

People & Planet Plan Update 2021

Supporting communities,
our planet and each other



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centrica



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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:

- **Create a more engaged team that reflects the full diversity of the communities that we serve by 2030***
- **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% carbon intensity reduction by the end of 2030)
- **Be a net zero business by 2045**
(40% carbon 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

*All company and senior leaders to reflect 2011 Census data for working populations. This means 47% women, 14% ethnically diverse, 15% disability, 3% LGBTQ+ and 3% ex-service by 2030 (30% women, 13% ethnically diverse, 4% disability, 3% LGBTQ+ and 3% ex-service by the end of 2022).

Chief Executive introduction

The last year has been like no other, with COVID-19 and the energy crisis. To me, it's clearer than ever that we all need to do our bit to create a more inclusive and sustainable future.

That's why I'm really proud that at the start of 2021, we introduced our People & Planet Plan. The Plan builds on progress we've already made and accelerates action through five Group-wide goals that are focused in areas that matter deeply to our business and society, and where we're well placed to make a world of difference – from strengthening our commitment to net zero and creating the diverse and inclusive team we need to get there, to maximising our contribution to the communities we're all part of. We then built on our People & Planet Plan with the launch of our Climate Transition Plan, which sets out how we intend to achieve our net zero goals whilst ensuring a fair and affordable transition for all.

And thanks to the committed and talented team at Centrica, we've made great progress against some of our goals during 2021. But I'm naturally disappointed that we're behind on others. However, I knew that these goals would stretch us, and rightly so.

The decade ahead therefore won't be easy, and there will be difficult decisions we'll need to face into. This is both exciting and daunting; and huge opportunity and a giant challenge. But we choose to see the opportunities at Centrica, not the obstacles. So we'll collaborate with communities, partners and governments amongst others, to continue to evolve our plans and do all we can to fight climate change and improve the diversity across our company and sector, to ensure we achieve our ultimate goal of helping our customers live sustainably, simply and affordably. I have confidence that together, we can and we will succeed.

Chris O'Shea,
Group Chief Executive



Our year in numbers



600
apprentices

recruited with 30% being women, a big increase from previous years

50:50
gender parity
on our Board



£306m

contributed to vulnerable customers and communities



1.6m homes

– equivalent annual carbon emissions customers saved using our services and solutions

10,889
volunteering days
since 2019

11.7GW
renewables
under management



Award winners

including Financial Times' Top Diversity Leaders, Better Society Award for our Carers UK charity partnership, and CDP 'A-' grade for leading action and disclosure on climate change

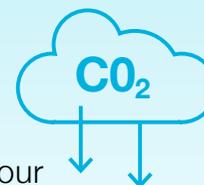


Zero carbon

electricity provided to all of our UK customers in 2020/21

80%
carbon

we've cut from our operations over the last decade



People

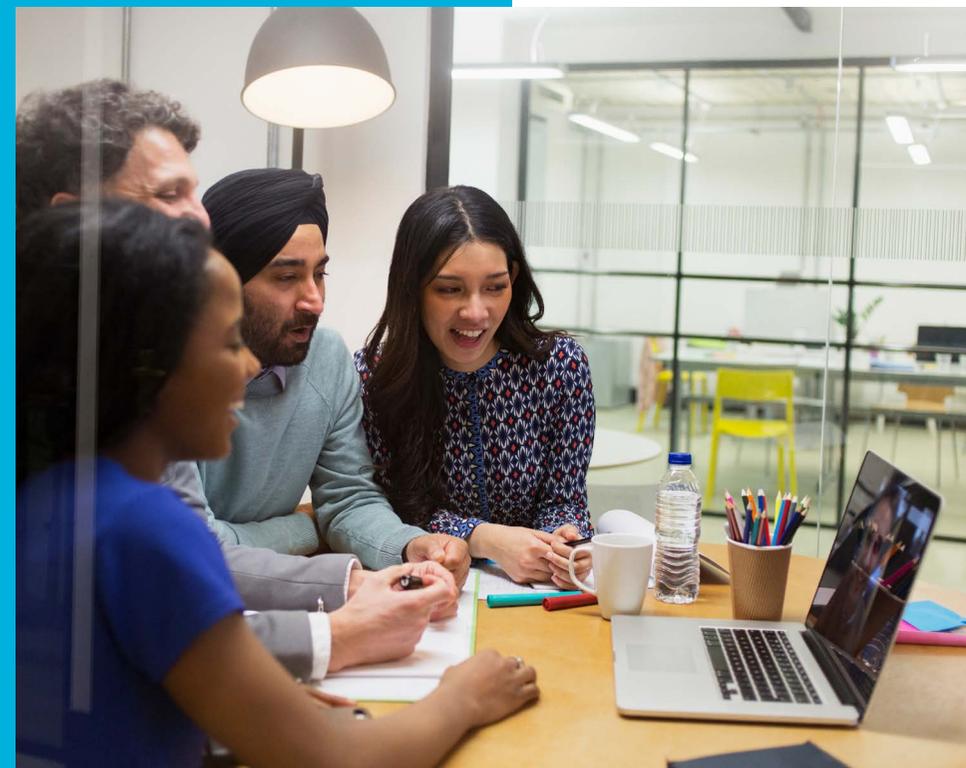
Supporting every colleague to be themselves to better serve our customers and communities

→ **GOAL 1** Create an engaged and inclusive team that reflects the full diversity of the communities we serve by 2030 07

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→ Building inclusive communities 14



GOAL By 2030, we want to:

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

2021 Progress

	2030 Goal ⁽¹⁾	All company	Senior leaders
Women	47%	28% ▼	28% ▼
Ethnic diverse	14%	12% ▼	9% ▼
Disability	15%	1% ▼	1% ▼
LGBTQ+	3%	2% ▲	1% ▼
Ex-service	3%	2% ▲	2% ▲

Key: Progress against goals ▲ On track ▼ Behind

(1) Based on 2011 Census data for working populations. Senior leaders include colleagues above general management and spans senior leaders, the Centrica Leadership Team and the Board.

Towards our 2030 goal, we're aiming for our team to be 30% women, 13% ethnically diverse, 4% disability, 3% LGBTQ+ and 3% ex-service to be achieved by the end of 2022.

