

# 2012 Governance performance summary

## Corporate Responsibility Committee activities

### Governance and management

The Corporate Responsibility (CR) Committee, chaired by Senior Independent Director Mary Francis, met three times in 2012. The group comprises three non-executive directors and four executive directors. For more information on membership and terms of reference, please see our [website](#).

### Committee activities

In 2012, we focused on reviewing performance against our CR strategy and exploring emerging and long term social and environmental issues facing the company. In particular we:

- Reviewed and agreed the 2012 CR priorities for delivering on our CR vision of being the most trusted energy company
- Received feedback from the Corporate Responsibility Advisory Group and the British Gas Customer Board to increase understanding and awareness of stakeholder views
- Assessed the social and environmental challenges surrounding biomass power generation and shale gas
- Explored the drivers of trust and the work the business undertook to build trust with customers and other stakeholders
- Examined the vulnerable customer programmes in place in the UK, and the transition from British Gas's voluntary initiative, Essentials, to the UK mandatory scheme, Warm Home Discount
- Received an update on the audit and compliance programme, with particular focus on data protection controls
- Explored the responsible procurement programme's supplier assessment process, which evaluates the CR risks within our supply chain
- Reviewed the output of the external assurance to ensure recommendations were being addressed by the business

### Topics discussed

The Committee's main role is to ensure that Centrica's business operations respond to the opportunities and minimise the risks posed by CR issues. The Committee reviewed a number of social and environmental issues during the year including:

- Assurance and internal audit
- Biomass power generation
- Climate change
- CR communications including the CR Report
- Customer fairness and customer service
- Data protection
- Health and safety
- Shale gas
- Transparent dialogue with customers ('The Honest Conversation')
- Vulnerable customers and fuel poverty

### Key performance indicators

The CR Committee regularly reviewed performance by the Group and its businesses against the targets, key performance indicators (KPIs) and measures which had been set and agreed with the Board. It commissioned external assurance of KPI reporting by Deloitte LLP. The assured metrics can be viewed on page 48 of the CR Performance Review or in our online [data centre](#).

## Stakeholder engagement

The Committee continued to focus on understanding stakeholder views on a range of issues. These included views from customers, local communities, NGOs, employees, investors, media and opinion formers.

## Looking ahead

In 2013, the CR Committee will focus on the CR implications of the change in corporate strategy as well as updates from the businesses on the progress of their CR programmes. The Centrica Executive Committee (CEC) will continue to be responsible for decision-making on the management of social and environmental issues.

A handwritten signature in black ink that reads "Mary Francis". The signature is written in a cursive, slightly slanted style.

### **Mary Francis CBE**

Senior Independent Director and Chairman  
Corporate Responsibility Committee