

People & Planet Plan Update 2020

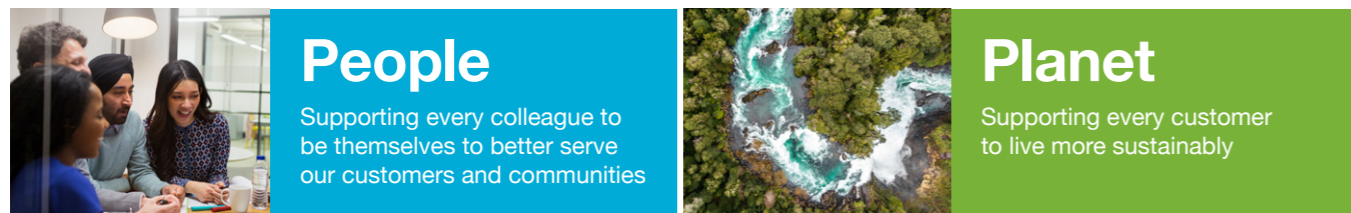
Supporting communities, our planet and each other



centrica

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

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 career development opportunities for under-represented groups

By 2045–50, we want to:

- Help our customers be net zero by 2050
- Be a net zero business by 2045

By 2030, we want to inspire colleagues to give 100,000 days to build inclusive communities

Doing business responsibly

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

Introduction



Chris O'Shea,
Group Chief Executive

The global pandemic and the Black Lives Matter movement among other events in 2020, have been a wake-up call. I've listened to colleagues' experiences and suggestions for how we can build a more engaging and inclusive place to work, and I've seen how lockdown has had a positive environmental impact on our planet. As we look to rebuild from COVID-19 and as we emerge from arguably the biggest ever transformation of our business, I want to do things differently, and reshape our future to one that's fairer, protects our environment, and has a clear purpose.

That's why we've introduced our People & Planet Plan to create a more inclusive and sustainable future that supports our communities, our planet and each other. Building on progress we've already made, we'll accelerate action through five global goals (see above) that are focused in areas where we're able to make a world of difference. For our people, we've strengthened our goals to ensure every colleague can be themselves and succeed by creating a more engaging and inclusive place to work, while supporting communities with skills and volunteering opportunities. And for our planet, we've introduced bolder goals to fight climate change because we want to help every customer live more sustainably and be net zero by 2050, while working to become a net zero business ourselves by 2045.

We have already started to make strong progress – for example in the past two years, 100% of the electricity we sold in the UK was zero carbon. We'll continue this going forward and are looking for ways to grow our role in supporting renewable energy developments.

With this sharpened focus, we're on the right track to increasingly put sustainability at the heart of our business which will enable us to deliver our purpose 'to help our customers live sustainably, simply and affordably', while contributing to the United Nations Sustainable Development Goals (SDGs).

Whilst we're on track with most of our goals now, we know there will be challenges, but we will rise to them. It's an honour and a privilege to lead such a talented and caring group of colleagues, and my job is to unleash this talent and work with others, to further shape our plans and drive the change we all want and need.

Explore more about our performance at centrica.com/peopleandplanet

What is net zero? It's the point at which there is either no carbon dioxide (CO₂) being emitted, or where any CO₂ emitted is removed from the atmosphere.

Our year in numbers

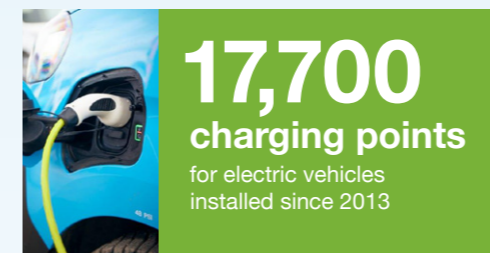


1.7m
households

- equivalent annual emissions our customers have saved by using our services and solutions

Zero carbon

electricity provided to all UK customers



17,700
charging points
for electric vehicles
installed since 2013

Award winners

including rankings in The Times Top 50 Employers for Women and the Financial Times Top Diversity Leaders (top 100)

£1m donation

to help Carers UK provide vital support services during COVID-19



58%
reduction

in our internal carbon footprint since 2015



A-grade recognition

as a world leader for action and disclosure on climate change by CDP, the gold standard of corporate environmental transparency



50% female apprentices

recruited so far for 2021, a big increase from previous years

4m meals

delivered to those most in need during the peak of the pandemic with the Trussell Trust



11GW

of renewable capacity under management

Board diversity

accelerated, achieving gender parity as well as the Parker Review target to have at least one member of colour on the Board by 2021



10,548 volunteering days

delivered since 2019



People

Colleagues & Communities

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

5 GENDER EQUALITY



8 DECENT WORK AND ECONOMIC GROWTH



Why it's important

+20%

Diverse companies out-perform non-diverse companies by over 20%¹

12%

Very few engineers are women, with even less from other under-represented backgrounds²

Giving back

Companies that empower colleagues to give back, have a more satisfied and motivated workforce³

GLOBAL GOAL 1 – By 2030, we want to:

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

2020 Progress:

	2030 goal	Senior leaders	All company
Female	47%	28% ▼	28% ▼
Ethnic minority	14%	13% ▲	13% ▲
Disability	15%	1% ▲	1% ▲
LGBTQ+	3%	1% ▲	1% ▲
Ex-service	3%	1% ▲	1% ▲

2030 goals are aligned to latest Census data for workplace populations.