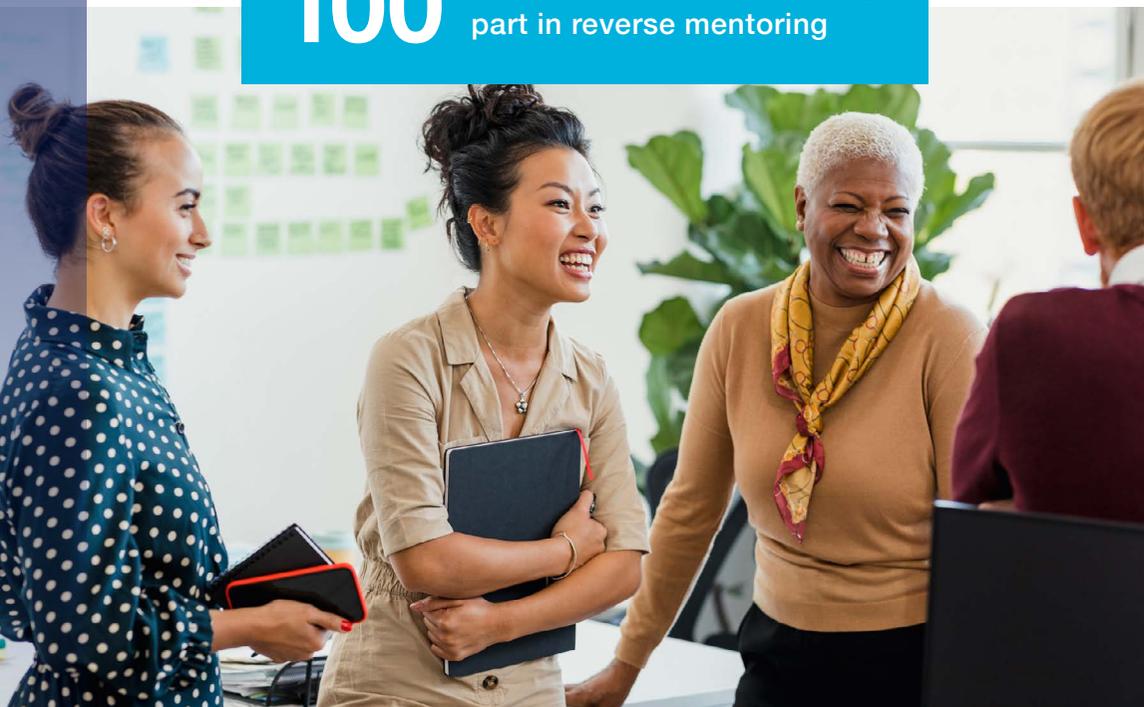
To build a more sustainable future, we need the best team – a diverse mix of people and skills, where different thoughts and ideas can grow, and where everyone feels motivated and able to be their best.

That's why in 2021, we co-created an action plan with colleagues to become a more diverse and inclusive company, and published our commitments in an open letter.

As part of this, we set out our ambitious goals (see left). Whilst positive progress has been made in specific areas during 2021 like achieving gender parity at a Board level and encouraging a significant increase of women entering engineering, our progress remained broadly flat against our goals and we know it'll take time to overturn the lack of diversity in our business and sector.

In particular, boosting the representation of women will be challenging given our large field engineering team is traditionally made up of men. But aiming high is the right approach to ensure we deliver the change that's needed. To ensure we get back on track with our goals, we sharpened our focus in 2022 with the help of colleagues and data insight, to ensure we do all we can to create a more inclusive environment and attract, promote and retain more diverse talent.

100 Number of colleagues taking part in reverse mentoring



80%

Colleagues who feel that people of all backgrounds are accepted for who they are at Centrica (external benchmark: 78%)

In 2021, we also:

- Provided equal access to opportunities which included strengthening recruitment processes with diverse shortlists and interview panels, as well as inspiring leaders into reverse mentoring to grow diverse talent.
- Ensured our culture promotes and values difference by creating a 'Shadow Board' of diverse colleagues to meet with leaders and drive colleague-centric decisions (see page 9), whilst launching groundbreaking guidelines to improve support for those experiencing the menopause, domestic abuse or transitioning at work.

We've received external recognition for our efforts during 2021–22. This included places on the Financial Times' Top Diversity Leaders list as well as a top 20 ranking in the European Women on Boards' Gender Diversity Index.

[➔ Read more about colleague safety, engagement and pay on pages 25 to 26](#)

Our stories

Shadow Board gets off to a great start

As its Chair, Jacqui shares her hopes for what can be achieved.

When Centrica said it wanted to establish a Shadow Board, I jumped at the chance to get involved because I wanted to give something back. Having left school with very little more than 40 years ago, I feel fortunate that Centrica has afforded me opportunities to gain a wealth of skills and experience which I don't think would've been possible elsewhere. So I'm passionate about helping the company overcome their challenges and grow from strength-to-strength.

10 Diverse colleagues on our Shadow Board, each serving an 18-month term

The Shadow Board exists to help our leaders do just that by bringing in diverse perspectives from across the business to positively disrupt assumptions, challenge thinking and support colleague-centric decisions on key issues like how we can continue to build a happy and productive team, whether we've the skills to serve our customers' changing needs, and what more we can do to deliver growth. As Chair, my role is to help provide focus and ensure progress through collaboration and inclusion, whilst engaging colleagues so that we accurately represent their concerns. At the moment for example, our big focus is on providing insight into the challenges customer-facing colleagues experience, because we have to get it right for our customers.



“I'm confident that if everyone pulls together, we can achieve great things – from providing excellent customer service every day, to being the diverse and inclusive business everyone wants to work for.”

Jacqui Dennis,
Procurement Sourcing Manager

GOAL By 2030, we want to:

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

2021 Progress

600 apprentices ▲

Key: Progress against goals ▲ On track ▼ Behind

⁽¹⁾ Baseline 2021.

To get to net zero we need to create thousands of high-quality green jobs. And we believe there's a huge opportunity to tap into the talent of under-represented groups to not only deliver a greener future, but a more inclusive one.

Towards this in 2021, we started to recruit 1,000 apprentices over two years against our 2030 goal of 3,500 apprentices, with the ambition that 50% will be women. Because women make up around just 2% of all gas safe registered engineers and 4% of our own engineers, it's vital that we get more women into engineering to grow the diversity of our business as well as the wider sector.

This won't be quick or easy. It'll require us to tackle long standing stereotypes around the types of jobs people typically do and it'll need us to think and do things differently – from rolling-out uniforms that are more comfortable for women, to exploring how we run training so that it's more conducive to balancing family life. We're also incentivising people from other parts of our business like customer service, to become an apprentice by not dropping their pay whilst they train.

Following a targeted recruitment campaign, we're on track with our goal having onboarded 600 apprentices with 30% being women. Once qualified, our apprentices will become Smart Energy Experts that provide smart meters and energy efficiency advice, with opportunities to upskill in other areas like installing heat pumps (see page 11).

To inspire more young people into a career in energy, we're also supporting over 650 schools via Tech We Can.

An apprentice every day

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

Our stories

Changing perceptions about engineering

Clarice shows that engineering is for everyone.

I'd previously worked for the NHS as a technician but it became very desk-based, so I started to look for something more active. After reading a blog about being a British Gas apprentice and then seeing that they were specifically recruiting women, I felt inspired to apply.

