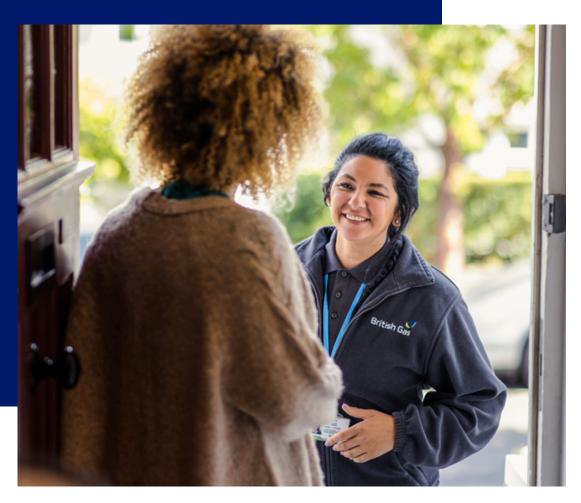
# People & Planet Plan Update 2022

Supporting communities, our planet and each other





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### **Our Foundations**

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### Our Governance

→ Governance, Sustainable Development Goals, KPIs 💢

### Our People & Planet Plan

### Supporting communities, our planet and each other



### People

Supporting every colleague to be themselves to better serve our customers and communities



### **Planet**

Supporting every customer to live more sustainably

#### We want to:

03

- Create an engaged team that reflects the full diversity of the communities we serve by 2030<sup>(1)</sup>
- Recruit 3,500 apprentices and provide career development opportunities for under-represented groups by 2030 (1,000 apprentices by the end of 2022)

#### We want to:

- Help our customers be net zero by 2050
   (28% GHG intensity reduction by the end of 2030)
- Be a net zero business by 2045
   (40% GHG reduction by the end of 2034)

Inspire colleagues to give 100,000 days to build inclusive communities by 2030 (20,000 days by the end of 2022)

### **Doing business responsibly**

Underpinned by strong foundations that ensure we act fairly and ethically – from customer service to human rights









### **Chief Executive** introduction

04

In what's turning out to be one of the most eventful decades, 2022 proved to be another year in which we had to adapt quickly.

In particular, Russia's invasion of Ukraine led to an energy crisis on a scale not seen for a long time. So it was my top priority to ensure that urgent action was taken to help our customers, our communities and our colleagues navigate this challenging time. As part of this, I'm incredibly proud that we did more than anyone else in the industry to help people struggling to pay their energy bills. And as the situation continues, we'll review what more we can

> do, including through our commitment to donate 10% of British Gas Energy and Bord Gáis Energy's profits until the crisis is over.

In many ways, our size and strength helped provide stability when it was needed most. Alongside the support for vulnerable customers, we took on hundreds of thousands of customers from failed energy suppliers and secured additional electricity and gas supplies for the UK whilst re-opening our Rough gas storage facility.

This saw us face into the very real dilemma of the energy trilemma, whereby we had to take difficult decisions to balance our commitment to sustainability with the urgent need to boost energy security and bring costs down for customers.



With everything we do focused on helping our customers, I was gutted and truly sorry for the way that some of our customers had been treated by our third-party contractor when installing prepayment meters under warrant. Whilst the subsequent investigation I launched showed no systemic issues in the way that prepayment meters were fitted, there are things we can and must do better, so we've introduced a series of improvements to protect our vulnerable customers. This includes bringing the installation of prepayment meters under warrant back in house to ensure greater oversight. And we continue to call on the Government and the regulator to agree a long-term plan that addresses how we, as a society, want to help those who cannot afford the basic necessities in life such as food, rent, clothing and energy.

Alongside supporting vulnerable customers, we also progressed our People & Planet Plan. Our Plan consists of five Group-wide goals that accelerate action on issues that matter deeply to our business and society, and where we're wellplaced to make a world of difference – from achieving net zero and creating the diverse and inclusive team we need to get there, to contributing to the communities we're all part of.

I feel so passionately about these issues and the difference we can and are making via our goals - whether that's through providing lower carbon services and solutions for our 10 million customers, striving to be a great employer for our 20,000-strong team of talented individuals, or being good neighbours to our local communities. Our action and the action from others, is key to shifting the dial on these

big issues otherwise we won't see the change we need. And at the moment, change is exactly what's needed because there's not a day that goes by where I don't switch on the TV or flick through the news on my phone, and hear about the damage being done by climate change and the need to responsibly advance the energy transition, the injustice and inequalities that permeate our society and its institutions, or the rising number of people reliant on charities and community organisations for the support they desperately need.

I'm therefore pleased to say that we've made really positive progress on most of our People & Planet Plan goals which you can read more about throughout this report. But with unprecedented events having occurred in recent years such as the energy crisis, the collapse of failed energy suppliers and COVID-19, we've needed to shift our focus from some of our longer-term goals to provide the urgent help people need right now which has meant that we've fallen behind on some of our shorter-term milestones. This is regretful but was the right thing to do, and I'm confident we can get back on track in the years ahead with the plans we've got in place.

As we've continued to transform our business to help our customers live sustainably, simply and affordably, I'd like to thank the hard work, support and patience of each and every one of my colleagues. Together, as we look to 2023 and beyond, we'll continue to see the opportunities where others see the obstacles and move faster than the competition, to build a more inclusive and sustainable future for all.

#### Chris O'Shea,

**Group Chief Executive** 

### Our year in numbers



>350 **Apprentices** 

recruited, with 20% of **Smart Energy apprentices** being women which is much higher than sector averages

11.5m

Electric miles driven by our fleet

**Planet** 



18ppts

Improvement in colleague engagement

2,100 Volunteering days



70%

Greenhouse gas (GHG) emissions we've cut from our

operations over the last decade

C0<sub>2</sub>

>2,300

Heat pumps installed to date - more than any other UK company

£290m

Contributed to help people with their energy bills



**DISCLOSURE INSIGHT ACTION** 

### **Award** winners

**Including The Times** Top 50 Employers for Women, CCLA Mental Health Benchmark UK, and CDP 'A' grade for action and disclosure on climate change



11.6GW

Renewables under management



### Providing urgent help during the energy crisis

Whilst delivering our People & Planet Plan, the energy crisis required us to provide urgent help to customers and communities.

In 2022, the energy market faced unprecedented challenges as the war in Ukraine constricted already tight global energy supplies, causing energy costs to soar. Amidst the wider cost of living crisis and with the duration of the energy crisis unknown, energy bills have been a real worry for many.

To handle a 50% increase in calls and to ensure customers could get in touch more easily, we invested £25 million in customer service. This enabled us to recruit 700 additional UK-based agents, who have guided customers through the crisis with expert advice and support.

In the UK, we also provided £50 million in extra support for those struggling to pay their energy bills - the largest energy support fund for customers in the UK. This was partly driven by our commitment to donate 10% of British Gas Energy's profits until the energy crisis is over. Of this, £25 million was given to the British Gas Energy Trust which is an independent charity funded solely by British Gas, where we created a dedicated support fund for customers whilst continuing to provide advice and grants to communities (see pages 26 and 27).

To reach those who needed it most, we collaborated closely with the Trust by running a marketing campaign urging people not to suffer in silence, volunteered at over 100 Post Office Pop-Ups to share advice at the heart of communities, and collaborated with charities like StepChange to help more people access support. The remaining £25 million is administered by British Gas to support prepayment customers and small businesses with grants.

In Ireland during 2022, we similarly committed to donate 10% of Bord Gáis Energy's profit for the duration of the energy crisis. This equated to €3.6 million to support vulnerable customers with their energy bills. We also worked closely with charity partner, Focus Ireland, to help those at risk of or experiencing homelessness.

"We've been able to fund increased money and energy support across England, Scotland and Wales, reaching communities most at risk of poverty. Through grants we've also been able to relieve the intense toll debt has on wellbeing whilst developing money and energy awareness, leading to greater sustainably."

