derived from gas consumption, and are indicative until verified emissions are available. Where carbon intensity is reported externally prior to the provision of verified emissions, the figures carry a caveat to that extent.
EU ETS of nuclear fuelled power stations	Provided in ourEnvironment bi-annually for the preceding 6 months	Power generated x Emission Factor	0.59gCO ₂ /kWh	The emission factor is based on the actual verified carbon intensity of the nuclear generation for 2011
Fuel Consumption for non-EU ETS sites				
Natural gas/diesel/fuel oil consumption	Provided in ourEnvironment bi-annually for the preceding 6 months	Gas consumption meter readings (energy units) x gross emission factor (site specific if available, otherwise published) Diesel and Fuel oil (volume x published emission factor)	Vary depending on geography and year and published or site specific	In the case of diesel and fuel oil, reported volumes may be based on delivery volumes or consumption
Fugitive Emissions				
Methane from Gas turbines	Provided in ourEnvironment bi-annually for the preceding 6 months	Start up/Shut down: Gas volume x duration Unburnt during combustion: Gas volume x Emission factor	Methane (CH ₄) 100 year Global Warming Potential (GWP) IPCC's Second Assessment Report: 21	Assumes all natural gas is methane
Fugitive gas emissions	Provided in ourEnvironment bi-annually for the preceding 6 months	Calculation using gas composition, flow volume, size, design and age of facility (often calculation); or, calculated based on estimated gas escapes that result in exterior gas alarms being activated	Methane (CH ₄) 100 year Global Warming Potential (GWP) IPCC's Second Assessment Report: 21	Assumes all natural gas is methane

Category	Source	Calculation	Emission factors	Assumptions
Fugitive Emissions continued				
Fugitive Sulphur Hexafluoride (SF ₆)	Provided in our Environment bi-annually for the preceding 6 months	Top-up weight from SF ₆ maintenance records	SF ₆ 100 year Global Warming Potential (GWP) IPCC's Second Assessment Report: 23,900	That the quantity required for system top-up equals the volumes lost through leakage
Nitrous Oxide (N ₂ O) emissions from fossil fuel combustion	Provided in our Environment bi-annually for the preceding 6 months	(Fuel volume x Environment Agency emission factors) x N ₂ O GWP	N ₂ O 100 year Global Warming Potential (GWP) IPCC's Second Assessment Report: 310	NA
HFCs & PFCs where relevant	Provided in our Environment bi-annually for the preceding 6 months	Top-up weight from maintenance records	HFC and PFC 100 year Global Warming Potential (GWP) IPCC's Second Assessment Report: various	That the quantity required for system top-up equals the volumes lost through leakage
R-22	Provided in our Environment bi-annually for the preceding 6 months	Calculated from top-up records	HCFC Global Warming Potential (GWP) IPCC's Fourth Assessment Report HCFC-R22: 1810	That the quantity required for system top-up equals the volumes lost through leakage

Gas Production and Storage Facilities				
Category	Source	Calculation	Emission factors	Assumptions
Fuel Consumption for EU ETS sites				
Verified EU ETS	Provided bi-annually by the business units Verified emissions data provided annually by an accredited third party	Sum of emission volumes in tonnes, across months, and across all reporting entities	Site specific dependent on analysis of calorific value of fuel used	Unverified emissions, are derived from gas consumption, and are indicative until verified emissions are available. Where carbon intensity is reported externally prior to the provision of verified emissions, the figures carry a caveat to that extent.
Fuel & Flaring (For Non EU ETS sites)				
Natural gas/diesel/Fuel oil consumption	Provided in ourEnvironment bi-annually for the preceding 6 months	Gas consumption meter readings (energy units x gross emission factor (site specific if available, otherwise published) Diesel and Fuel oil (volume x published emission factor)	Vary depending on geography and year and published or site specific	In the case of diesel and fuel oil, reported volumes may be based on delivery volumes or consumption
Flaring	Provided in ourEnvironment bi-annually for the preceding 6 months	Flow meters x emission factor; or calculation based on production	Site specific dependent on analysis of calorific value of fuel used	n/a
Venting and Fugitive Emissions				
Fugitive gas emissions	Provided in ourEnvironment bi-annually for the preceding 6 months	Calculation using gas composition, flow volume, size, design and age of facility (often calculation	Methane (CH ₄) 100 year Global Warming Potential (GWP) IPCC's Second Assessment Report: 21	Assumes all natural gas is methane
Nitrous Oxide (N ₂ O) emissions from fossil fuel combustion	Provided in ourEnvironment bi-annually for the preceding 6 months	(Fuel volume x Environment Agency emission factors) xN ₂ O GWP	N ₂ O 100 year Global Warming Potential (GWP) IPCC's Fourth Assessment Report: 310	n/a