I was nervous and never expected to get the job but I'm so glad I applied! In my apprenticeship, no day is ever the same and I'm constantly learning. My mentor helps me put my learnings into practice so whether I'm exchanging an electricity meter or installing a new smart meter, I feel supported every step of the way. I also love talking with different customers and helping them with their energy needs.

One of the biggest challenges is changing the mindset of people who think women shouldn't be engineers. It's really important to me that I therefore play my part in showing that anyone can work in engineering.

There's also opportunities to grow and progress your career once qualified, like learning how to install an electric vehicle charger or heat pump, which motivates me to do my best and to reach as high as I can.

50%

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



“Engineering has always been male-dominated but it doesn't have to be. If I could give any advice to anyone who is thinking about becoming an engineer, I'd say just go for it!”

Clarice Payne,
Smart Energy Expert Apprentice



Apply today at centrica.com/careers

GOAL By 2030, we want to:

3

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

2021 Progress

10,889 days ▼

Key: Progress against goals ▲ On track ▼ Behind

(1) Baseline 2019.

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

Following an all-time high of volunteering days in 2020 when we launched our new partnership with the Trussell Trust to meet the demand for food at the outbreak of COVID-19, our volunteering days reduced by 96% in 2021, which brings our cumulative volunteering days to 10,889 since 2019. This was primarily due to the changing nature of COVID-19 restrictions limiting the availability of wider volunteering opportunities as well as our focus on customer service – particularly during the urgent and unprecedented need to support customers during the energy crisis which resulted in us rapidly taking on around 700,000 customers from failed energy suppliers.



Colleagues have said they want to do more to support their local communities in 2022. Following a colleague vote which told us that they wanted to focus their efforts on poverty, health and young people, we've exciting plans to inspire them to use their two-day volunteering allowance and donate to local charities. This includes new opportunities to make a difference at their local Trussell Trust food bank amongst other initiatives. We hope this re-energised approach will help us get back on track with our goal and progress towards our ambition of having 1 in 3 colleagues volunteering by 2030.

And in recognition of colleagues wanting to support the Ukraine crisis at the start of 2022, we committed to match fund up to £1 million of colleague fundraising following the company's £1 million donation to the Disasters Emergency Committee (DEC).

“It was great to help young people broaden their horizons and hopefully consider engineering as a career, irrespective of who they are or where they're from.”

Aitziber Marco,
Solution Development Engineer
and Tech We Can volunteer

“It's been so rewarding to volunteer at my local foodbank. With the rising cost of living, it's more important than ever to support those who struggle to afford the essentials.”

Karim Awadia,
British Gas Transformation Lead
and Trussell Trust volunteer



£306m Contributions to our communities in 2021⁽¹⁾

(1) Comprises £305 million in mandatory and £1 million in voluntary contributions and charitable donations.

Building inclusive communities

Here are just some of the ways we've been making a difference in local communities over the years...

FOCUS Ireland

For the last six years, we've helped prevent and alleviate the distress of family homelessness. We've now extended the partnership for another five years to build off progress already made:

€2.6m
donated and fundraised

**Over
7,000**
families supported

energy for tomorrow

For over a decade, our impact fund has provided grants and expert advice for community initiatives that deliver affordable and sustainable energy solutions for the UK:

£600,000

to spend annually with grants up to £100,000 available

**Over 20
community
initiatives** supported, including five new projects last year



Having combined forces to meet the urgent demand for food at the start of COVID-19, we've continued to fight food and fuel poverty together:

2,000
colleagues have helped over 400 local foodbanks

£125,000
donated to further the cause



Our three-year partnership has been successful in improving the lives of unpaid carers across the UK:

**Statutory
carers leave**
due to be introduced in the UK following joint campaigning

**Over
£1.7m**
donated and fundraised to run vital support services



Since 2004, the independent charity funded solely by us, has supported anyone who needs help with their energy bills. It's the largest source of financial help for vulnerable households outside of Government funding:

**Over
£130m**
in mandatory and voluntary contributions provided

**More than
500,000 people**
have benefited from debt advice and grants

Our stories

Caring for carers across the UK

Being a carer can be incredibly rewarding but it can also be really challenging. So with an estimated 1 in 4 people in the UK being an unpaid carer, it's vital they receive the help they need.

In 2018, we therefore embarked on a three-year charity partnership with Carers UK. And over the course of it, we donated and fundraised over £1.7 million to enhance support available. This included a £1 million donation at the start of the pandemic in response to the 60% increase in enquiries, which helped Carers UK extend its helpline hours for 12-months amongst other service enhancements.

We also ensured that colleagues were empowered to better balance work alongside caring – from introducing and encouraging take-up of our world-class carers leave allowance which provides up to six weeks paid leave when matched with annual leave, to accessing support via our 1,000-strong Carers Network. But we wanted other working carers to receive these same benefits. Consequently, we ran peer-learning sessions with other organisations. And we successfully supported the Carers UK campaign for the UK Government to introduce statutory carers leave which is due to be introduced.

Whilst our charity partnership has now come to an end, we'll continue to work closely to improve the lives of carers.



Visit carersuk.org if you need advice



“**The ongoing impact of the COVID-19 pandemic and continued lack of access to support means many carers are at breaking point. But together, we have helped make life better for carers by bringing about a step change in the way that society recognises, values and supports the millions of unpaid carers in the UK.**”

Helen Walker,
Chief Executive of Carers UK

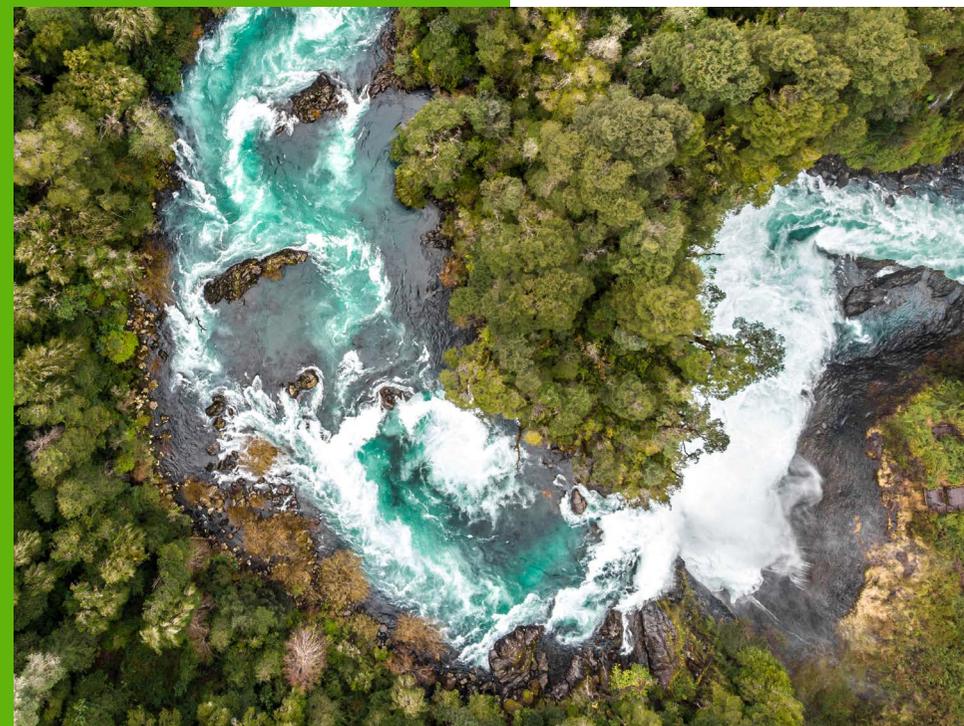
A winning partnership

Our partnership won the ‘Best Partnership with a National Charity’ at the Better Society Awards