Jessica Taplin, CEO of the British Gas Energy Trust

At the same time, we, worked at pace with Government and the regulator on short and longer-term improvements to achieve a more resilient and sustainable market for consumers. For example, we increased volumes of renewable energy. secured 36 Liquefied Natural Gas (LNG) cargoes, worked with Norwegian partners to gain gas supplies sufficient to heat 4.5 million homes and reopened our Rough gas storage site which added 50% to the country's capacity. These steps increase greenhouse gas emissions in the short-term but were vital to boost energy security and reduce costs for consumers. Meanwhile, we continued to manage price volatility through agile hedging policies and effective demand forecasting.

We'll continue to do whatever we can to help people today and avoid another energy crisis in the future.

### £290m

Total spent supporting vulnerable people with their energy through expert advice, grants and energy efficiency measures during 2022(1)

(1) Comprises of £243.8 million in mandatory and £45.1 million in voluntary contributions, mainly through the Warm Home Discount, Energy Company Obligation and British Gas Energy Trust.



Having worked so hard to help our customers through the energy crisis, we were deeply saddened to hear about the lack of respect shown to some of our customers by individuals employed by contractors who were installing prepayment meters under warrant on our behalf. We immediately launched an investigation, overseen by a third-party compliance consultancy. Whilst our investigation showed no systemic issues in the way prepayment meters were fitted, there were a small number of cases where we could've done things better or acted differently. We've introduced a series of improvements to protect our vulnerable customers, most notably bringing the installation of prepayment meters in-house. We've also fed into and committed to Ofgem's new voluntary Code of Practice on prepayment installations under warrant, which includes not carrying out involuntary installations for over 85s who are without support. We continue to work with Government and the regulator to identify solutions to provide the longer-term support that's needed to help the growing issue of affordability.

### **Our Planet**

Supporting every customer to live more sustainably

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→ Our C	limate Transition Plan summary	16



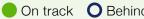
### GOAL By 2050, we want to:

Help our customers be net zero(1) (28% GHG intensity reduction by the end of 2030)

#### 2022 Progress

6% reduction O

**Key:** Progress against goals On track O Behind



- (1) Net zero goal measures the greenhouse gas (GHG) intensity of our customers' energy use including electricity and gas with a 2019 base year of 183gCO<sub>o</sub>e/kWh, normalised to reflect acquisitions and divestments in line with changes in Group customer base. Target aligned to the Paris Agreement and based on science to limit global warming, corresponding to a well below 2°C pathway initially and 1.5°C by mid-century.
- (2) Restated due to availability of improved data.

Around 90% of our total GHG emissions (scope 1, 2 and 3), come from the sale of gas and electricity to customers (scope 3). So the biggest thing we can do to fight climate change, is to help our customers use energy more sustainably.

That's why in 2022, we provided energy, services and solutions that enabled the GHG intensity of our customers' energy use to reduce by 6% against our 2019 base year. Savings were mainly driven by renewable and low carbon energy tariffs alongside energy efficiency and optimisation solutions.

This was down from 17%<sup>(2)</sup> in 2021, following the reintroduction of fossil fuels into our electricity mix due to the escalating cost of green energy certification, and the need to keep costs down for customers during the energy crisis. The zero-carbon content of our reported electricity fuel mix did, however, remain high at 75% versus the 55% UK average and is only slightly behind the glidepath for our long-term goal. We're exploring all options to decarbonise our energy supply in a robust and affordable way, including investing in clean generation and customer efficiency which are arguably more impactful than the existing green certificate regime and key to delivering on our goal, whilst ensuring a fair transition to net zero for our customers.





In 2022, we helped our customers take important steps toward net zero by helping them decarbonise power, heat and transport. For example, we:

- launched British Gas Zero, a new business whose sole mission is to support customers with their journey to net zero by helping them adopt key technologies – from heat pumps to electric vehicle (EV) charging (see page 12);
- installed over 2,300 heat pumps to date which is more than any other UK company, and we expect to ramp this up significantly with our market-leading price guarantee launched at the start of 2023;
- supported greening the UK's transport system by installing nearly 28,000 EV charging points so far;
- continued to be one of the leading enablers of clean energy across Europe by providing a route-to-market for 11.6GW of renewables under our management enough to power around 10 million homes; and
- completed the Energy Company Obligation Phase 3 2019–22, providing energy efficiency measures to 150,000 homes. This is estimated to save around £2 billion on energy bills and 2mtCO<sub>2</sub>e across the measures' lifetime – that's equivalent to avoiding seven billion miles being driven in a combustion engine car.

As set out in our Climate Transition Plan, we'll continue to cut emissions by focusing on delivering energy efficiency and optimisation services, alongside low carbon technologies and cleaner energy (see page 16).



354,100

New Hive Active Heating devices sold during 2022, helping customers cut their energy use and save around £300 on energy bills each year with just a few taps on the app

I never understood my old thermostat and timer so didn't dare to touch it once set. But Hive is so easy to operate, making my heating system much more versatile and economic...Wish I'd bought Hive years ago!"

#### Malcolm,

Awarded Hive Active Heating five stars on Trustpilot







#### **Our stories**

### Supercharging the UK's journey to net zero

Here's how our launch of British Gas Zero will help customers get to net zero.

As the most trusted energy supplier to deliver net zero<sup>(1)</sup>, we'll play an important role helping people decarbonise their home and save on energy bills. So to help make greener home solutions more accessible and affordable. we've launched four new products.

**78%** 

People who say they'd make changes in their home to tackle climate change<sup>(1)</sup>

- 1. Solar We're offering a free home consultation for solar installation. There's also an option to install a battery, so that customers can store excess energy and use it when it's needed.
- 2. Home Health Check The in-home consultation provides consumers with the most comprehensive energy efficiency check on the market. with a personalised action plan. We'll also advise customers how to access Government support and grants through ECO and the British Gas Energy Trust.
- 3. Hive EV charging Our new and improved charger is the smallest on the market and allows customers to access best-in-class technology via the Hive platform and app. This includes our SmartCharge service, where customers can charge in a cheaper and greener

way during off peak times when

there's less demand on the grid.

**4. Insulation –** We insulate tens of thousands of homes every year under ECO and are now opening this up to all customers, given it's one of the most straight-forward and effective ways to improve energy efficiency.

(1) British Gas Net Zero Homes Index, 2022. Based on Public First surveying over 4,000 people across the UK. Our new Index will track how families feel about net zero each year, providing insight to help customers get to net zero.

These are in addition to British Gas Zero's existing heat pump price guarantee and wider next-gen smart home Hive technology (see page 11).











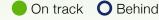
Be a net zero business(1) (40% GHG reduction by the end of 2034)

#### 2022 Progress

6%<sup>†</sup> reduction



**Key:** Progress against goals





- † Included in DNV Business Assurance Services UK Limited (DNV)'s independent limited assurance engagement using the International Standard on Assurance Engagements (ISAE) 3000 (Revised): 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information'. See page 38 or centrica.com/assurance for more
- (1) Net zero goal measures scope 1 (direct) and 2 (indirect) GHG emissions based on operator boundary, which now includes all emissions from our shipping activities relating to Liquefied Natural Gas (LNG) alongside the retained Spirit Energy assets in the UK and Netherlands. Non-operated nuclear emissions are excluded. Target is normalised to reflect acquisitions and divestments in line with changes in Group structure against a 2019 base year of 2,132,680mtCO<sub>2</sub>e. It's also aligned to the Paris Agreement and based on science to limit global warming, corresponding to a well below 2°C pathway initially and 1.5°C by mid-century.
- (2) Restated due to LNG shipping and Spirit Energy's remaining assets moving into scope in 2022.

Having moved away from most of our carbon intensive assets to provide low carbon services and solutions for customers, we're focused on driving down emissions across our remaining assets, property and travel.

In 2022, we continued to make progress against our net zero target with our total GHG emissions decreasing by 6%<sup>†</sup> against the 2019 base year.

With our Whitegate power station resuming normal operations to play its important role in boosting energy security and providing stable baseload power for intermittent renewables in Ireland following an outage in 2021, savings were down from the 53%<sup>(2)</sup> temporary reduction achieved that year. But overall, we remain on track with our long-term goal.