Category	Source	Calculation	Emission factors	Assumptions
Venting and Fugitive Emissions continued				
HFCs & PFCs where relevant	Provided in ourEnvironment bi-annually for the preceding 6 months	Top-up weight from maintenance records	Various based on GWP sources from: 2012 Guidelines to DEFRA/DECC's GHG Conversion Factors	That the quantity required for system top-up equals the volumes lost through leakage
R-22	Provided in ourEnvironment bi-annually for the preceding 6 months	Measurement of inventory levels	HCFC Global Warming Potential (GWP) IPCC's Fourth Assessment Report HCFC-22: 1810	That the quantity required for system top-up equals the volumes lost through leakage
Methane from Nitrogen Removal Units	Provided in ourEnvironment bi-annually for the preceding 6 months	Flow meters [volume] x spot sampling (concentration)*x GWP	Methane (CH ₄) 100 year Global Warming Potential (GWP) IPCC's Second Assessment Report: 21	Assumes concentration does not vary between spot samples
Carbon Dioxide from Thermal Oxidisers	Provided in ourEnvironment bi-annually for the preceding 6 months	Flow meters x CO ₂ concentration (based on spot samples)	N/A	Assumes concentration does not vary between spot samples

Appendix A – Glossary of Terms

Term	Definition
Greenhouse Gas (GHG)	The six greenhouse gases (GHGs) listed in the Kyoto Protocol (CO ₂ , CH ₄ , N ₂ O, HFCs, PFCs and SF ₆).
Total carbon emissions	Gross Scope 1 and 2 GHG emissions based on stated organisational boundary.
Scope 1	A reporting organisation's direct GHG emissions.
Scope 2	A reporting organisation's emissions associated with the generation of electricity, heating/ cooling, or steam purchased for own consumption.
Carbon dioxide equivalent (CO₂e)	The universal unit of measurement to indicate the global warming potential (GWP) of each of the six greenhouse gases, expressed in terms of the GWP of one unit of carbon dioxide. It is used to evaluate releasing (or avoiding releasing) different greenhouse gases against a common basis.
tCO₂e	Metric tonnes of carbon dioxide equivalent (refer above)
Equity Share	Percentage of Centrica's ownership within an Entity which reflects the extent of the financial risks and rewards of the Entity we are entitled to.
Reporting Entity	This is the level that the equity share is applied. Ensuring that this is at the level appropriate to fairly and accurately reflect our investments.
Exclusive use of asset	In most cases 'Owned' is where we own or have exclusive use of an asset. However in the case of buildings, the term 'owned' covers buildings where we use all or part of the office for the long term.
EU ETS	EU Emission Trading Scheme
CO₂	Carbon Dioxide
CH₄	Methane
N₂O	Nitrous Oxide
SF₆	Sulphur Hexafluoride
HFCs	Hydrofluorocarbons
HCFC	hydrochlorofluorocarbon
PFCS	Perfluorocarbons
Grey Fleet	Private cars used on business
CFC	Chlorofluorocarbon
CRC	Carbon Reduction Commitment

Appendix B – Material and Immaterial Emissions

Centrica reports all material GHG emissions from our wholly owned or partially owned reporting entities across the group. Immaterial emissions are reported when they are readily available, for example, where Centrica is also the operator of the asset.

Table C below, identifies what are considered the material and immaterial emission sources for different business activities.

Table C - Materiality by Business Activity

Business activity	Material emission sources	Immaterial emission sources
Production & power generation	Stationary combustion >3MW	Stationary combustion <3MW
	Flaring	Fugitive emissions
	Venting	Vehicle & building emissions
	Imported electricity	
Fleet based business	Fleet fuel emissions	Building emissions
Office based business	Building electricity use	Fleet fuel emissions
	Building fuel use	

British Gas Net Promoter Score (NPS)

Description

NPS is a measure of customer advocacy and has been shown to be linked to company growth. It uses a scale of 0 to 10, to measure how much a customer would recommend a company.

Calculation methodology

Unit of measure

NPS is calculated by categorising customers into three groups based on how they answer the question: *How likely is it you would recommend British Gas?*

On a scale of 0-10 with 0 being Definitely Not Recommend and 10 being Definitely Recommend, how likely is it that you would recommend British Gas?