Planet

Supporting every customer
to live more sustainably

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GOAL By 2050, we want to:

4

Help our customers be net zero

(28% carbon intensity reduction by the end of 2030)⁽¹⁾

2021 Progress

18% reduction[†] ▲

Key: Progress against goals ▲ On track ▼ Behind

(1) Measures the carbon intensity of our customers' energy use with a 2019 baseline and normalised to reflect acquisitions and divestments. Target aligned to the Paris Accord and based on science, corresponding to a well below 2°C pathway initially and 1.5°C by mid-century.

† Included in DNV Business Assurance Services UK Limited (DNV)'s independent limited assurance engagement. See page 32 or [centrica.com/assurance](https://www.dnv.com/centrica.com/assurance) for more.

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

Towards this in 2021, we provided services and solutions that enabled the reduction in the carbon intensity of our customers' energy use to remain strong at 18% down from our 2019 baseline, which is similar to 2020. This is equivalent to our customers saving the annual emissions of 1.6 million homes in 2021, and was largely due to renewable and low carbon energy tariffs alongside energy efficiency and optimisation solutions.

Zero carbon

Electricity provided to all UK customers in 2020/21, and we plan to remain a leader in this area going forwards

(2) Comprises scope 1, 2 and 3.



In 2021, we helped our customers advance towards net zero by providing measures that decarbonise power, heat and transport having:

- Maintained a leadership position in driving electric vehicle (EV) take-up with over 20,000 charge points installed since 2013, whilst integrating EV charging into our Hive smart home app.
- Launched new solar and air source heat pump businesses to accelerate delivery.
- Expanded customers on our Green Future tariff which is one of the greenest on the market and were one of only two companies awarded the Uswitch Gold Standard for renewable tariffs.
- Provided a route-to-market for renewables with 11.7GW under management, which can power around 10 million homes.
- Secured a minority stake in HiiROC, a hydrogen production technology company, to accelerate the development of zero carbon hydrogen on a modular and scalable basis.



We're fully committed to helping our customers transition to zero by 2050 at the latest, which, we'll continue to do by focusing on delivering energy efficiency and optimisation services, alongside low carbon technologies and cleaner energy.

[➔ Read more about our plan to help customers transition to net zero on page 22](#)

Our stories

Making homes warmer and more efficient with heat pumps

We teamed up with social housing provider, Sanctuary Housing, to launch a low carbon heating scheme in 2021.

Involving nearly 300 homes across the North, West, Midlands, East and South West, we replaced the properties existing heating systems with low carbon alternatives. This included simple-to-use technologies like an air source heat pump complete with a smart cylinder to monitor performance, intelligent heating controls alongside new radiators and pipework.

The project has helped residents make significant gains in energy efficiency, which has reduced running costs and increased the comfort of their homes. In turn, it's also contributed to improving local air quality and meeting national net zero targets.

The project planning, delivery and compliance was carefully overseen by our PH Jones business. An approved contractor then completed around 100 installs whilst upskilling our British Gas engineers, to take over and complete the rest. Growing the green skills of our engineers like this is key to strengthening our ability to ramp up our heat pump business to achieve our ambition of installing 20,000 heat pumps a year by 2025, and remain a market leader in home heating as we transition to net zero.

1,900

Cumulative heat pumps installed across social housing



“**We have a responsibility to ensure our tenants live in warm homes that are cost effective to heat, reducing fuel poverty and increasing quality of life. This project provides opportunities to improve the energy efficiency of our homes and identify future improvements.**”

Donna Williams,
Director of Sustainability and Climate Change at Sanctuary Housing

GOAL By 2045, we want to:

5

Be a net zero business

(40% carbon reduction by the end of 2034)⁽¹⁾

2021 Progress

82% reduction ▲

Key: Progress against goals ▲ On track ▼ Behind

(1) Measures scope 1 (direct) and 2 (indirect) greenhouse gas emissions based on operator boundary and normalised to reflect acquisitions and divestments against a 2019 baseline. Target aligned to the Paris Accord and based on science.

As we aim to inspire our customers to live more sustainably, we'll lead by example and use our own low carbon services and solutions to transition to net zero.

Through strategic transformation, we now produce over 80% less carbon than we did a decade ago having moved away from the majority of our carbon intensive energy assets and businesses, to focus on providing services and solutions that help our customers live sustainably, simply and affordably.



Leadership action and disclosure on climate change, receiving an 'A-' grade

In 2021, we continued to make progress against our net zero target, with our total carbon emissions decreasing by 78% from 2020 and 82% from the 2019 baseline. Whilst the main driver of emissions reduction related to a temporary outage at Whitegate power station in Ireland, sustainable savings were also achieved via fleet initiatives like rolling out EVs and green tariffs, delivering property efficiencies across lighting, heating and cooling alongside savings from business restructuring.

In 2022, we expect our emissions to rebound. This is because Whitegate will resume normal operations to play its important role in ensuring Ireland's security of supply, providing a stable baseload power to back-up a surplus of wind energy.

3,000 Our order for commercial EVs during 2020/21, the largest made in the UK

To get to net zero, we'll continue to drive emissions out of our property, fleet and travel, whilst investing in low carbon and transition assets.

[➔ Read more about our plan to transition our business to net zero on page 22](#)

Our stories



Driving to net zero

Blair shares what it's like to drive an electric vehicle (EV) as he serves customers across South West Scotland.

When I signed up to drive one of our new Vauxhall Vivaro E vans, I was excited to experience what driving an EV was like. And one year on, I've never looked back.

I drive around 500 miles a week and sometimes a lot more, so the biggest challenge was mentally resetting from a diesel van with lots of range, to an EV with a smaller range. One thing I learnt is that you always need to be prepared for the unforeseen – such as jobs being swapped around in day or making sure I've enough charge if on-call in the evening. When I arrive home at the end of a shift, I just plug in my van on the drive and it's ready with a full battery in the morning. And during the day, I'll often use a public charging point to stay topped up whilst I grab lunch or a coffee. It's surprising the range that can be added in very little time.

Lots of customers and the wider public ask me what it's like having an EV, so hopefully I'm playing my own small part in encouraging more people into the driving seat of an EV.