The main driver of reductions in 2022 arose from our oil and gas operations. This included closing our Hummingbird oil production offshore facility in the UK North Sea which is our last remaining oil production facility. Sustainable savings were also secured via our low carbon fleet initiatives such as rolling out EVs, delivering property efficiencies across lighting, heating and cooling systems, alongside property rationalisation and lowering occupancy as a result of FlexFirst which lets colleagues choose when they want to come into the office to connect and collaborate or work from home (see page 20).

Our GHG emission reduction over the last decade following our strategic transformation away from most of our carbon intensive operations, to provide low carbon services and solutions for customers

### Investing in greener technology

### for a cleaner today



#### 18MW solar farm

We completed our first Centricaowned solar farm in Codford. The 72-acre site can generate enough renewable energy to power 5,000 homes.

24

Football pitches – the equivalent size of our new solar farm

### **50MW** battery storage

Construction is underway in Lincolnshire at Brigg, giving our former gas-fired power station a new lease of life. Set to be operational in late 2023, it'll provide energy storage for over 40 onshore wind farms to help maximise renewable generation. Once ready, the battery will be able to store and discharge enough energy to supply 11,000 homes for a full day.



#### 11.5m electric miles

Distance covered by our commercial road fleet during 2022 – that's comparable to driving around the world more than 460 times. As we progress our ambition for a zero emissions road fleet by the end of 2025 (see pages 16 to 17), we'll continue to gradually roll-out the 3,000 Vauxhall Vivaro-e vans ordered during 2020–21 which was the largest commercial EV order in the UK at the time, and we'll order more in the future.

"I need to plan the charging quite carefully but nothing beats driving into towns and villages, knowing that I'm doing my bit for the planet."

### Blair Murdoch,

Smart Energy Engineer and EV driver

### **Getting hydrogen-ready**

### for a fossil-fuel free future



### 200MW hydrogen-ready gas-fired peaking plant

In 2023, the plant in Redditch will be used to provide a stable baseload power for around 2,000 homes when demand is high or generation from renewables is low.

#### A UK first

15

Under a memorandum of understanding with Lhyfe, we're looking to develop the first green hydrogen production site in the Southern North Sea.

### **Hydrogen injection**

Backed by the Net Zero Technology Centre, a 12-month trial that blends hydrogen with natural gas to reduce the overall carbon intensity of energy, will commence at our Brigg power station in 2023.



### First hydrogen village

To scale up hydrogen use in homes, Cadent and British Gas expect to kick-off a two-year trial with 2,000 homes in Whitby from 2025.



### Largest hydrogen store

With capacity that's 3,000 times the size of Wembley Stadium, our long-term goal remains for Rough gas storage facility to become one of the world's largest hydrogen storage sites.

### **Hydrogen production hub**

With most of the UK's gas supply and offshore wind located around Easington, there's huge potential for blue and green hydrogen production at our Easington terminal in the coming decade. So we've partnered with Equinor to help make this a reality.

#### **Our stories**

### **Our Climate Transition Plan**

In 2021, we set out our plan for how we intend to deliver our net zero targets whilst ensuring a fair and affordable transition for all.

#### To help our customers be net zero by 2050, we set ambitions to:

- double the number of Hive customers to 2.5 million by 2025;
- achieve annual installs of up to 100,000 EV charging points and 20,000 heat pumps by 2025;
- deliver 6 million more smart meters to homes by 2030; and
- invest up to £100 million in low carbon and transition assets each year from 2020 to 2025(1).

Shareholder advisory vote in favour of our Climate Transition Plan at the AGM in 2022

- (1) A mixed portfolio of solar, battery and gas-fired peaking assets, all enabling the grid to decarbonise.
- (2) Rounded up from 79.96%.

#### And to be a net zero business by 2045, our ambitions are to:

- build a zero-emission road fleet in the UK by 2025;
- cut our UK property emissions by a further 50% by 2030;
- progress our strategic transformation to exit activities in oil and gas exploration and production with our intention to run-off remaining fields by the early 2030s, whilst stopping any further investment in new oil and gas fields; and
- redirect investment into assets that drive the transition forward - from securing up to 800MW of low carbon and transition assets by 2025, to exploring the conversion of Rough gas storage facility to store hydrogen in time to help deliver a net zero electricity system by 2035, and decarbonise the Humber industrial cluster by 2040 (see page 15).



Whilst these ambitions provide great opportunities for customers and our business, we know they'll be challenging with many factors beyond our control. So we'll require customers, government and others, to play their part as we play ours. And for the transition to be a success, we can't leave anyone behind. We'll therefore endeavour to champion the needs of our customers and support those who struggle with their energy bills, create thousands of high-quality inclusive green jobs, back sustainable initiatives in communities and collaborate for a low carbon supply chain.

In line with best practice, we intend to publish an update to this plan every three years.

+ Read more at centrica.com/climatetransition

### **Progress against our Climate Transition Plan**

The dashboard includes our two net zero targets, supported by our Climate Transition ambitions<sup>(1)</sup>

Targets & ambitions	2022		2021	Drivers	
Customer GHG emissions – 28% intensity reduction by 2030 and net zero by 2050 (from 2019)	6% reduction	0	17% <sup>(2)</sup> reduction	Renewable and low carbon energy tariffs alongside energy efficiency and optimisation solutions (see page 10)	
Hive Active Heating – 2.5 million customers by 2025 (units to date)	2.0m		1.6m	Lowering consumption to save on energy bills (see page 11)	
Smart meters – 6 million additional installed by 2025 (from 2020)	2.3m	•	1.5m		
EV charging points – 100,000 in year by 2025 (annual units)	7.4k	0	2.4k	Lower than expected customer demand is being combatted with British Gas Zero launching market	
Heat pumps – 20,000 in year by 2025 (annual units)	200	0	500 •	leading offers (see pages 11 to 12)	
Centrica GHG emissions – 40% reduction by 2034 and net zero by 2045 (from 2019)	6% <sup>†</sup> reduction		53% <sup>(3)</sup> reduction	Emission reduction across oil and gas operations alongside property and travel (see page 13)	
Low carbon and transition assets – 800MW installed by 2025 (from 2020)	101MW	•	101MW	Investments including solar, battery storage and peaking plants (see pages 14 to 15)	
Fleet by 2025 (total to date) - 100% EV van roll-out - 100% EV car roll-out	23% 43%	0	12% 9%	Delayed EV van order (see page 14) to be fully delivered in 2023 and new charging solutions being trialled to smooth roll-out	
Property – 50% reduction in UK emissions by 2030 (from 2019)	63%	•	33%	Efficiencies such as those across lighting, heating and cooling alongside FlexFirst (see page 13)	

**Key:** Progress against goals



<sup>†</sup> Included in DNV's independent limited assurance report. See page 38 or centrica.com/assurance for more.

<sup>(1)</sup> Glidepath trajectory for Climate Transition ambitions is not linear. Demand is expected to increasingly grow, resulting in accelerated delivery against the target as we approach the target date.

<sup>(2)</sup> Restated due to availability of improved data.

<sup>(3)</sup> Restated due to LNG shipping and Spirit Energy's remaining assets moving into scope in 2022.





### **Our People**

**Planet** 

Supporting every colleague to be themselves to better serve our customers and communities

ightarrow 3	Create an engaged team that reflects the full diversity of the communities we serve by 2030	19		
ightarrow GOAL $ ightarrow$	Recruit 3,500 apprentices and provide career development opportunities for under-represented groups by 2030	22		
$\rightarrow$ 5	Give 100,000 days to build inclusive communities by 2030	25		
→ Building inclusive and sustainable communities				



### GOAL By 2030, we want to:

### Create an engaged team that reflects the full diversity of the communities we serve

2022 Progress			
	2030 Goal <sup>(1)</sup>	All company	Senior leaders <sup>(2)</sup>
Women  - Excluding field engineers	47% 47%	30% 41%	33% 32%
Ethnically diverse	14%	14%	9% 0
Disability	15%	3% <b>O</b>	3% <b>O</b>
LGBTQ+	3%	3%	0% •
Ex-service	3%	2% 0	3%

**Key:** Progress against goals On track O Behind



To build a more sustainable future, we need the best team - a diverse mix of people and skills, where different ideas can grow, and where everyone can succeed.