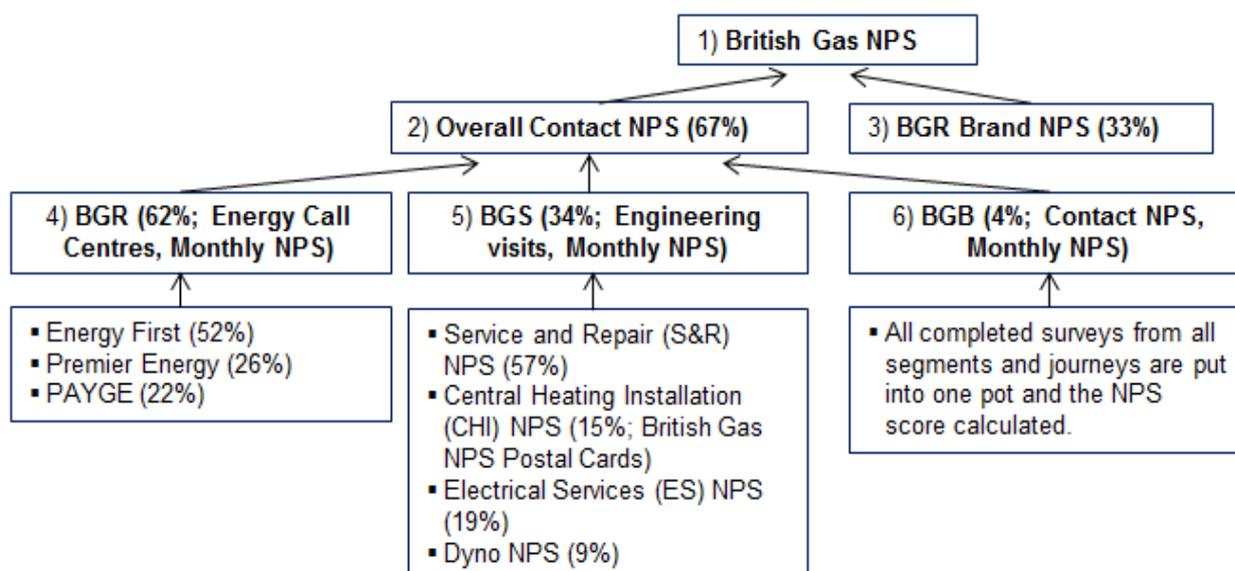


$$\text{NPS} = \% \text{ Promoters} - \% \text{ Detractors}$$

Scope

British Gas NPS measure is a composite metric combining NPS scores for Residential, Services and Business divisions. There are multiple NPS metrics from multiple separate survey sources that go into making up this composite score (outlined below – Figure 1), using the weightings shown.

Figure 1



Types of measurement

The British Gas NPS is made up of two types of measurement: Contact NPS across Residential Energy, Services and Business divisions and Brand NPS across Residential Energy and Services divisions. The Contact NPS measures customer advocacy soon after an interaction (call centre or engineer visit) Brand NPS measures customer advocacy among all Residential customers, including customers with no recent interaction with the business.

Table A - Outlines type of measurement used

Metric	Measurement type	Composition / inputs
(1) British Gas NPS	Blend of Contact and Brand NPS	British Gas Contact NPS (67%) + British Gas Brand NPS (33%)
(2) British Gas Contact NPS	Blend of British Gas Residential, British Gas Services and British Gas Business NPS	British Gas Residential NPS (62%) + British Gas Services NPS (34%)+ British Gas Business NPS (4%), each of these scores are in themselves derived from scores based on multiple surveys. Weightings determined by volume of accounts
(3) British Gas Brand NPS	Brand	NPS calculated from one survey which is representative of residential customers
(4) British Gas Residential NPS	Contact	Energy First (EF) NPS (52%) + Premier Energy (PE) NPS (26%) + Pay as you go energy (PAYGE) NPS (22%) Weights determined by call volumes.
(5) British Gas Services NPS	Contact	Composite of Service & Repair (S&R, 57%), Central Heating Installation (CHI, 15%), Electrical Services (ES, 19%) and Dyno (9%). British gas Community Energy is no longer part of BGS Engineer Visit NPS Metric, as of Dec 2011. NPS scores weighted based on 2012 expected gross profits in each area
(6) British Gas Business NPS	Contact	All surveys from the 3 customer service segments, Core, High Value (HV) and Corporate markets along with surveys from the 9 end to end journey areas are put together and the NPS results calculated using all of them. There are no weightings applied.

Calculation methodology

For all business areas within the contact measurement types, the NPS is calculated monthly by calculating the percentage of promoters for that month, the percentage of detractors for the month and subtracting detractors from promoters.

Brand NPS

The Brand NPS monthly score is calculated as a rolling 3 month average. The study is designed to ensure that the results are representative of residential customers and as such are weighted based on whether customers are dual fuel or single fuel, what type of Homecare product they purchase, and their method of payment (cash/cheque, direct debit or Pay As You Go).

The monthly total completed surveys among British Gas residential customers are 1,500 (3 month average based on 4,500). The 2012 year end score for Brand NPS was the 3 month rolling average at December 2012 (Oct-Dec 2012).

British Gas Residential NPS

The overall British Gas Residential (BGR) NPS score is created based on a two stage process. First, NPS is established for each of the business areas: (EF, PE and PAYGE). Next, an overall BGR NPS score is calculated by combining the three metrics and weighing based on call volumes.

Monthly completed survey totals for British Gas Residential in 2012 ranged from over 71,000 to 125,000, collected from automated telephone surveys to customers.

Completed surveys are available for March 2012 to August 2012 only. This is due to Energy First stopping the survey between December 2011 to February 2012, and Premier Energy and Energy First stopping the survey between September to December 2012.

The surveys were put on hold in order to allow the agents to deal with increased levels of call volumes, allowing British Gas to focus on servicing customers as quickly as possible.

Please note although there was a NPS trial conducted between November – December 2012 in PE and EF, we have excluded it from our year end calculations because certain call types were excluded and different methodologies were used.