“If you think of all the commercial vehicles out there that could be electric, it would all quickly add up to making a big difference. Driving into some of the towns on my patch, I'm happy to know there's no exhaust fumes coming from my van.”

Blair Murdoch,
Smart Energy Engineer

4.7m

Electric vehicle miles our British Gas fleet has driven so far – equivalent to around ten trips to the moon and back

Our stories

Launching our Climate Transition Plan

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

For customers, this included 2025 aspirations to double the number of Hive customers to 2.5 million, achieve annual installs of up to 100,000 EV charge points and 20,000 heat pumps, whilst remaining a leader in the supply of zero carbon electricity for homes and businesses.

Within our business, our ambition is to build a zero-emission road fleet in the UK by 2025 and cut our UK property emissions by a further 50% by 2030. Meanwhile, we'll progress our strategic transformation to exit remaining activities in oil and gas exploration and production, and redirect investment into assets that drive the transition forward – from securing up to 800MW of low carbon and transition assets like solar and battery storage by 2025, to exploring the conversion of our Rough gas storage facility to store hydrogen.

These aspirations provide great opportunities as well as challenges, and will require everyone to play their part as we play ours. And for it to be a success, we can't leave anyone behind. So we'll continue to champion the needs of our customers and support those who struggle with their energy bills, create thousands of high quality green jobs, back sustainable initiatives in communities and collaborate for a low carbon supply chain.

“It's fantastic to see Centrica's Climate Transition Plan embed fairness and help ensure that vulnerable communities not only don't lose out, but can access opportunities to build better lives. I'm also hugely encouraged to see examples of innovation that can be scaled up to transform the energy system and support customers with their own journey.”

Gudrun Cartwright,

Climate Action Director at Business in the Community



Advisory vote

The Plan will go for shareholder advisory vote at the 2022 AGM



Read our report in full at centrica.com/climatetransition

Our stories

Our impact fund helps build sustainable communities

Our Energy for Tomorrow impact fund supports community projects that tackle climate change and deliver positive social impact.

Following a regional campaign in Scotland during COP26, the fund awarded grants to five organisations including BRAG Enterprises who received £90,000.

Based in an ex-coalfield region of Fife, BRAG is at the very heart of their community, providing essential employability and training services. And over the years, they've helped 19,000 unemployed adults into work and supported over 2,700 local businesses and start-ups get off the ground. In recognition of the wider challenges the community faces, BRAG also works with and houses a food bank and advice service to alleviate poverty.

To help their money go further and achieve their ambition of being net zero by 2030, Energy for Tomorrow is supporting BRAG to install solar panels across their three sites. This'll save around £5,500 on energy bills and cut carbon emissions by more than 12 tonnes a year. Meanwhile, Centrica colleagues will volunteer their time to provide energy advice for visitors and create an energy efficiency toolkit, whilst providing advice on technologies to help BRAG continue their net zero journey.

At the start of 2022, Energy for Tomorrow started its next regional campaign in the North East, Yorkshire and Humber.



“ We’re delighted to receive a grant and are excited about the difference it will make for the people we support. It will also help deliver on our pledge to leave a sustainable planet for our families and their children.”

Brian Robertson-Fern,
Managing Director at BRAG Enterprises

£600,000

Energy for Tomorrow’s annual fund available to communities⁽¹⁾

(1) Money generated from solar panels we installed at nearly 270 schools.

Foundations

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

→ Customers	25
→ Colleagues	25
→ Communities	27
→ Environment	27



Foundations

Customers

2021 was another challenging year for customers and we wanted to be there for them. We prioritised action for those impacted by the pandemic and energy market crisis. This included freezing direct debits for customers over winter and launching a new £6 million British Gas Energy Support Fund to help our most financially vulnerable customers. On top of this, we helped nearly 536,900 customers via the UK's Warm Home Discount scheme and provided energy advice and grants for customers and non-customers via the British Gas Energy Trust (see page 14), supporting around 31,600 people during 2021/22. With our net promoter score and complaints impacted by COVID-19 and industrial action alongside reduced engineer capacity, we'll endeavour to improve service levels in 2022 (see page 34).

£305m

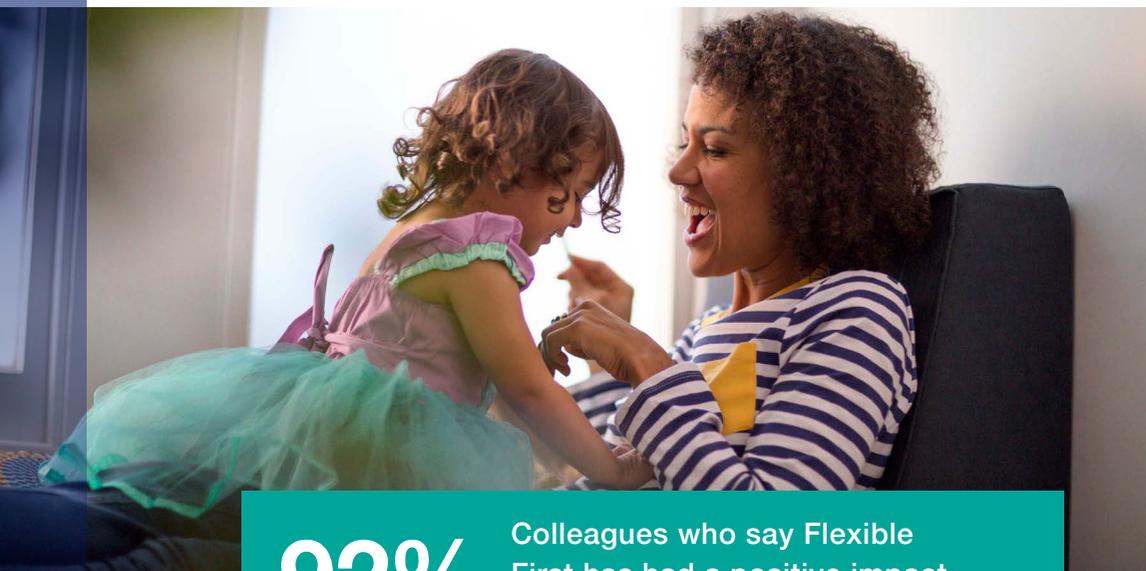
Our contribution to help vulnerable people with their energy bills in 2021⁽¹⁾

(1) Comprises mandatory and voluntary contributions such as those relating to the Warm Home Discount, Energy Company Obligation and British Gas Energy Trust.