Our goal to reflect the full diversity of our communities is therefore essential, but ambitious. Boosting the representation of women will be particularly challenging given our large engineering team reflects the maledominated market, so it'll take time to tackle this sector-wide issue and build a more diverse talent pipeline through our apprenticeship programme (see page 22).

In 2022 we did, however, make good progress by attracting, promoting and retaining more diverse talent. For example, the proportion of women on our team at an all company and senior leadership level improved for the first time in a long time and is now on track. And if we remove our engineering population from the data, our overall gender balance improves even further.

<sup>(1)</sup> Towards this, our milestone goal was to be 30% women, 13% ethnically diverse, 4% disability, 3% LGBTQ+ and 3% ex-service by the end of 2022. Our 2030 goal was based on 2011 Census data for working populations and beyond gender, 2022 progress was based on 70% of colleagues disclosing their diversity. For 2023 annual reporting onwards, our 2030 goal will be re-aligned to the recently released 2021 Census data for working populations with 48% women, 18% ethnically diverse, 20% disability, 3% LGBTQ+ and 4% ex-service.

<sup>(2)</sup> Senior leaders include colleagues above general management and spans senior leaders, the Centrica Leadership Team and the Board.

Although notable progress was achieved with the representation of ethnic diversity and sexual orientation improving at an all company level, the same progress hasn't been made within our senior leadership. And across our team, the number of colleagues with a disability remains steady. We must therefore continue to build on the success of our #ThisIsMe campaign to drive self-declaration in 2023, so that we can better understand who's working for us and where we need to focus action. And it's essential that we continue to embed our diversity and inclusion (D&I) action plan which was set out in an open letter from leaders in 2021.

**Planet** 



Against our D&I action plan in 2022, we took important steps to deliver progress that we can build on. For instance, we:

- embedded tailored D&I dashboards alongside business unit action plans that are reviewed quarterly by leaders, and will help drive accountability as well as continuous improvement;
- confirmed that FlexFirst was here to stay which enables colleagues to choose when they want to work from home, come into the office, or flex their hours. FlexFirst has importantly improved work-life balance and given parents, carers and those living in different regions, the chance to pursue development opportunities that otherwise wouldn't have been possible;
- listened to colleagues on how we can cultivate a more inclusive culture - from our Shadow Board of diverse colleagues who meet with leaders quarterly to drive colleague centric decisions on a range of issues including ways to improve engagement, to collaborating with our eight colleague-led diversity networks who provide a vital source of support for colleagues and a powerful forum who can help us evolve our inclusive practices. In 2022, collaboration with our networks included co-creating race training with our ethnicity network, VOICE, which will be rolled out as mandated training for all colleagues in 2023. And working with our disability network, Diverse-ability, to kick-start The Valuable 500's Generation Valuable mentoring programme which aims to develop the next generation of leaders with disabilities whilst making businesses more inclusive; and

• provided more talent and development opportunities for under-represented groups than ever before. In addition to Generation Valuable, this included upskilling colleagues to progress their careers by introducing new programmes like Everywoman as well as the Black Leadership Academy and Cross Company Mid Career Talent Accelerator to support our black talent. We also expanded mentoring via programmes such as the 30% Club and Mission Include, whilst revamping our in-house reverse mentoring scheme which pairs leaders with more junior colleagues to learn from one another.

Planet

"There's still a sense that disabled people are somehow less talented than others, but disability makes you different not less. Being part of Generation Valuable will help my development as well as empower me to help C-Suite leaders to seek out individuals who despite their disadvantage, can bring about positive change to the organisation."

**Sylvie Pontonnier-White,** 

Cyber and Information Security Risk Manager

"I am excited to be the Executive sponsor for the Cross Company Mid Career Talent Accelerator. Centrica has made huge strides to improve diversity and inclusion over the last five years, and this programme demonstrates Centrica's commitment to maximising the potential of all of its employees, by giving them the specific skills they need to thrive."

#### Ed Reid.

Corporate Development Director M&A

Colleagues from under-represented groups on our training and development programmes

Through these activities and more, we've received external recognition for our efforts including earning a place in The Times Top 50 Employers for Women and Financial Times Diversity Leaders List.

GOAL By 2030, we want to:

4

Recruit 3,500 apprentices and provide career development opportunities for under-represented groups<sup>(1)</sup> (1,000 apprentices by the end of 2022)

#### **2022 Progress**

1,033 apprentices

**Key:** Progress against goals On track Behind (1) Base year 2021.

To get to net zero and satisfy the wider needs of our customers, we need to create thousands of high-quality green jobs – from Smart Energy Apprentices to customer service agents. There's a huge opportunity to tap into the talent of under-represented groups to fill these roles, delivering a greener and more inclusive future.

### An apprentice every day

Our goal is equivalent to hiring one apprentice every day over the next decade

By the end of 2022, we were on track with our goal having recruited 1,033 apprentices, whilst helping over 700 trainees professionally qualify in areas like gas and whitegoods.

Towards this our Armed Forces Pathway programme got off to a great start in 2022, hiring 143 former service personnel (see page 24). And we're hoping to recruit 500 veterans, reservists, spouses and partners by the end of 2023.

Meanwhile, following a targeted campaign aimed at women looking for a career change during COVID-19, progress against our ambition for 50% of our Smart Energy Apprentices to be women by 2030, declined from 30% in 2021 to 20% in 2022. Whilst this remains much higher than the gas engineer average of 0.2% women, the drop is disappointing. So we're strengthening branding and marketing campaigns to continue to break down gender stereotypes and inspire more women into engineering.

Alongside this, we're encouraging more young people to choose a career in energy to help diversify our company and sector. That's why we support Tech She Can's educational programme, Tech We Can, which has directly reached over 18,000 students. And why at Centrica Storage Limited, we run site visits and talks to help young women and girls view energy as a viable career through the Women into Manufacturing and Engineering Raising Aspirations programme.

#### **Our stories**

### Finding the right career

### Chelsea shares her apprenticeship journey

As my son grew older, the time felt right to increase my work hours and find a new career. When I came across the Smart Energy Apprenticeship, it appealed to my love of science and learning but I wasn't sure if I'd fit in or if I'd be physically strong enough. Then I saw that British Gas were specifically targeting women, so I decided to give it a go. It seemed like a great way to do something different, learn something different and get paid at the same time.

50%

We're hiring 3,500 apprentices by 2030, with the ambition for 50% to be women

+ Apply today at centrica.com/careers

The team are really supportive, and I get treated just the same as everyone else. I love meeting different people and find it really rewarding to leave customers with a smile on their face after fitting their smart meter or providing energy efficiency advice. I can also flex my hours for the school run which makes life that little bit easier.

Having got a distinction in my apprenticeship, I'm really proud of all I've learnt and that I've now got a solid trade. And in the future, I'm sure there will be opportunities to crossskill into EV charging or management.

It's been a great career move for me, and I hope that one day it'll be the norm for women to be engineers.



If more young girls see engineers like me, I hope they'll think it's a career they could do too."

Chelsea Living,

Smart Energy Engineer

### Our stories

### From camouflage to corporate

To take the Armed Forces Pathway to the next level, Laura Blair talks about why she joined us to lead it.

After going to university, I joined the Army, completed my officer training, and enjoyed 12 years in mostly personnel roles that took me around the world - from Afghanistan to Bosnia.

What I learnt about being in the army, is that regardless of rank, people have incredible transferable skills such as teamwork, leadership and an ability to think outside the box. That's what makes ex-service personnel so attractive to employers. It's also why I'm

Veterans, reservists, spouses and partners we hope to recruit 2022-23

+ Apply today at centrica.com/careers proud to lead the Pathway programme which was developed with Matero and Centrica's ex-forces community, to secure the talent and diversity of experience to drive the transition to net zero.

Veterans, reservists, spouses and partners, all have the opportunity to gain a new rewarding career across a variety of roles including apprenticeships and project managers. And we're now trialling a six-month paid Military Leadership Placement, with opportunities for permanent employment.

