

# Chief People Officer's Report

“Centrica has created progressive and positive ways of working that enable our people to flourish.”

**Jill Shedden MBE**  
Chief People Officer



## Overview and external winds

In 2021, Centrica reoriented itself towards its people through the strategic lens of colleagues-customers-cash, recognising that our people are central to Centrica's business strategy. Last year we revitalised our collective agreements with our unions, simplifying our contractual landscape. Our unions support over a third of our people, and we are delighted to be forging stronger and more collaborative ways of working to deliver better people and customer outcomes together.

We were very aware of the potentially disruptive people impacts of COVID-19, including impacts on physical health, mental wellbeing, and general working conditions. Since the outbreak we have been regularly speaking with our people, the government, and our regulators. This collaboration has enabled us to change both how and where we work for the better, virtualising the onboarding of almost 3,000 colleagues in 2021 and accelerating our industry-leading 'Flexible First' programme. Centrica has created progressive and positive ways of working that enable our people to flourish.

## For our people

Every person that works for Centrica, regardless of seniority, will now receive Centrica shares through participation in our Global Profit Share Award. The value of the award will be based on 2% of our adjusted operating profit, shared amongst all our colleagues and delivered in shares. This new initiative is one of the many ways we are aligning colleague and business incentives.

The everyday experience of working for Centrica is a priority, which is why we have hard-wired colleague experience into Centrica's core performance metrics. Our investment in people insight, like increasing people surveys to quarterly, is enabling us to make better people decisions more quickly.

Sharing the diversity of thinking and leveraging the unique experiences of our people helps our leaders improve. To promote this, last year every senior leader had the opportunity to work with someone from a different part of the business in our reverse mentoring scheme. We combined this with a shadow-board and open-forum 'straight-talking' sessions to create more platforms for our people to make Centrica an exceptional place to work. This is showing in the numbers, as in 2021 our colleague engagement

increased by 13 percentage points. Progress against our 'trust in leadership' and 'colleagues believing change will happen' scores are particularly pleasing. We're excited about the further progress we can make here.

Over the past 18 months we have simplified and modernised the terms and conditions across our UK workforce. The changes we needed to make as a business were clear. It was difficult for some of our colleagues and, regrettably, resulted in some colleagues leaving. Overall, whilst difficult, simplifying these terms was the right thing to do for the business. This will enable Centrica to do even more for its people, customers, and shareholders in the longer term.

Our people vision is to prioritise flexibility around what is best for the individual; and this could be at home, in an office, or even outside of core hours. Designed with feedback from more than 5,000 colleagues during a consultation on how we all wanted work together going forward, Flexible First is having a positive impact on our colleagues as well as our business – from boosting colleague wellbeing and engagement, to opening the door for career opportunities that otherwise wouldn't have been possible.

It was refreshing to see that 92% of colleagues say that our Flexible First programme has had a 'positive impact on their work-life balance'. Our industry-leading flexibility programme means Centrica can access talent pools beyond the traditional, delivering access to a greater breadth of talent.

We have taken a good look at how work is done in Centrica through cultural diagnostics. We're using this insight to build the best culture and environment for our people and strategy across each of our businesses. To create this right environment, we are focused on team effectiveness, how we think about performance and career, and strengthening how our teams come together. Everyone in Centrica should understand how important their role is in delivering our strategy.

## Building our future

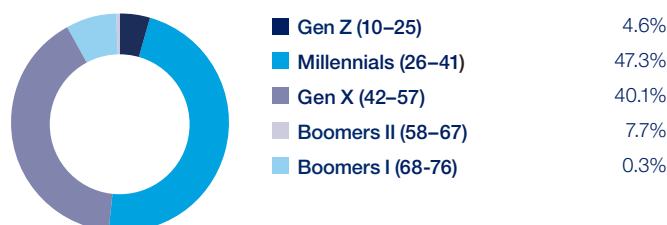
Centrica's strategy is enabled by its largest asset – its people. The principles of our people strategy are insight, vision, engagement, creation and optimisation. Centrica is ambitious in its thinking and is creating teams that reflect the diversity of our communities across all levels of our organisation.

### Colleague Full Time Equivalent (FTE)



Colleague FTE has reduced year on year, predominantly as a result of the Direct Energy disposal.

### Age breakdown by group as at 31 December 2021



Understanding our demographics enables us to tailor the right training, value proposition, and approach based on the individual.

We recruited around 600 new apprentices in 2021, creating new, highly skilled and well-paid British jobs.

By 2030, we expect to recruit 3,500 apprentices, 50% of which will be female and 14% of which will be ethnically diverse. We know that women have traditionally been under-represented in the engineering workforce – and we’re working hard to change that. We want to be a leader here.

As we cultivate diversity, developing our talent is a priority. Last year we launched our Group capability framework which defines 15 core capabilities relevant across all roles and is closely aligned with our values, strategy, and purpose. We are equipping people with the training and skills required to fight climate change. In 2021 we launched a fully electric salary sacrifice car lease scheme available to all UK Centrica employees. What’s more, colleagues can now even invest in climate aware pension funds, making it easier for our people to make an impact.

As at 31 December 2021, Centrica saw over 500 internal promotions and 100% of our graduate populations receiving promotions into substantive roles after completing the graduate programme. We continued to hire graduates at the same rate, despite a sector recruitment decline of 15%.

Our new Healthcare Plan for all colleagues provides the same level of access to healthcare for every member of the organisation. This supports dependants and pre-existing conditions, giving peace of mind to colleagues and their families. We continue to leverage technology, networks of mental health leaders, and mental health training programmes to support our people. We have also introduced support, education, and guidelines to support colleagues through life-events such as the menopause, fertility treatment and handling caring responsibilities.

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