The 2012 year end score for British Gas Residential is the average score for the period March 2012 to August 2012.

British Gas Services NPS

The overall British Gas Services (BGS) NPS score is created based on a two stage process. First, NPS is calculated for each of the business areas (S&R, CHI, ES and Dyno). Next, an overall BGR NPS score is calculated by combining the three metrics and weighing based on 2012 expected gross profits in each area.

The average monthly number of completed surveys for British Gas Services in 2012 was 44,000.

The year-end score for British Gas Services NPS is the moving annual total (MAT), calculated across January 2012 to December 2012.

Note: British Gas CE is no longer part of BGS Engineer Visit NPS Metric, as of December 2011.

British Gas Business Contact NPS

NPS is an average of SME Core (Core Service Centre inbound and outbound), SME HV (inbound and outbound). Corporate Markets (inbound and outbound) and Journey (including Sales, Billing, Connection & Metering, Retention, Credit, Business Movers, Save) non-weighted, reflective of the actual number of completed surveys.

This change was introduced at the start of 2012 as it was decided that this gave a truer reflection on the overall opinion of customer to British Gas Business. The year-end score for British Gas Business Contact NPS is the Year End figure from December 2012.

British Gas Contact NPS

The British Gas Contact NPS is calculated by combining British Gas Residential, British Gas Services and British Gas Business NPS scores using the weighting outlined in Figure 1.

British Gas NPS

The Overall British Gas NPS is calculated by then creating a weighted average of British Gas Residential (BGR) Brand NPS (33%) and British Gas Contact NPS (67%).

Data quality, collection and reporting frequency

British Gas Residential NPS

Agents receiving calls from customers would invite customers to participate in an automated telephone survey, at the end of the call. If the customer agreed, they would be transferred to the automated system. All three inputs to the British Gas Residential metric (EF, PE and PAYGE) were based on automated telephone surveys.

British Gas Residential reporting is available on the 5th of the month, reporting on the previous month.

British Gas Services NPS

In 2012 CHI customers are surveyed by post, administered internally by British Gas. Each week each business area pulls together a list of all customers who have had an engineer visit in the prior week. All of these customers are sent a paper survey. Completed surveys sent back by customers are analysed by British Gas and NPS scores created.

S&R, Dyno and ES customers are surveyed by an outbound automated phone survey. Each week a dialler file is created for all customers who have had an ES Engineer visit in the previous week. The file is uploaded to externally hosted secure FTP site, and customers are called automatically and invited to participate in the survey.

The BG MI analysts from ES, Dyno, CHI and S&R then process the raw survey data and calculate the monthly NPS figure. All the MI reports are published on the MI portal.

British Gas Services reporting was available 8th of the month, reporting on the previous month.

British Gas Business NPS

Data is collected via the automated survey system, the scores are accessed in the system and pulled out for reporting on a daily, weekly and monthly basis according to need at team level.

For British Gas Business, reporting happens on the 12th of each month emailed to senior managers and posted on the intranet news for all British Gas Business employees to access.

British Gas Residential (BGR) Brand NPS

Interviews are conducted by telephone by an external research agency. Residential customers who were already surveyed in the last month for British Gas were excluded. British Gas provides our external agency with a randomly generated list of British Gas customer records, securely via an FTP site. The external agency collates responses via their internal CATI tool called Askia Vista.

Reporting is monthly and available on the 5th of each month, reporting on the previous month. However, the performance shown is always rolling three months to ensure robustness and to eliminate any 'noise'. Therefore, number of completed surveys reported against are:

- British Gas customers (4,500 rolling three months)
- Competitor customers (750 rolling three months per supplier)

Brand NPS

Interviews are conducted by telephone by an external research agency. Residential customers who were already surveyed in the last month for British Gas were excluded. British Gas provides our external agency with a randomly generated list of British Gas customer records, securely via an FTP site. The external agency collates responses via their internal CATI tool called Askia Vista.

Reporting is monthly and available on the 5th of each month, reporting on the previous month. However, the performance shown is always rolling three months to ensure robustness and to eliminate any 'noise'. Therefore, number of completed surveys reported against are:

- British Gas customers (4,500 rolling three months)
- Competitor customers (750 rolling three months per supplier)

Direct Energy Net Promoter Score (NPS)

Description

NPS is a measure of customer advocacy and has been shown to be linked to company growth. It uses a scale of 0 to 10, to measure how much a customer would recommend a company.

The North America Direct Energy NPS metric reflects customer advocacy from residential and business energy customers and home services customers from across its operating markets in the United States and Canada.

Calculation methodology

Unit of measure

NPS is calculated by categorising our customers into three groups based on how they answer the question: *How likely are you to recommend {Brand Name} to friends or colleagues?*

Customers rate their likelihood to recommend on a scale of 0 to 10, with zero being 'definitely would not recommend' and 10 being 'definitely would recommend'. As depicted in the image below, customers are grouped three ways based on how they rate their likelihood to recommend:

- 0 to 6 are detractors
- 7 or 8 are passive
- 9 or 10 are promoters



Types of measurement

Direct Energy employs two methods for measuring NPS: 'relationship' and 'moment of truth'. The relationship approach is used to measure residential and business energy customers' advocacy. It measures the 'likelihood to recommend' at an overall brand level on a monthly basis by region and commodity where applicable.