I know that change isn't always easy. So a focused package of support is key. Ours includes being allocated an Oppo buddy, becoming a member of our 300-strong Ex-Forces network and gaining access to comprehensive wellbeing support. Having the opportunity to volunteer and provide meaningful support to military charities that specialise in helping the transition to life after service through my role, is also really rewarding.



"I've always wanted a trade and this offer was amazing. It's a skill to be proud of, which will give me stability in my working life to provide for my family and opens up a lot of routes for progression into green energy."

#### Alex Smith,

Former sniper with the 2 Rifles who is now a fully qualified gas engineer



### GOAL By 2030, we want to:

Give 100,000 days to build inclusive communities(1) (20,000 days by the end of 2022)

#### 2022 Progress

12,987 days O

**Key:** Progress against goals On track OBehind

(1) Base year 2019.

We're harnessing the passion of our people to build inclusive communities because strong communities are central to a more sustainable future. It's also a great way to help colleagues develop skills and improve engagement.

In 2022, we significantly ramped up volunteering and fundraising efforts with 2,098 days donated to help our local communities. This is a massive 600% increase from 2021 and brings our cumulative total to 12,987 days since 2019. Gains were made possible with the launch of 'The Big Difference' which marks the move from a national to local approach in the UK that's mobilising everyone to get involved in local causes they care passionately about (see page 27).



Despite this improvement, we missed our 2022 milestone due to COVID-19 limiting volunteering opportunities in previous years, and our need to focus on providing the urgent support our customers have needed over the last two years with the collapse of failed energy suppliers and the energy crisis. But we'll get back on track as we work towards 4,000 volunteering days with 1 in 6 colleagues volunteering in 2023, and build to 1 in 3 colleagues volunteering by 2030.

**Planet** 

#### **Our stories**

### Helping people with money and energy advice

In partnership with the Post Office and charitable organisations funded by the British Gas Energy Trust, volunteers like Lisa have been providing energy advice at the heart of communities.

I work in a call centre and love helping customers with their boiler servicing and repairs. But nothing beats interacting with people in person. So when I heard we were running a Post Office Pop-Up in Sunderland near to home, myself and some colleagues were keen to get involved.

>100

Post Office Pop-Ups have taken place at over 70 locations around the UK

Although I was a bit nervous about what to expect, I soon got into the swing of things. While we focused our efforts on providing energy advice and raising awareness of grants available via the British Gas Energy Trust, Citizens Advice covered a broader range of support including benefits. It was a perfect partnership to tackle the pressures of the cost of living crisis.

We must've helped around a hundred people on the day. Some approached us straight away whilst others were hesitant to ask for help. It was really important to therefore get out and about and have a chat to people because when you did, you could sometimes see just how relieved they were to sit down and talk things through.

I can't wait to volunteer at the next Post Office Pop-Up.



The cost of living crisis is a real worry and people often aren't sure where to turn to for the help they need. So it was really satisfying to get out into my local community, and know that I've made a difference".

Lisa Page,

**Customer Service Agent** 

### **Building a more inclusive and** sustainable future for communities

Alongside volunteering, we support our communities with donations and fundraising focused in three key areas-helping people with their energy today, building a more sustainable energy future for tomorrow, and making a big difference in our local communities.



The independent charity funded solely by British Gas, has been helping tackle fuel poverty since 2004. They fund frontline money and energy advice charities across England, Scotland and Wales, whilst directly providing grants to anyone who's struggling with their energy bills. We've contributed more than £130 million in mandatory and voluntary donations to the Trust since it was established enabling over 500,000 people to receive vital support.

#### **energy** for tomorrow

Our impact fund provides grants and expert advice for community initiatives that deliver affordable and sustainable energy solutions for the UK. With money generated from solar panels installed at nearly 270 schools over a decade ago, the fund distributes £600,000 annually with grants of up to £100,000 available. To date, we've helped more than 26 community initiatives.



We're making a big difference by supporting local causes that colleagues care passionately about in the UK. Following a vote from nearly 5,000 colleagues at the launch of The Big Difference in 2022, we're focusing our efforts on tackling poverty, supporting health and helping children and young people. We'll do this via our £2 million fund for local communities alongside fundraising and volunteering, bringing much needed support to smaller charities.

### >£293m

Spent supporting our customers and communities in 2022(1)

(1) Comprises £243.8 million in mandatory and £45.1 million in voluntary contributions to support vulnerable customers, alongside £4.5 million in charitable donations.

#### **FOCUS** Ireland

To help prevent family homelessness, Bord Gáis Energy teamed up with Focus Ireland in 2015. With the partnership extending out to 2025, we've pledged a further €2 million in donations and fundraising for the charity, bringing our total commitment to €4.4 million. Together, we've helped over 7,000 families experiencing homelessness or at risk of losing their home.

In response to the crisis in Ukraine, we also donated and fundraised £1.2 million through the Disaster Emergency Committee.

# Supporting communities up and down the UK

28

Here's just a few examples of how we're helping our local communities...

### £300,000

Donated and fundraised since 2020 to support Children's Hospices Across Scotland. This includes funding two dedicated money and energy advisers, making it one of 53 charities to receive funding from the British Gas Energy Trust to ensure support is targeted where it's needed most.

### First school visit

Young women were shown how exciting a career in energy can be by visiting the Easington Gas Terminal. As part of the Women into Manufacturing and Engineering Raising Aspirations programme, we'll host more school visits in the future to help our sector become more diverse.

### £99,000

Energy for Tomorrow grant to install solar panels at Boomerang – a charity building a container village to support the community with employment training and workshops in Cardiff. Savings on energy costs will enable more money to go toward these activities. Boomerang is one of seven new community initiatives supported by our social impact fund in 2022.

### 7,000 children

Supported through volunteering and donations for Little Village, a baby bank that's helping families living in poverty across London with pre-loved clothes and equipment. It's one of 400 charities supported via The Big Difference.

### **Our stories**

### **Backing community action**

Another of our Energy for Tomorrow social impact fund investees is the Cold Homes **Energy Efficiency Survey** Experts (CHEESE).

CHEESE are a Bristol-based notfor-profit that's on a mission to help people save energy.

They do this by using unique thermal imaging survey technology they've developed, to not only identify where a home is losing heat but to provide suggestions on low cost remedies. This importantly enables people to save money and stay warm, whilst simultaneously having a positive impact on the planet. And to help those who need it most, the surveys are provided to people living in fuel poverty and poor housing at no cost. Having received a grant of £500,000 from Energy for Tomorrow in 2021, they were able to set up First Thermal Ltd to socially franchise CHEESE and replicate the project throughout the UK. And in 2023, First Thermal are on track to launch three new franchisees to help build more sustainable communities.

Colleagues from across our business also volunteered to support CHEESE by using their skills to raise the profile of First Thermal and offer recruitment advice.

87%

Survey participants who take remedial action within a year



The survey has made us much more aware of the energy we're using. In fact, a lot of the suggestions made to improve the efficiency of our home were either very cheap or free."

A CHEESE customer

### **Our Foundations**

Our People & Planet Plan is underpinned by strong foundations that ensure we act fairly and ethically

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→ Environment	33



### **Our Foundations**

#### **Customers**

We've been making big investments to deliver a better service for customers. Towards this in the UK, we recruited around 800 engineers to rebuild capacity and hired 700 additional UK-based call service agents. As a result in 2022, British Gas Services & Solutions Engineer Net Promoter Score (NPS) improved by four points to +64, whilst our British Gas Energy Touchpoint NPS rose by two points to +13 despite the challenging operating environment. In both the UK and Ireland, we've seen complaints increase which broadly reflects the significant rise in global wholesale and commodity prices impacting customer bills (see pages 7 to 8).

With over half of the UK's energy suppliers having ceased to trade in the last 18 months, we've continued to play our part in supporting affected consumers. We took on over 150,000 customers in 2022 which was in addition to around 550,000 in 2021. And we continue to engage with the UK energy regulator and the Government, to put in place a robust regulatory framework that will deliver a future retail energy market that's stable and has customers at the heart.