Colleagues

We want our people to feel safe, engaged and rewarded. To protect our people from COVID-19 during 2021, all field workers were provided with personal protective equipment and operated in line with government guidance to keep themselves and customers safe. Our Tier 1 and 2 process safety incident frequency rate did, however, worsen following three Tier 2 events compared to zero in 2020. The events related to Centrica Storage Limited and resulted in remedial action including enhanced inspection regimes across piping systems and switching to a new asset integrity inspection company. Our total recordable injury frequency rate also worsened slightly by 4% to 1.07 per 200,000 hours, largely due to the impact of COVID-19 and organisational restructuring on working hours. We've since seen improvements and hope to continue this by ensuring safety remains front-of-mind, whilst reinforcing a strong safety culture and advancing controls and monitoring. Alongside physical health, we were mindful of the impact COVID-19 coupled with changes to our business, could have on mental health. We helped provide peace of mind by ensuring everyone had flexibility to adjust working hours to accommodate caring responsibilities and temporarily amended policies to ensure COVID-related absence wouldn't impact pay.

In addition, we ran campaigns that talked about the importance of being open about mental health and encouraged use of our mental health suite which includes our network of more than 100 mental health first aiders and the 'Unmind' wellbeing app. Our Flexible First approach to working also supports wellbeing as it empowers colleagues to choose when to work from home or go into the office to connect and collaborate, enabling them to better balance work alongside personal commitments.



92%

Colleagues who say Flexible First has had a positive impact on their work-life balance



Read our Gender & Ethnicity Pay Statement at centrica.com/paygap

Read our Health & Wellbeing Statement at centrica.com/wellbeing

Improvements like these have helped our engagement score improve by 13% to 55% favourable in 2021. We've a big opportunity to build on this and are aiming to achieve 70% by the end of 2023, by continuing to create a more inclusive and supportive place to work.

As a responsible employer, we also reward our people fairly. This includes paying at least the Living Wage in the UK and upholding equal pay. In 2021, our gender pay gap improved by 5% to 30% median and continues to be driven by more men working in higher paid roles like engineering coupled with more women in lower paid customer service and administration roles. We're one of few companies to have voluntarily published our ethnicity pay gap which is driven by similar factors to our gender pay gap, and improved by 1% to 13% median. Tackling the pay gap will not be quick or easy, but we hope to continue to transform our business and sector as our People & Planet Plan gets fully underway (see pages 6 to 11).

“Flexible First has transformed my ability to balance work and caring. I'm now able to work without the stress of being away from home too much and can really focus on work as well as access development opportunities that would've been extremely difficult before.”

Marie McCann,
Customer Service Adviser

Communities

Our Code helps us operate in a way that's beneficial to our communities by setting out the high standards we expect of anyone who works for us or with us on key issues, such as human rights and avoiding bribery and corruption. During 2021, 98% of colleagues completed Our Code refresher training and confirmed they'd uphold it. If anyone has concerns about its contravention, they can raise them via our confidential 24/7 Speak Up helpline. In 2021, we had 1.3 reports per 100 employees which largely aligns with the external benchmark of 1.4, and demonstrates that colleagues feel safe to speak up. Reports are investigated by the Ethics and Compliance team, with quarterly monitoring by our Committees.

We also strive to use our purchasing power to contribute positively to workers in communities around the world. So in 2021, we continued to assess suppliers on their social and environmental standards. Overall, our sustainability score remained strong at 68 (low risk), which is better than the multi-industry average of 51 (medium risk). If suppliers receive a high-risk rating, we consider appropriate action which may involve conducting a site audit to better understand the risk or ending our relationship and reporting the abuse. During 2021, we were unable to conduct on-the-ground site audits due to COVID-19, so we deployed remote worker Surveys in higher risk countries like Bangladesh and Pakistan. Whilst no material issues were identified, insight enabled a supplier to subsequently provide training to help workers manage their personal finances better.

7,000

Remote worker surveys deployed to nearly 7,000 people in 2021



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

Environment

We closely monitor and manage our wider environmental impact. During 2021, our water consumption dropped by 62% to 66,762m³ and waste declined by 12% to 12,756 tonnes. This was largely due to lower power station activity and reduced site occupancy as colleagues increasingly worked from home.



Governance

Robustly managing all that we do

→ Governance	29
→ Sustainable Development Goals (SDGs)	30
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Governance

Our Group Chief Executive has overall accountability for responsible business activities and ensures key issues like climate change alongside diversity and inclusion, are consistently 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 held monthly. 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 responsible business activities like customer satisfaction and climate change, are incorporated in incentive plans for Executive Directors and other key colleagues across the Group.

Spotlight on climate governance

Incentive plans

Climate transition KPIs incorporated into plans for Executive Directors in 2022

TCFD | TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES

Signatories since 2020 and full compliance achieved in 2021 reporting



TRACE TO ZERO

Committed to science-based action on climate change

Assurance

Limited external assurance achieved across our climate metrics and more, every year since 2012



Read more about our governance including our TCFD disclosure at centrica.com/ar21

Sustainable Development Goals

In 2015, the United Nations launched 17 Sustainable Development Goals (SDGs) that call on government, businesses and other stakeholders, to take action on the biggest issues facing people and the planet by 2030.

We're fully committed to supporting the Goals – whether that's by tackling climate change or building a more inclusive team. Whilst we contribute to many of the SDGs, our People & Planet Plan makes a meaningful contribution to three lead SDGs alongside some supporting Goals which you can read more about on page 31 overleaf.

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

 Read more about our SDGs at centrica.com/SDGs



Why they're important to us

2021 examples of our contribution

People

Lead
SDGsSupporting
SDGs
[Read more on pages 6 to 15](#)

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 the communities we serve, recruit 3,500 apprentices and provide skills development opportunities for under-represented groups, as well as inspire colleagues to give 100,000 days to build inclusive communities.

- Established a 'Shadow Board' of diverse colleagues to meet with leaders and drive continuous improvement.
- On track with our goal to recruit 3,500 apprentices by 2030 with the ambition for 50% to be women, having recruited 600 apprentices with 30% women.
- Since 2019, we've contributed nearly 10,900 volunteering days to build inclusive communities and grow the skills of colleagues.

Planet

Lead
SDGsSupporting
SDGs
[Read more on pages 16 to 23](#)

Climate change is one of the greatest challenges facing society. The energy sector has a key role to play in helping the world transition to net zero and we're committed to playing our part by contributing to national and international targets. So we're focused on supporting every customer to live sustainably by providing affordable services and solutions that will help them be net zero by 2050 at the latest, whilst working to become a net zero business ourselves by 2045.

- Helped customers cut the carbon intensity of their energy use by 18% compared to 2019.
- Installed over 20,000 electric vehicle charge points since 2013, driving the UK to a greener transport system.
- Produce over 80% less carbon than we did a decade ago, having transitioned away from carbon intensive energy assets to focus on low carbon services and solutions for customers.