The moment of truth approach is used to measure Home Services customers. Moment of truth measures the 'likelihood to recommend' at an overall brand level following a moment of truth customer interaction with respect to a service / maintenance visit and a furnace / air conditioning installation.

Scope

The North America Direct Energy (NA DE NPS) metric measures Direct Energy's residential and business energy customers and home services customers across Direct Energy's various operating regions. The table below outlines the scope of the metric and indicates the type of measurement used.

Table H - Scope of the metric and type of measurement used

Line of business	Measurement	Regions/Segments
Residential	Relationship	<ul style="list-style-type: none"> ▪ Texas (Direct Energy Brand and Incumbent brands that include CPL Retail Energy, WTU Retail Energy and First Choice Power new in 2012 following the acquisition) ▪ Canada (Alberta Competitive only) ▪ USN region (continue to survey Direct Energy brands in CT, OH, PA, MI, MD, NY and NJ and IL were added in 2012. Gateway brand in NY and NJ now included in 2012 after benchmarking in 2011. Vectren Source Brand in OH benchmarked in 2012, but not included in final score (inclusion is planned for 2013).
Business	Relationship	<ul style="list-style-type: none"> ▪ US only (Canada dropped due to operating conditions similar to residential) ▪ Large, Medium and Small Commercial (excludes Small Commercial customers sourced via DER acquisition channels) customer base
Home Services	Moment of truth	<ul style="list-style-type: none"> ▪ Canadian Home Services regions of Ontario, Alberta added Manitoba region and Rental Water Heater installs to the 2012 program. ▪ Airtron (formerly known as US Home Services) ▪ Clockwork Brands

Calculation methodology

An NPS score is calculated by each line of business. Calculations for Residential energy customers are first conducted on a regional basis to show an NPS regional score, and then combined with other regions using weightings based on customer count to produce a line of business NPS score.

Business energy customers are based on the brand survey in the US only. The score is then weighted based on small and mid/large customer base count.

Home services customer scores are calculated on a service type basis (service vs. install) and these scores are then weighted based on gross margin across various categories depending on the business unit. In Canadian Home Services (CHS), the weights are assigned based on service type (Service vs. Install) and product type (Rental Water Heater vs. Heating / Air-conditioning). In Clockwork, the weights are defined by service type, brand, and corporate vs. franchise ownership. In Airtron, the weights are assigned based on service type only (service vs. install). This results in a weighted NPS score for each of the three business units. These 3 scores are in turn weighted based on gross margin contribution to come up with the consolidated DE Home Services score. For residential and business customers, scores are weighted regionally to account for different customer numbers across operating markets

Each business' NPS score is calculated by adding all the promoters, divided by the rolling total sample for the last twelve months, and adding all the detractors, divided by the rolling total sample for the last twelve months. A score is produced by subtracting the percentage of promoters by the percentage of detractors and multiplying by 100.

The full NA DE NPS score is then calculated by multiplying each business' NPS score against a weighting and adding the totals together. The formal below shows the calculation:

$$\text{NA DE NPS} = (\text{Residential NPS} \times 50\%) + (\text{Services NPS} \times 30\%) + (\text{Business NPS} \times 20\%)$$

Deliverables – data and reporting

Data collection – relationship NPS

Data is collected through telephone interviews conducted by research agencies. Direct Energy provides the agencies with a random sample of DE customer records. Data management aligns to industry best practices with the research agency performing the cleaning to ensure no duplications exist. The agency collates interview responses and provides data to the respective Direct Energy team (Residential data to the Customer insights team and Business to the Customer Experience committee team) who calculates the final NPS score (excluding don't know responses) with data being cleaned of errors and de-duplicated.

Data collection – Moment of Truth Home Services NPS

For Canadian Home Service (CHS), data is collected through the daily execution of mail and email NPS surveys the day following the MOT customer interaction. All eligible customers (not on Do Not Contact list) with an email address are surveyed. For mail, a random sample is selected for Service while 100% of Installs are selected. A contact storage table is maintained daily for each survey to keep track of all customers who have been targeted with a survey. The mail vendor and email vendors deliver daily response files. The responses are loaded to an individual response table for each of the two surveys. Derivation and reporting of NPS scores is performed by Canadian Home Services Customer Relationship Management team using the contact storage table joined to the response table for each of the two surveys.

A similar process is followed for each of Clockwork and Airtron with the exception that only mail surveys are conducted for each of them. For Clockwork and Airtron, Successware and Airtron respectively provide a daily targetable file of all service and install visits and the 25% sampling on Service calls is performed by the mail vendor who provides a daily file indicating who was targeted for the survey. The Canadian Home Services CRM team maintains a single contact storage table and a single response table for Clockwork and Airtron in order to provide all results tracking.