### Colleagues

We want our people to feel safe, engaged and rewarded. Tragically, we experienced our first work-related fatality in six years when a British Gas engineer lost their life after being involved in a road traffic collision. And whilst our Tier 1 and 2 process safety incident frequency rate improved to zero with no events occurring compared to three Tier 2 events in 2021, our total recordable injury frequency rate rose by 5% to 1.12 per 200,000 hours and was largely due to an increase in slips, trips and musculoskeletal injuries. Safety remains front-of-mind, with the need to continually reinforce a strong safety culture and advance controls and monitoring. In particular, with the majority of incidents occurring in British Gas Services & Solutions due to the size of the business and nature of work delivered, we'll enhance new starter safety training and aim to further embed procedures in 2023.

700

Call centre colleagues recruited in the UK, enabling customers to get in touch more easily

Alongside physical health, we're mindful of the impact that the cost of living crisis may have on colleague wellbeing. So we implemented additional support including £1 lunches and two significant cost of living payments, as well as highlighting the energy allowance that's available for colleagues who are also British Gas customers to help relieve the pressure of rising energy bills. We also ran campaigns that talked about the importance of being open about mental health whilst encouraging use of our suite of wellbeing support. This includes a company-funded benefit healthcare plan for all, a wellbeing app, and our 100-strong network of colleague mental health first aiders.

**Planet** 



Having focused on creating a more supportive and inclusive place to work whilst working to better connect colleagues with our Purpose and leaders, our engagement score rose to 73% favourable in 2022. With engagement being key to having a happy and productive team, we'll build on this with our continued focus to act on colleague feedback.

As a responsible employer, we also reward our people fairly. This includes paying at least the Real Living Wage in the UK and upholding equal pay. In 2022, our gender pay gap reduced by 7% to 23% median and is driven by more men working in higher paid roles like engineering, with more women in valued but lower paid jobs like customer service. We're one of few companies to have voluntarily published our ethnicity pay gap which is driven by similar factors as gender, and likewise improved by 3% to 10% median. Tackling the pay gap won't be quick or easy, but we hope to continue to help transform our business, sector and society as our People & Planet Plan gets fully underway (see pages 19 to 24). In 2022, we also granted our first global profit share award to all colleagues, because we want our colleagues to share in the company's success.

Our leadership position in the CCLA Mental Health Benchmark for the UK

+ Read our Health & Wellbeing Statement at centrica.com/wellbeing and our Gender & Ethnicity Pay Statement at centrica.com/paygap

### **Communities and ethics**

Our Code and Our Values help us operate in a way that's beneficial to communities by setting out the high standards we expect. For example, Our Code includes our commitment to uphold and protect human rights. We therefore take action to ensure colleagues and workers in our supply chain are safeguarded from abuses through activities such as risk-based training, reviewing social and environmental standards via ongoing due diligence, and monitoring of supplier selection and renewal. If suppliers receive a high-risk rating relating to the country where they operate or the products and/or services provided, we consider appropriate action which may involve conducting a third-party audit to better understand the level of risk or ending our relationship and reporting the abuse. In 2022, we rolled out on-the-ground audits to nine sites and issued 7,245 remote worker surveys spanning garment manufacturing and electrical products across Bangladesh, Cambodia, China, Hong Kong, Pakistan and the UK. Whilst we identified no serious non-conformance, we agreed improvement opportunities with suppliers to continuously help raise standards on labour as well as health and safety. The majority of actions have now been completed subject to sign off by the auditor, with the rest due to be completed in 2023. To date, we've found no instances of modern slavery but we remain vigilant.

Our Code also provides clear guidance on bribery and corruption. We prohibit any improper payments, including facilitation payments regardless of value or jurisdiction, and exchange gifts and hospitality responsibly, declaring them on a register. Anti-bribery training is also provided for higher risk roles and our Financial Crime team run third-party risk management screening. Due diligence and monitoring is additionally undertaken across supplier selection and contract renewals including compliance with sanctions on Russia. A register is used to record and manage potential or actual conflicts of interest.

During 2022, 98% of colleagues completed refresher training on Our Code and confirmed they'd uphold its principles. If anyone has concerns about Our Code being contravened, they can raise them via our confidential Speak Up helpline. We had 1.5 reports of concern per 100 employees in 2022 which largely aligns with the external benchmark of 1.3, and illustrates that colleagues feel safe to speak up.

+ Read more in our Modern Slavery Statement at centrica.com/modernslavery

#### **Environment**

Monitoring and managing our wider environmental impact is really important to us. During 2022, our water consumption increased by 30% to 317,760m<sup>3</sup> whilst waste rose by 3% to 18,686 tonnes. This was largely due to Whitegate resuming normal operations following an outage in 2021 and more colleagues choosing to work from the office compared to the previous year.



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Robustly managing all that we do

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### **Our Governance**

Our Group Chief Executive has overall accountability for responsible business activities. In doing so, Chris ensures that key issues like diversity and inclusion and climate change, are regularly discussed at the highest levels of the company.

Consequently, the Board has direct oversight over these issues through a regular flow of information from its Committees. The Board is principally supported by the Safety. Environment and Sustainability Committee (SESC), which is chaired by an independent Non-Executive Director, and typically reviews related information three times a year. The SESC also maintains oversight over content raised and discussed as frequently as required at Centrica Leadership Team (CLT) meetings, which are usually held eight times a year. The Board is further aided by the Audit and Risk Committee in reviewing stated matters quarterly whilst also overseeing audit and risk matters at CLT meetings. Meanwhile, the Remuneration Committee ensures that activities like customer. satisfaction and climate change, are incorporated in incentive plans for Executive Directors and other key colleagues across the business.

### **Spotlight: Climate governance**

### **Incentive plans**

Climate transition dashboard incorporated into Executive Remuneration



Signatories since 2020 and full compliance achieved in both 2021 and 2022

### Limited assurance

Achieved across our climate metrics every year since 2012





'A grade' achieved for leadership action and disclosure

+ Read more about our governance and TCFD at centrica.com/ar22

### Sustainable **Development Goals**

The United Nations launched 17 Sustainable Development Goals (SDGs) in 2015. They call on government, businesses and others, to take meaningful action on the biggest issues facing people and planet by 2030.

We fully support the SDGs – whether that's by building a more inclusive team or fighting climate change. Whilst we contribute to many of the SDGs, our People & Planet Plan makes a meaningful contribution to three lead SDGs alongside several supporting Goals which you can read more about on the following page.

We'll work closely with key partners to further shape our contribution over the decade.

+ Read more about our SDGs and the specific indicators we support at centrica.com/SDGs









































### Why these SDGs are important

#### **Examples of our contribution in 2022**

### **Planet**

Lead SDGs



Supporting SDGs







+ Read more on pages 9 to 17

Climate change is one of the greatest challenges facing the world. We've a key role to play in helping the transition to net zero and are fully committed to contributing to national and international targets. We're therefore focused on supporting every customer to live sustainably by providing affordable services and solutions that'll help them be net zero by 2050 at the latest, as we work to become a net zero business ourselves by 2045.

- Produce over 70% less carbon than we did a decade ago following our strategic transformation away from most of our carbon intensive energy assets, to focus on providing low carbon services and solutions for customers.
- Provided 11.6GW of renewable power under management – that's enough to power around 10 million homes.
- Installed over 2,300 heat pumps to date which is more than any other UK company.

### **People**

Lead SDGs





Supporting SDGs





+ Read more on pages 18 to 29

To help our customers live sustainably, simply and affordably, we need a team with a range of skills and experience, who feel motivated and able to deliver for our customers. That's why by 2030, we want to create an engaged team that reflects the full diversity of our communities, recruit 3,500 apprentices and provide skills development opportunities for under-represented groups, whilst inspiring colleagues to give 100,000 days to local communities.

- Made progress in becoming a more inclusive team – from acting on feedback from our Shadow Board of diverse colleagues, to creating anti-racism training for all colleagues to complete.
- Continued to inspire more diversity in engineering with 20% of our Smart Energy Apprentices being women, compared to 0.2% of gas safe registered engineers.
- Contributed nearly 2,100 volunteering days to our local communities and we plan to nearly double this in 2023.