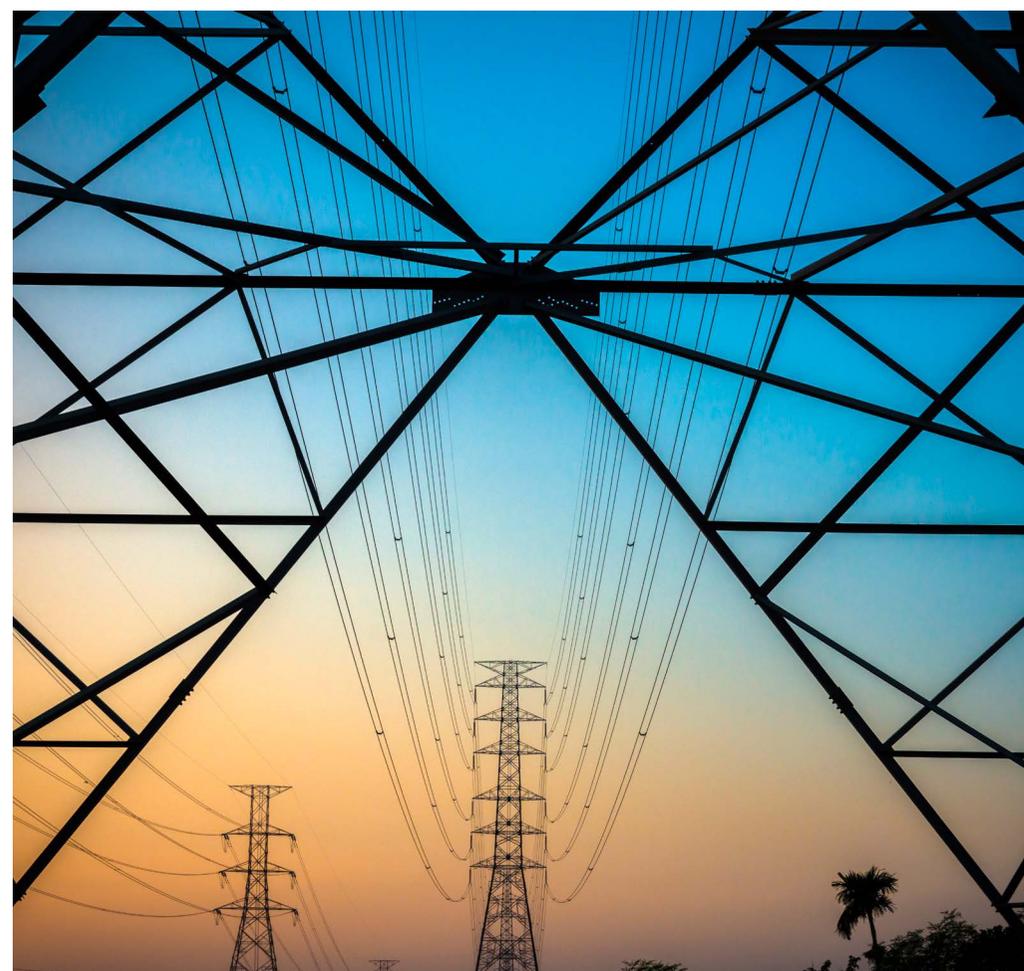
Key Performance Indicators

We're committed to robust and transparent reporting across our Key Performance Indicators (KPIs), which enables us to understand our performance and take appropriate action.

In the following pages we've set out how we've performed across our lead KPIs. As part of this, we also 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 KPIs that are identified with the symbol '†'. It is 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



Progress against our People & Planet Plan⁽ⁱ⁾

Goal	Milestone	2021 Progress	2020 Progress
<p>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:</p> <ul style="list-style-type: none"> • 47% women • 14% ethnically diverse • 15% disability • 3% LGBTQ+ • 3% ex-service 	<p>By the end of 2022:</p> <ul style="list-style-type: none"> • 30% women • 13% ethnically diverse • 4% disability • 3% LGBTQ+ • 3% ex-service 	<p>All company⁽ⁱⁱ⁾:</p> <p>28% women </p> <p>12% ethnically diverse </p> <p>1% disability </p> <p>2% LGBTQ+ </p> <p>2% ex-service </p> <p>Senior Leaders⁽ⁱⁱ⁾:</p> <p>28% women </p> <p>9% ethnically diverse </p> <p>1% disability </p> <p>1% LGBTQ+ </p> <p>2% ex-service </p>	<p>All company⁽ⁱⁱ⁾:</p> <p>28% women </p> <p>13% ethnically diverse </p> <p>1% disability </p> <p>1% LGBTQ+ </p> <p>1% ex-service </p> <p>Senior Leaders⁽ⁱⁱ⁾:</p> <p>28% women </p> <p>13% ethnically diverse </p> <p>1% disability </p> <p>1% LGBTQ+ </p> <p>1% ex-service </p>
Recruit 3,500 apprentices and provide career development opportunities for under-represented groups by 2030 (baseline: 2021)	1,000 apprentices by the end of 2022	600 apprentices	– ⁽ⁱⁱⁱ⁾
Inspire colleagues to give 100,000 days to build inclusive communities by 2030 (baseline: 2019)	20,000 days by the end of 2022	10,889 days	10,592 days ^(iv)
Help our customers be net zero by 2050 ^(v) (baseline: 2019)	28% carbon intensity reduction by the end of 2030	18%[†] reduction	18% reduction
Be a net zero business by 2045 ^(vi) (baseline: 2019)	40% carbon reduction by the end of 2034	82% reduction	18% reduction

† Included in DNV's independent limited assurance report referenced on page 32.

(i) Our People & Planet Plan was introduced in 2021 to accelerate action in areas where we can make the greatest difference.

(ii) Ethnicity based on 65% of colleagues in 2020 and 2021, who voluntarily disclosed that they were from a Black, Asian, Mixed/Multiple or other ethnic group across the UK and North America. Senior leaders include colleagues above general management and spans senior managers, the Centrica Leadership Team and the Board.

(iii) Our apprenticeship goal was introduced in 2021 which means there is no performance for 2020.

(iv) Restated due to availability of improved data.

(v) Measures the carbon intensity of our customers' energy use, normalised to reflect acquisitions and divestments. Target aligned to the Paris Accord and based on science, corresponding to a well-below 2°C pathway initially and 1.5°C by mid-century.

(vi) Measures scope 1 (direct) and 2 (indirect) greenhouse gas emissions based on operator boundary and normalised to reflect acquisitions and divestments. Target aligned to the Paris Accord and based on science.

Key: Progress against goals

On track Behind



Progress against our Foundations

Metric	2021	2020	What's next
Customers			
Brand net promoter score (NPS) ^{(i) (ii)}	+13.0	+13.8	Continue to deliver new services and solutions that help our customers live sustainably, simply and affordably
Complaints per 100,000 customers ^{(i) (iii)}	4,929	2,654	Maintain focus on driving down complaints by improving customer service
Vulnerable customers helped through the UK Warm Home Discount Scheme	535,866	561,065 ^(iv)	Ensure customers in vulnerable circumstances receive the help they need to stay warm, safe and debt-free
Customer safety incident frequency rate per 1,000,000 jobs completed	3.03	3.85	Consistently follow existing controls as well as encourage customers to maintain distance from work areas

(i) Measure linked to Executive Director remuneration arrangements.