Reporting timelines

The NA DE NPS is reported on monthly and on a rolling 12 month basis for each year. The metric is reported to management, corporate affairs and back to each business. The 2012 figure is based on results for the calendar year 1st January 2012 to 31st December 2012.

Total number of vulnerable households helped

Description

The metric measures the total number of vulnerable households helped through British Gas initiatives. A 'vulnerable household' is where one or more of its residents are defined as 'vulnerable'.

Those households impacted are where a specific product or service is provided to help improve the service experienced or ensure the household is able to manage their gas or electric supply.

The broad industry definition of vulnerability agreed with Energy Retail Association and the big six UK energy suppliers is:

A customer is vulnerable if for reasons of age, health, disability or severe financial insecurity, they are unable to safeguard their personal welfare or the personal welfare of other members of the household.

British Gas has defined more specific criteria to enable us to apply this framework. The criteria include any one of the following:

- Customers suffering from severe financial insecurity:
 - Customers claiming Means Tested Benefits; and / or
 - Customers with a household income of < £16,190
 - Customers spending >10% household income on fuel per year for adequate heating (usually 21 degrees for the main living area, and 18 degrees for other occupied rooms)
- Age, disability or long term illness - households with one or more of the following:
 - Households with children aged 16 years or under;
 - A household member aged 60 or over;
 - A household member who requires constant carer's assistance;
 - Relies on mains powered medical equipment;
 - Long term/chronic ill health including terminal illness e.g. cancer;
 - Claiming disability benefits or registered disabled
- Customers suffering from severe stress or any other mental health problems:
 - People living with dementia (Alzheimer's is the most common form)
 - Very confused or stressed and unable to understand basic information, hold a normal conversation or make a decision

Products and services available to vulnerable customers may differ, depending on the vulnerability criteria being met.

For customers who are identified as vulnerable, an indicator is added to their gas and / or electricity account to ensure their status is recognised in future interactions, and as a trigger for our agents to offer appropriate products and services that the customer may be entitled to, or in need of.

Calculation methodology

Unit of measure

Total number of households that benefited in 2012 from one or more of British Gas' social programmes designed to assist vulnerable customers.

Scope

The metric covers British Gas residential customers and programmes. Each of the eight vulnerable customer programmes that British Gas offers are shown below, including the products offered within each. Data is sourced from these products to produce the metric.

Table I – British Gas Vulnerable customer programmes

1. Essentials

Essentials is our discounted energy tariff. Four products made up the programme. They varied on the criteria they apply to determine eligibility and on the products they offered. For example, some products offer discounts on gas and electricity while others also include dedicated helpline for advice. Our Essentials tariff was closed to new applicants in July 2011, and all those who were on this tariff have been moved to Standard Tariff (or another of their choosing) during 2012.

2. Debt Customers

Products which support vulnerable households suffering from debt. These products differ for the energy they receive (e.g. electricity or gas). Customers are considered in debt with outstanding arrears of greater than 28 days. PAYGE customers are identified where a debt was added to their meter at the point of meter exchange from credit to prepayment. Fuel Direct supports customers on certain benefits to repay their debt. A weekly repayment value is agreed with Department for Work and Pensions, and with the customer's permission.

3. British Gas Energy Trust (BGET)

Grants to help vulnerable customers manage their energy debt.

4. Home Energy Care and Extra Care

HEC scheme (also known as PSR or Priority Service Register) provides additional help to customers who are elderly, disabled or on long term sick; as well as those on means tested benefits with children under 5. Forms of help include bills in alternative formats, annual free gas safety checks and specially designed appliance controls. Extra Care is the umbrella term for the process of identifying vulnerable customers, which then flags their customer profile to protect them from disconnection due to debt at any time.

5. Energy Efficiency

Customers can have insulation installed to help with managing their energy use.

6. Benefits Assessment / Income Maximisation

Customers on low income are offered advice and guidance on eligibility and application for government benefit.

7. Vulnerable Customers Off Supply

Where customers are without fuel due to faulty meter or card / key, a visit is undertaken to get them back onto supply within four hours where practicable to do so. This service is measured in terms of successful visits / measures (some measures may include providing alternative sources of heat or cooking or paying for a taxi to stay at a relative's house).

8. Warm Home Discount Scheme

Customers who qualify for a one off payment to help with their electricity fuel costs. Customers are either identified by data sharing with Department for Work and Pensions, who notify suppliers of Pension Credit recipients (criteria changes each year). This is known as the Core Group. Suppliers also have their own Broader Group Scheme, with criteria which is approved by Ofgem. These customers are assessed for the Scheme either verbally, or via an application form, and once qualified, will receive a payment equal to that of Core Group customers.

Data collection, quality and reporting frequency

Data collection and quality

Data is collected for the eight programmes from nine individuals. The customer data for each of these programmes is sent to data analytics. Etiquette marketing database is used to match the addresses against those held in the database and perform any de-duplications. Where more than one product is assigned to one house, the figure is consolidated to produce a total number of unique households.