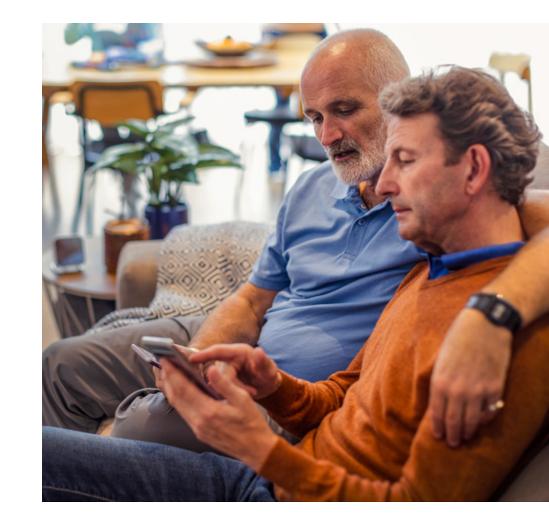
Introduction Planet People Foundations Governance  $\leftarrow$ 

# **Key Performance Indicators**

Our robust and transparent reporting across our key performance indicators (KPIs), enables us to monitor performance and take effective action.

The following pages share how we've performed across our lead KPls. As part of this, we engaged DNV Business Assurance Services UK Limited (DNV), to undertake a limited assurance engagement using the International Standard on Assurance Engagements (ISAE) 3000 (Revised): 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information'. DNV has provided an unqualified opinion in relation to five KPls that are identified with the symbol '†' throughout this report. It's important to read the responsible business information in our annual report in the context of DNV's full limited assurance statement and Centrica's Basis of Reporting, which are available at centrica.com/assurance.

+ View over 150 metrics in our data centre at centrica.com/datacentre and read our SASB submission at centrica.com/SASB



**Key:** Progress against goals On track Dehind

### Progress against our People & Planet Plan

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Goal	Milestone	2022 Progress	2021 Progress	
Help our customers be net zero by 2050 <sup>(i)</sup> (base year 2019)	28% carbon intensity reduction by the end of 2030	6% reduction O	17% reduction <sup>(ii)(iii)</sup>	•
Be a net zero business by 2045(iv) (base year 2019)	40% carbon reduction by the end of 2034	6% <sup>†</sup> reduction	53% reduction(v)	•
Create an engaged team that reflects the full diversity of the communities we serve by 2030 – this means all company and senior leaders to be <sup>(vi)</sup> :  • 47% women  • 14% ethnically diverse  • 15% disability  • 3% LGBTQ+  • 3% ex-service	By the end of 2022:  • 30% women  • 13% ethnically diverse  • 4% disability  • 3% LGBTQ+  • 3% ex-service	All company <sup>(vii)</sup> :  • 30% women  - 41% excluding field engineers  • 14% ethnically diverse  • 3% disability  • 3% LGBTQ+  • 2% ex-service  Senior leaders <sup>(vii)</sup> :  • 33% women  - 32% excluding field engineers  • 9% ethnically diverse  • 3% disability  • 0% LGBTQ+  • 3% ex-service	All company(vii):  • 28% women  - 44% excluding field engineers  • 12% ethnically diverse  • 1% disability  • 2% LGBTQ+  • 2% ex-service  Senior leaders(vii):  • 28% women  - 29% excluding field engineers  • 9% ethnically diverse  • 1% disability  • 1% LGBTQ+  • 2% ex-service	0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0
development opportunities for under-represented groups by 2030 (base year 2021)	1,000 apprentices by the end of 2022	1,033 apprentices	ooo apprentices	
Inspire colleagues to give 100,000 days to build	20,000 days by the end of 2022	12,987 days O	10,889 days	0

- † Included in DNV's independent limited assurance report referenced on page 38.
- (i) Net zero goal measures the greenhouse gas (GHG) intensity of our customers' energy use including electricity and gas with a 2019 base year of 183gCO<sub>2</sub>e/kWh, normalised to reflect acquisitions and divestments in line with changes in Group customer base. Target aligned to the Paris Agreement and based on science to limit global warming, corresponding to a well below 2°C pathway initially and 1.5°C by mid-century.
- (ii) Restated due to availability of improved data.

inclusive communities by 2030 (base year 2019)

- (iii) Previous figure included in DNV's limited assurance scope for the Annual Report 2021 was an 18% reduction.
- (iv) Net zero goal measures scope 1 (direct) and 2 (indirect) GHG emissions based on operator boundary, which now includes all emissions from our shipping activities relating to Liquefied Natural Gas (LNG) alongside the retained Spirit Energy assets in the UK and Netherlands. Non-operated nuclear emissions are excluded.
- Target is normalised to reflect acquisitions and divestments in line with changes in Group structure against a 2019 base year of 2,132,680mtCO<sub>2</sub>e. It's also aligned to the Paris Agreement and based on science to limit global warming, corresponding to a well below 2°C pathway initially and 1.5°C by mid-century.
- (v) Restated due to LNG shipping and Spirit Energy's remaining assets moving into scope in 2022.
- (vi) Our 2030 goal was based on 2011 Census data for working populations. For 2023 annual reporting onwards, our goal will be re-aligned to the recently released 2021 Census data of 48% women, 18% ethnically diverse, 20% disability, 3% LGBTQ+ and 4% ex-service.
- (vii) Beyond gender, 2021 disclosure is based on 65% of colleagues disclosing their diversity data and 70% in 2022. Senior leaders include colleagues above general management and spans senior managers, the Centrica Leadership Team and the Board.

### Progress against our Foundations Planet

Metric	2022	2021	What's next
Greenhouse gas (GHG) and energy			
Total GHG emissions (scope 1 and 2)(i)	2,007,655tCO₂e <sup>†(ii)</sup>	1,032,807tCO <sub>2</sub> e <sup>(iii)(iv)(v)</sup>	Measure and reduce our emissions through our People & Planet
Scope 1 emissions	1,994,153tCO <sub>2</sub> e <sup>†(vi)</sup>	1,018,888tCO <sub>2</sub> e <sup>(iv)(v)(vii)</sup>	Plan, whereby we're focused on being a net zero business by 2045 and helping our customers be net zero by 2050
Scope 2 emissions	13,502tCO <sub>2</sub> e <sup>†(viii)</sup>	13,919tCO <sub>2</sub> e <sup>(iv)(v)(ix)</sup>	2040 and helping our customers be net zero by 2000
Scope 3 emissions <sup>(x)</sup>	24,330,208tCO <sub>2</sub> e	22,812,989tCO <sub>2</sub> e <sup>(xi)</sup>	
Total GHG intensity by revenue(xii)	85tCO <sub>2</sub> e/£m <sup>(xiii)</sup>	70tCO <sub>2</sub> e/£m <sup>(iv)(xiv)</sup>	Continue to analyse the impact of our strategy on decoupling GHG emissions from value creation
Total energy use	9,047,097,047kWh <sup>†(xv)</sup>	3,561,052,815kWh <sup>(iv)(v)(xv))</sup>	Remain focused on energy efficiency as we strive to be a net zero business by 2045
Water, waste and non-compliance			
Total water use	317,760m <sup>3</sup>		Effectively monitor, manage and reduce our water use and
Total waste generated	18,686 tonnes	18,060 tonnes <sup>(iv)</sup>	waste production, as well as our incidence of environmental
Environmental non-compliance(xvii)	22	12 <sup>(iv)</sup>	non-compliance

Reporting is based on operator boundary which is the more commonly used approach set out by the WRI/WBCSD Greenhouse Gas Protocol, and now includes all emissions from our shipping activities relating to LNG alongside the retained Spirit Energy assets in the UK and Netherlands. Non-operated nuclear emissions are excluded.