Key: Progress against goals ▲ On track ▼ Behind

To build a more sustainable future, we need the best team – a team with a diverse mix of people and skills, where everyone feels welcome and able to succeed. That's why we've broadened our inclusion goals to more fully reflect the diverse company we want to be. These goals are ambitious but we feel that aiming high is the right approach to deliver progress.

Boosting female representation will be particularly challenging given our large field engineer team is traditionally male-oriented, and is a key reason why our female representation in 2020 was lower than we'd like. We're seeking to address this through attracting more women into apprenticeships and other roles over the next decade.

(1) This footnote and other footnotes are available on the back cover.

Following the Black Lives Matter movement and other events, we listened to colleagues to truly understand how we can create a more diverse and inclusive place to work. As a result, we made a series of commitments to colleagues which included:

- **accelerating diversity and inclusion at all levels** by introducing bolder goals (see left), and running a #CountMeIn campaign to encourage the sharing of personal information to better understand our workforce and target action;
- **making access to opportunities fairer** by strengthening recruitment processes to mitigate bias and inspiring more colleagues into mentoring to grow the skills of diverse talent – from in-house reverse mentoring that pairs senior leaders with junior workers, to mentoring via the cross-sector 30% Club and Mission Include; and

- **creating a culture which promotes and values difference** by agreeing to set up a 'Shadow Board' of diverse colleagues to meet leaders and drive continuous improvement, as well as tackling bias by mandating unconscious bias training for everyone.



GLOBAL GOAL 2 – By 2030, we want to:

Recruit 3,500 apprentices and provide career development opportunities for under-represented groups

Skills development is critical to helping communities recover from the economic difficulties created by COVID-19, and for leading the green recovery. So, we've refocused our STEM goals to provide more meaningful development opportunities and remove roadblocks for people from under-represented groups.

Having already supported over 500 schools with lessons on energy and the environment via TechWeCan and helped more than 1,800 young people not in education, employment or training to learn new skills through Movement to Work, we'll expand opportunities via partnerships like these and provide world-class apprenticeships.

Towards this in 2021, we've started to recruit 1,000 apprentices over two years with the ambition that 50% will be women. With women making up just 8% of our field engineer operations and 4% of our engineers, we've a huge opportunity to tap into new talent to deliver a greener future. Once qualified, our apprentices will become Smart Energy Experts focused on delivering smart meters and energy efficiency advice, with opportunities to upskill in other areas such as fitting electric vehicle (EV) charge points or installing heat pumps. Following a targeted recruitment campaign aimed at women seeking a career change during COVID-19, we've already had a significant increase in applications from women. Progress against the goal will be reported in 2021.

GLOBAL GOAL 3 – By 2030, we want to:

Inspire colleagues to give 100,000 days to build inclusive communities

2020 Progress:

10,548 days ▲

We're harnessing the passion of our people to build inclusive communities because strong communities, are central to a more sustainable future. And it's a win for us because volunteering is a great way to develop our people's skills and build engagement. So we've set our sights high and as a next step, we'll aim to move from 1 in 10 colleagues using their two-day volunteering allowance to 1 in 3. We'll do this by running campaigns to inspire our people to get involved and make a difference via our charity partnerships with Carers UK, the Trussell Trust and Focus Ireland, as well as grow opportunities to help under-represented groups flourish.

Between 2019 and 2020, our volunteering days rose by 230% to an all-time high. This was driven by the success of our new partnership with the Trussell Trust to help the foodbank charity meet the urgent demand for food during the pandemic (see case study overleaf).



4m Meals delivered to those most in need via partnership with the Trussell Trust

Inclusion Champions

Our people are the beating heart of our business. And we wanted you to see how their passion alongside our desire to be a better business, is helping champion inclusivity, develop future skills and invest in our local communities. Because together, we can create a better and more inclusive future for everyone.



A career change into engineering

From Care Assistant to taking care of our customers – Joanne Blood talks about her apprenticeship journey.

I have had many different jobs; including working as a shop assistant, a Special Constable, a care assistant and a primary school teaching assistant. I felt I needed a career change and was looking for a skilled role to take me through to retirement. Given the stage in my career, I never thought I'd be able to retrain as an engineer – but British Gas were open to taking me on.

I'm so happy I took the opportunity! It's so rewarding to install smart meters and provide energy efficiency advice, knowing I'm helping customers out. Being a working Mum can be hard, but my manager does everything possible to help my work/life balance.

I would love to see more female engineers out there.

“The job itself is never dull, I get to meet all sorts of people in many different situations, and they are always impressed and happy to see a female engineer.”

