

## Independent assurance statement by Deloitte LLP to Centrica plc on the 2012 Corporate Responsibility Performance Review

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

Centrica has engaged us to perform limited<sup>1</sup> assurance procedures on the company's Group or Business Unit level compilation of selected corporate responsibility (CR) performance indicators. The assured data appear in the 'Corporate Responsibility Performance Review 2012' (the 'Report') on page 48 and are indicated by the footnote symbols. For the year ended 31 December 2012 the assured indicators comprise of:

- British Gas Net Promoter Score
- Direct Energy Net Promoter Score
- Vulnerable households helped by British Gas initiatives (number)
- Lost time injury frequency rate (per 100,000 hours worked)
- Smart Meters installed (number)
- Significant process safety events (number)
- Employee Engagement Score
- Total carbon emissions (tonnes of CO<sub>2</sub>e)

### 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 Report on page 48, in accordance with Centrica's definitions and basis of reporting.
- Reviewed the content of the Report 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 2012, which defines the scope of each assured metric and the method of calculation and should be read together with this report. This document is available at [http://www.centrica.com/files/pdf/centcr12\\_basis\\_of\\_reporting.pdf](http://www.centrica.com/files/pdf/centcr12_basis_of_reporting.pdf).

In relation to our work performed on the CR performance indicators for 2012, 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 households: 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 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 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 2012 was 881,794.
- Employee Engagement: our testing did not examine the underlying systems used by Centrica and its partners to collate and report data.
- Absolute carbon emissions: we understood, analysed and tested on a non-statistical sample basis the collation, validation and reporting of data at Group level, however, our testing did not cover the review of completeness for Centrica Storage (CSL) and Direct Energy Upstream Gas.

### 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.

Footnote 1: The levels of assurance engagement are defined in ISAE 3000. A reasonable level of assurance is similar to the audit of financial statements; a limited level of assurance is similar to the review of a half year financial report.

## Roles and responsibilities

### Centrica:

- The Directors are responsible for the preparation of the Report and for the information and statements contained within the sections. 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, 1 May 2013