- Included in DNV's independent limited assurance report. See page 38 or centrica.com/assurance for more.
- (i) Comprises scope 1 and scope 2 emissions as defined by the Greenhouse Gas Protocol.
- (ii) Comprises UK 737,725tCO<sub>2</sub>e and non-UK 1,269,930tCO<sub>2</sub>e.
- (iii) Comprises UK 757,518tCO<sub>2</sub>e and non-UK 275,289tCO<sub>2</sub>e.
- (iv) Restated due to LNG shipping and the retained Spirit Energy assets in the UK and Netherlands moving into scope following the transition to become a fully operated joint venture in 2022.
- (v) Previous figures included in DNV's limited assurance scope for the Annual Report 2021 was 226,904tCO<sub>2</sub>e for total carbon emissions, 222,064tCO<sub>2</sub>e for scope 1, 4,840tCO<sub>2</sub>e for scope 2 and 1,142,249,379kWh for total energy use.
- (vi) Comprises UK 725,422tCO<sub>2</sub>e and non-UK 1,268,731tCO<sub>2</sub>e.
- (vii) Comprises UK 746,243tCO<sub>2</sub>e and non-UK 272,645tCO<sub>2</sub>e.
- (viii) Market-based. Location-based is 16,261tCO  $_{\rm 2}e.$  Comprises UK 12,302tCO  $_{\rm 2}e$  and non-UK 1,200tCO  $_{\rm 2}e$
- (ix) Market-based. Location-based is 19,592tCO<sub>2</sub>e. Comprises UK 11,276tCO<sub>2</sub>e and non-UK 2,643tCO<sub>2</sub>e.

- (x) Includes emissions from the following scope 3 categories defined by the Greenhouse Gas Protocol: purchased goods and services, capital goods, fuel and energy-related activities, waste generated in operations, business travel, employee commuting, upstream and downstream transportation and distribution, use of sold product and investments. All emissions are calculated in line with the methodologies set out by the Greenhouse Gas Protocol's technical guidance, apart from working from home emissions which are based on methodology set out in EcoAct's homeworking emissions whitepaper. Other categories spanning upstream leased assets, processing of sold products, end-of-life treatment of sold product, downstream leased assets and franchises, are not included because they are not relevant to our business.
- (xi) Restated due to availability of improved data.
- (xii) Carbon intensity of revenue is employed as our intensity measure because it is the most meaningful intensity measure for our diverse business and is the most widely used and understood measure for climate-related stakeholders such as CDP. Based on statutory revenue.
- (xiii) Comprises UK 42tCO<sub>2</sub>e/£m and non-UK 203tCO<sub>2</sub>e/£m.
- (xiv) Comprises UK 70tCO<sub>2</sub>e/£m and non-UK 71tCO<sub>2</sub>e/£m.
- (xv) Comprises UK & Offshore 2,394,832,533kWh and non-UK energy use 6,652,264,514kWh.
- (xvi) Comprises UK & Offshore 2,263,144,251kWh and non-UK energy use 1,297,908,564kWh.
- (xvii) Includes breaches of environmental authorisation including permit, licence and consent coupled with wider environmental legislation where we are either required to notify the regulator or where an authority or regulator is involved. The majority of incidents relate to offshore activities.

### **Progress against our Foundations People**

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Metric	2022	2021	What's next		
Customers					
British Gas Services & Solutions – Services Engineer Net Promoter Score (NPS) <sup>(i)</sup>	+64	+60	Continue to deliver energy, services and solutions that help our customers live		
British Gas Energy – Energy Touchpoint NPS <sup>(ii)</sup>	+13	+11 <sup>(iii)</sup>	sustainably, simply and affordably		
Bord Gáis Energy – Journey NPS <sup>(N)</sup>	+19	+30			
British Gas Services & Solutions – Services complaints per customer <sup>(v)</sup>	12.6%	12.1%	Maintain focus on driving down complaints by improving customer experience		
British Gas Energy – Energy complaints per customer <sup>(vi)</sup>	14.4%	8.5%			
Bord Gáis Energy – Complaints per customer <sup>(v)</sup>	2.2%	1.6%	<u> </u>		
Vulnerable customers helped through the UK Warm Home Discount scheme	589,460	535,866	Ensure customers in vulnerable circumstances receive the help they need with their energy bills		
Customer safety incident frequency rate per 1,000,000 jobs completed	3.64	3.03	Consistently follow existing controls as well as encourage customers to maintain distance from work areas		

<sup>(</sup>i) Measured independently, through individual questionnaires, the customer's willingness to recommend British Gas following an engineer visit.

<sup>(</sup>ii) Measured independently, through individual questionnaires and the customer's willingness to recommend British Gas following contact.

<sup>(</sup>iii) Restated to reflect the average weighted score by channel across the year.

<sup>(</sup>iv) Weighted NPS for the main customer interaction channels.

<sup>(</sup>v) Total complaints, measured as any oral or written expression of dissatisfaction, as a percentage of average customers over the year.

<sup>(</sup>vi) Total complaints, measured as an expression of dissatisfaction in line with submissions made to Ofgem, as a percentage of average customers over the year.

### **Progress against our Foundations**

Metric

Metric	2022	2021	what's next
Colleagues			
Colleague engagement <sup>()</sup>	73%	55%	Continue to improve colleague experience by connecting colleagues with our Purpose and leaders, whilst supporting everyone to perform at their best
Gender pay gap <sup>(ii)</sup>	· ·		Drive action through our People & Planet Plan to create an engaged team that reflects the full diversity of the communities we serve
Gender bonus gap <sup>(iii)</sup>	12% median 30% mean	10% median 31% mean	
Ethnicity pay gap <sup>(ii)(iv)</sup>	10% median 3% mean	13% median 0% mean	
Ethnicity bonus gap(iii)(iv)	23% median 0% mean	12% median 4% mean	
Retention	88%	72%	Improve retention through our focus on talent development whilst providing a supportive and inclusive culture
Absence <sup>(v)</sup>	10 days	12 days	Reduce absence through good management practices alongside proactive support and education via our health and wellbeing suite of support
Total recordable injury frequency rate (TRIFR) per 200,000 hours worked	1.12	1.07	Drive down TRIFR and LTIFR by keeping safety front-of-mind and reinforcing a strong safety culture whilst advancing controls and monitoring
Lost time incident frequency rate (LTIFR) per 200,000 hours worked	0.67	0.72	
Process safety incident frequency rate (Tier 1 and 2) per 200,000 hours worked	0	0.20	Continue to ensure robust operational controls and operator competencies, timely safety-critical maintenance programmes and
Significant process safety events (Tier 1)	0	0	effective performance management
Fatalities	1	0	Return to zero fatalities

What's next

<sup>(</sup>i) Measured through colleague responses to a survey asking them to rate how they feel about the company.

<sup>(</sup>ii) Based on hourly rates of pay for all employees at full pay (including bonus and allowances) at the snapshot dates of 5 April 2021 and 2022. Read our Gender and Ethnicity Pay Statement to find out more at <a href="mailto:centrica.com/paygap.">centrica.com/paygap.</a>

<sup>(</sup>iii) Includes anyone receiving a bonus during the 12-month period leading up to the pay gap snapshot date and who are still employed on the snapshot date.

<sup>(</sup>iv) Based on 65% of colleagues who confirmed whether they are from a Black, Asian, Mixed/Multiple or other ethnic group in 2021 and 70% in 2022.

<sup>(</sup>v) Relates to absence from sickness rather than wider forms of absence such as bereavement.

### **Progress against our Foundations**

Metric	2022	2021	What's next
Communities			
Total community contributions	£293.4 million <sup>®</sup>	£307.8 million <sup>(ii)</sup>	Make a big difference in our local communities – from helping people with their energy bills and energy efficiency, to volunteering and fundraising for causes colleagues feel passionately about
On the ground site audits completed	9	7	Continue to monitor and raise standards across our supply chain to reduce risk and guard against modern slavery, focusing on enhancing
Sites completing remote and controls worker surveys	6	7	engagement and controls
Colleagues committed to Our Code	98%	98%	Ensure all colleagues uphold Our Code as part of our commitment to doing the right thing and acting with integrity

<sup>(</sup>i) Comprises £243.8 million in mandatory and £45.1 million in voluntary contributions to support vulnerable customers, alongside £4.5 million in charitable donations which includes £0.23 million in contributions from third parties such as colleague fundraising.

<sup>(</sup>ii) Comprises £304.8 million in mandatory and £2.0 million in voluntary contributions to support vulnerable customers, alongside £0.96 million in charitable donations which includes £0.21 million in contributions from third parties such as colleague fundraising. Restated due to availability of improved data.

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