(ii) Aggregated scores across customer-facing businesses and weighted by customer numbers.

(iii) Aggregated scores across customer-facing businesses and weighted by customer accounts.

(iv) Restated due to availability of improved data.

Progress against our Foundations

Metric	2021	2020	What's next
Colleagues			
Colleague engagement ^{(i) (ii)}	55% favourable	42% favourable	Strive to achieve 70% by the end of 2023 by improving colleague experience, including connecting colleagues with our purpose and supporting them to perform at their best
Gender pay gap ⁽ⁱⁱⁱ⁾	30% mean 20% median	35% mean 21% median	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 ^(iv)	10% mean 31% median	5% mean 26% median	
Ethnicity pay gap ^{(iii) (v)}	13% mean 0% median	14% mean 8% median	
Ethnicity bonus gap ^{(iv) (v)}	12% mean 4% median	16% mean 14% median	
Retention	72%	85%	
Total recordable injury frequency rate (TRIFR) per 200,000 hours worked ⁽ⁱ⁾	1.07	1.03	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	0.72	0.72	
Process safety incident frequency rate (Tier 1 and 2) per 200,000 hours worked ⁽ⁱ⁾	0.20	0.00	
Significant process safety events (Tier 1)	0	0	
Fatalities	0	0	Maintain zero fatalities

(i) Measure linked to Executive Director remuneration arrangements.

(ii) Measured through responses to annual survey asking colleagues to rate their level of advocacy, pride, loyalty and satisfaction.

(iii) Based on hourly rates of pay for all employees at full pay (including bonus and allowances) at the snapshot dates of 5 April 2020 and 2021.

Read our Gender and Ethnicity Pay Statement to find out more at centrica.com/paygap.

(iv) 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.

(v) Based on 65% of colleagues who confirmed whether they are from a Black, Asian, Mixed/Multiple or other ethnic group.

Progress against our Foundations

Metric	2021	2020	What's next
Communities			
Total community contributions	£305.82 million⁽ⁱ⁾	£217.02 million ⁽ⁱⁱ⁾	Help create more inclusive communities and grow colleague engagement via local charity activity and partnerships including the Trussell Trust, British Gas Energy Trust and Focus Ireland
Average supplier sustainability risk score (score out of 100) ⁽ⁱⁱⁱ⁾	68 (low risk)	54 (low risk)	Continue to monitor and raise standards across our supply chain to reduce risk, focusing on enhanced engagement and controls
Ethical site inspections undertaken for higher risk suppliers	7	5	
Colleagues committed to Our Code	98%	96%	Ensure all colleagues uphold Our Code as part of our commitment to doing the right thing and acting with integrity

(i) Comprises £304.82 million in mandatory and £0.04 million in voluntary contributions to support vulnerable customers and non-customers with their energy, alongside £0.96 million in charitable donations which includes £0.21 million in contributions from third parties such as colleague fundraising.

(ii) Comprises £213.61 million in mandatory and £0.49 million in voluntary contributions to support vulnerable customers and non-customers with their energy, alongside £2.93 million in charitable donations which includes £0.29 million in contributions from third parties such as colleague fundraising. Sum of constituent parts exceed total due to rounding. Restated due to availability of improved data.

(iii) A score near 100 is low risk. High-risk companies have limited or no tangible actions on sustainability, medium-risk companies take partial tangible action on selected sustainability issues, low-risk companies have a structured sustainability approach with policies and action to manage major sustainability issues, whilst lowest-risk companies have strong sustainability credentials and reporting embedded across their business.

Metric	2021	2020	What's next
Carbon and energy			
Total carbon emissions (Scope 1 and 2) ⁽ⁱ⁾	226,904tCO₂e[†] ⁽ⁱⁱ⁾	989,546tCO ₂ e ⁽ⁱⁱⁱ⁾ ^(iv) ^(v)	Measure and reduce our emissions and those of our customers through our People & Planet Plan, whereby we aim to be a net zero business by 2045 and help our customers to be net zero by 2050
Scope 1 emissions	222,064tCO₂e[†]	982,469tCO ₂ e ^(iv) ^(v)	
Scope 2 emissions	4,840tCO₂e[†] ^(vi)	7,077tCO ₂ e ^(iv) ^(v) ^(vii)	
Scope 3 emissions ^(viii)	23,097,452tCO₂e	116,947,439tCO ₂ e ^(iv)	
Total carbon intensity by revenue ^(ix)	15tCO₂e/£m ^(x)	41tCO ₂ e/£m ^(iv) ^(xi)	Continue to analyse the impact of our strategy on decoupling carbon from value creation
Total energy use	1,142,249,379kWh[†] ^(xii)	5,165,166,409kWh [†] ^(iv) ^(v) ^(xiii)	Remain focused on energy efficiency as we strive to be a net zero business by 2045
Water, waste and non-compliance			
Total water use	66,762m³	174,979m ³ ^(iv)	Effectively monitor, manage and reduce our water use and waste production, as well as our incidence of environmental non-compliance
Total waste generated	12,756 tonnes	14,557 tonnes ^(iv)	
Environmental non-compliance ^(xiv)	6	6 ^(iv)	

† Included in DNV's independent limited assurance report. See page 32 or centrica.com/assurance for more.

(i) Comprises scope 1 and scope 2 emissions as defined by the Greenhouse Gas Protocol.

(ii) Comprises UK 162,460tCO₂e and non-UK 64,444tCO₂e.

(iii) Comprises UK 203,955tCO₂e and non-UK 785,590tCO₂e.

(iv) Restated due to changes in methodology following a move from equity to operational control to align with the more commonly used organisational boundary approach set out by the WRI/WBCSD Greenhouse Gas Protocol and means that Spirit Energy and Nuclear are not included, whilst scope 2 has moved to a market-based approach to better reflect our decisions on where we source imported power.

(v) Previous figures included in DNV's limited assurance scope for the Annual Report 2020 was 1,925,747tCO₂e for total carbon emissions, 1,885,449tCO₂e for scope 1, 40,299tCO₂e for scope 2 and 8,331,421,261kWh for total energy use.

(vi) Location-based 10,352tCO₂e.

(vii) Location-based 13,687tCO₂e.

(viii) 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.

(ix) 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. Metric based on statutory revenue.

(x) Comprises UK 15tCO₂e/£m and non-UK 17tCO₂e/£m.

(xi) Comprises UK 21tCO₂e/£m and non-UK 54tCO₂e/£m.

(xii) Comprises UK & Offshore 739,687,327kWh and non-UK energy use 402,562,052kWh.

(xiii) Comprises UK & Offshore 866,199,955kWh and non-UK energy use 4,298,966,454kWh.

(xiv) 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.

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