Reporting frequency

Some of the individual vulnerable customer products are collated and reported monthly, but the metric for all vulnerable customer programmes and products is measured on a half-yearly basis.

Lost time injury frequency rate (LTIFR)

Description

Lost time injury frequency rate (LTIFR) is an industry standard measure for tracking personal safety performance for serious injuries.

A lost time injury is defined as an incident arising out of Centrica's operations which leads to an injury where the employee or contractor is not available to work for one day or more, excluding the day that the injury occurred.

Calculation methodology

Unit of measure

$$\text{LTIFR} = \frac{\text{Number of lost time injuries} \times 100,000}{\text{Hours worked}}$$

Scope

All Centrica businesses are included for the scope of reporting as defined below for the period January to December 2012, excluding the acquisitions of Venture Source and Energetix in the US during 2012. Note also that Clockwork franchises, acquired in the US in 2011 and not included in 2011 data reporting are included in 2012 statistics. Venture Source and Energetix begin data reporting from 1st January 2013.

For the purpose of injury reporting, all directly controlled activities are included. This includes all activities undertaken by third parties where:

- work activities are undertaken under a Centrica business brand
- work performance is under the direct control of a Centrica businesses line management
- Centrica owns or has the controlling interest in the premises/asset where the third party is working

Data quality, collection and reporting frequency

The source recording system used by Corporate Centre (CC), British Gas (BG), Centrica Storage (CSL), Centrica Energy Power (CEP), Centrica Energy Millstream (CE Millstream) and Centrica Energy Upstream (CEU) is myHSE. In Direct Energy, the source recording system is Analytix.

The required data is then transferred to an Excel template for the purpose of reporting to Centrica Group. A nominated person from each business extracts the relevant data from the source recording system to complete the reporting template.

Hours are mostly derived from headcount numbers and businesses use typical hours per employee/contractor as detailed below. Where access control systems are used these are detailed also.

Table I - Hours per employee / contractor

BU	Hours Basis
CC	159.4 hours/month
BG	140 hours/month
CSL	160 hours/month for office Access Control system for the Terminal 24 hours/day for every person staying offshore
DE	160.33 hours/month per FTE except for USHS/Airtron, Clockwork and Upstream Gas where actual hours worked are recorded.

BU	Hours Basis
CEU	<p>Information on CEU contractor/staff man hours and contractor/staff headcount is collated from the following sources. The basis for headcount is from headcount daily records for offshore facilities, from HR or manager numbers for offices with contractor estimates based on audit / contractor invoices. Hours are determined from local working practice. The man hours and headcount figures generated from the spreadsheet are used for the monthly CEU reporting requirements.</p> <ul style="list-style-type: none"> ▪ CEU Netherlands onshore and offshore (from Occupational Health & Safety Co-ordinator, Netherlands) ▪ CEU EIS onshore and offshore (from Acting HSEQ Advisor (Governance), Heysham) ▪ CEU Projects Storage (From HSEQ Manager, Projects Aberdeen) ▪ CEU Norway offshore (from HSEQ Advisor, Norway) ▪ CEU Norway onshore (from Senior Accountant - Accounting and Reporting, Norway) ▪ CEU T & T onshore and offshore (from HSE Advisor, T&T) ▪ CEU Aberdeen Projects offshore (from HSEQ Manager, Projects Aberdeen) ▪ CEU Aberdeen onshore (from HR Administration Assistant, Aberdeen) ▪ CEU Aberdeen offshore assets (from Senior Operations Engineer or Operations Engineer, Aberdeen) ▪ CEU Aberdeen Wells Sites offshore (from HSEQ Manager, Wells, Aberdeen) ▪ CEU Aberdeen offshore Hummingbird (from HR Logistics Team Leader, Wood Group, Aberdeen) ▪ CEU Aberdeen offshore Kittiwake (from HSE Advisor, Petrofac, Aberdeen)
CEP	Working days per month (excluding weekends, 2 days holiday allowance and bank holidays) * 8.5 hours/day
CE Millstream	Working days per month (excluding weekends, 2 days holiday allowance and bank holidays) * 8.5 hours/day

Reporting frequency

Data is reported monthly to Group HSE.

Significant process safety events

Description

Process safety is defined by the International Association of Oil & Gas Producers as (OGP): “a disciplined framework for managing the integrity of operating systems and processes that handle hazardous substances. It relies on good design principles, engineering, operating and maintenance practices.”

At Centrica the effectiveness of our process safety programmes are tracked through both lagging and leading indicators. These lagging and leading indicators are defined from recommended best practices published by OGP (Process Safety – Recommended Practice on Key Performance Indicators, Report No. 456 November 2011) and the American Petroleum Institute’s (API) (Process Safety Performance Indicators for the Refining and Petrochemical Industries, RP 754) and adapted for applicability to Centrica’s activities.

Process safety events form a hierarchy of severity from proactive or leading indicators, defined as Tier 4 & 5 indicators, to actual process safety events with increasing severity from Tier 3 to Tier 1, referred to as lagging indicators. Metrics relating to significant process safety events (Tier 1) are publically reported.

Calculation methodology

Tier 1 Event Definition

A Tier 1 process safety is defined as follows:

An uncontrolled release of flammable gas, steam or hot water under pressure causing a major injury or fatality; or the uncontrolled release of an environmentally hazardous substance causing significant impairment of sensitive receivers.

Scope

All Centrica businesses carrying out upstream activities, (i.e. Centrica Energy (CE), Centrica Storage Limited (CSL) and Direct Energy (DE) Upstream Gas) report process safety metrics related to their drilling, completions, processing, generation, storage and supply of energy activities. Tier 1 process safety events are reported for all directly controlled activities, this includes all activities undertaken by third parties where:

- work activities are undertaken under a Centrica business brand
- work performance is under the direct control of a Centrica businesses line management
- Centrica owns or has the controlling interest in the premises/asset where the third party is working

Data quality, collection and reporting frequency

The source recording system used by Corporate Centre (CC), British Gas (BG), Centrica Storage (CSL), Centrica Energy Power (CEP), Centrica Energy Millstream (CE Millstream) and Centrica Energy Upstream (CEU) is myHSE. In Direct Energy, the source recording system is Analytix.

The required data is then transferred to an Excel template for the purpose of reporting to Centrica Group. A nominated person from each business extracts the relevant data from the source recording system to complete the reporting template.

Reporting frequency

Tier 1 events are reported monthly to Group HSE.

Employee engagement

Description

Employee Engagement is defined as 'an emotional state driven by individuals' perception of different components within an organisation, which in turn has a measurable impact on business performance.' It is generally measured annually, by an external provider (Centrica currently uses ETS plc) via a survey delivered either online or via paper copy to all employees.

Calculation methodology

The employee engagement score takes the mean of six questions which represent the Feel and Do element of the ETS model. The final engagement score is calculated by taking the average of the means of each of the six engagement questions.

Employees are asked to respond to six specific questions:

FEEL:

- I feel passionate about the job I'm doing
- I am proud to work for (Brand Name)
- I feel a strong sense of commitment for (Brand Name)

DO:

- I am motivated by my business area to do the best job I can
- I tell others outside this company the great things about working here
- I intend to be working at (Brand Name) in one year's time

The questions are answered using a 6 point scale:

- Strongly Disagree
- Disagree
- Slightly Disagree
- Slightly Agree
- Agree
- Strongly Agree

Scope

All direct Centrica employees are invited to complete the Centrica Employee Engagement survey and where agreed with the relevant brand, third party contractors (on and offshore) are also included.

The administration of the survey is agreed annually and is generally administered annually unless otherwise agreed by the Centrica Executive Committee (CEC). The survey generally runs for three weeks.

Timeframe

In 2012, the survey ran at slightly different times and to slightly different durations to accommodate the needs of each Brand.

Centrica Storage ran the survey for five weeks to accommodate the shift pattern of their employees (three weeks on, two weeks off). Direct Energy ran the paper survey for five weeks to ensure enough time was allowed for paper surveys to be scanned by Iron Mountain, returned to ETS and processed.

Brand	Survey Open	Survey Closed
Centrica Storage	20 Aug	21 Sept
Centrica Energy	5 Sept	14 Sept (paper) 21 Sept (online)
Direct Energy Paper	20 Aug	21 Sept
Direct Energy Online	5 Sept	21 Sept
Centrica Corporate Centre	5 Sept	21 Sept
British Gas	5 Sept	14 Sept (paper survey) 21 Sept (online)

Exclusions

The overall Centrica engagement index excludes contractors, 3rd party and agency.

Languages and Geography

The survey was administered primarily in English with a small number (50 copies of each) being printed in French Canadian and Spanish Canadian. Translation of which was a joint approach between ETS - who conducted the initial translation, and a representative from the appropriate business area, who reviewed and signed off the translations.

The primary countries of distribution are the UK and North America. Employees in Norway, The Netherlands and Trinidad and Tobago were also included within the survey process and completed via the normal online process.

Data quality, collection and reporting frequency

Data Quality

Employee data for all Centrica employees, including the organisational hierarchy is initially extracted from the Centrica SAP database. This data is then checked, verified and updated manually by teams placed within in each brand to ensure accuracy.

The survey is administered primarily on-line, however where employees do not have online access, paper copies of the survey are also printed and either locally distributed or posted directly to home addresses. ETS invite employees to take part, either via an e-mail invitation or by a paper copy of the survey delivered either to the local office or to home addresses.

Collection

Responses are captured directly by ETS, either via the online survey, or posted, freepost directly back to ETS. In North America, Iron Mountain was used in the US to collate US paper surveys centrally, scan them and upload securely to ETS in the UK.

Reporting Frequency

Reports are developed annually for the CEC and leadership teams. Detailed reports, down to individual manager level, are cascaded throughout each business. Each manager who receives 5 or more responses against their team code receives their own tailored manager report.