Joanne Blood,
Smart Energy Expert

1,000

Apprentices to be recruited by 2022, with the ambition for 50% to be women

Building skills and inclusion

Meredith Fowler talks about why it's important to have her voice heard and help others do the same.

Feeling accepted for who I am and treating others for who they are, has always been important to me. As an enthusiastic graduate, it didn't take me long to seek opportunities to grow workplace inclusion.

I joined the Centrica Women's Network and LGBTQ+ Committee to do just that. More recently, I've taken part in reverse mentoring where I'm partnered with the Managing Director of Centrica Business Solutions. And by understanding each other's' experiences and perspectives, it's helped both of us grow personally and professionally. I've shared what it means to be a woman in a male dominated sector, and together, we've talked about action to ensure everyone feels included. I'm really proud to know that I'm making a difference.

“I've learnt so much through reverse mentoring which is helping me progress my career. It also feels amazing to have my ideas, thoughts and feelings acknowledged and used to grow inclusion.”

Meredith Fowler,
Conduct and Vulnerability Analyst

>100

Colleagues participating in mentoring and reverse mentoring



Caring for carers during COVID-19

There's over 6.5 million unpaid carers in the UK and with many providing even more care for loved ones during the pandemic, we wanted to ensure they got the support they needed.

So we donated £1 million to help our charity partner, Carers UK, enhance their support services to respond to the 60% increase in calls and emails received at the start of the pandemic. This included extending the hours of its helpline service for 12-months.

At the same time, we ensured colleagues with caring responsibilities received essential support – from taking-up our world-class carers leave allowance which provides up to six weeks paid leave a year when matched with annual leave, to accessing support via our 1,000-strong Carers Network. And following our joint campaign to introduce statutory carers leave, we remain hopeful that this will be advanced as part of the UK Government's legislative programme.

“This generous donation will help us guide and support unpaid carers during the Coronavirus outbreak and, crucially, beyond. Thank you for making life better for carers.”

Helen Walker,
Chief Executive of Carers UK

£1m

Donation to Carers UK

Pandemic triggers Trussell Trust partnership

We realised that our scale and passion could make a huge difference in helping the Trussell Trust meet the unprecedented demand for food banks at the start of the pandemic.

That's why we joined forces with the Trust and during April to July, our British Gas engineers helped nearly 400 foodbanks deliver four million meals to those most in need. Colleagues felt proud to have had the opportunity to serve their communities during the crisis, and 95% of volunteers felt they'd made a meaningful contribution.

As attention shifts from crisis response to recovery, we'll continue our relationship with the Trussell Trust and foster stronger links between our charity partners which include Carers UK and the British Gas Energy Trust, to provide more holistic support so that we can better fight food and fuel poverty together.

“We are deeply grateful for the way British Gas has worked with us to develop solutions and generously shared its time, skills and resources, as we served communities across Britain together.”

Emma Revie,
CEO of the Trussell Trust

58,000

Hours volunteered by over 1,700 colleagues





Planet

Climate change

Supporting every customer to live more sustainably

7 AFFORDABLE AND CLEAN ENERGY



Why it's important

<2°C

Global Paris Agreement to limit global warming to well below 2°C and pursue 1.5°C

Net zero

Governments in the UK and Ireland have set targets to achieve net zero by 2050

Energy transition

To meet the challenge of net zero, we need to invest, test and roll out new technology and infrastructure

GLOBAL GOAL 4 – By 2050, we want to:

Help our customers be net zero (28% reduction by 2030)

2020 Progress:

18% reduction ▲

Key: Progress against goals ▲ On track ▼ Behind

This relates to the carbon intensity of our customers' overall energy use including electricity and gas with a 2019 baseline normalised for 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.

Zero carbon

Electricity provided to all UK customers which included 100% renewable and zero carbon tariffs

With around 90% of our total carbon emissions coming from our customers, the biggest thing we can do to fight climate change is to help them use energy more sustainably. In 2020, our low carbon services and solutions enabled customers to reduce their emissions by 4.9% on average. To further accelerate progress, we set a new target that supersedes this and will help customers be net zero by 2050. We made good progress towards our new goal with the carbon intensity of our customers' energy use reducing by 18% compared to 2019 – equivalent to 4.4mtCO₂e or the annual emissions of 1.7 million UK households. This reduction was delivered through energy efficiency and optimisation solutions, alongside renewable and low carbon energy tariffs.

As part of this in 2020, we:

- continued to be a leader in developing a low carbon transport system by installing nearly 17,700 electric vehicle charge points since 2013, and joining forces with Volkswagen to deliver installations and tariffs at scale; and
- partnered to build the world's first net zero industrial cluster in the UK by 2040 using hydrogen, carbon capture and storage technology.



11GW

Renewable capacity under management – enough capacity to power around 7.5 million UK homes

GLOBAL GOAL 5 – By 2045, we want to:

Be a net zero business (40% reduction by 2034)

2020 Progress:

18% reduction ▲

This relates to Scope 1 (direct) and Scope 2 (indirect) greenhouse gas emissions based on operator boundary and normalised for acquisitions and divestments against a 2019 baseline, with target aligned to the Paris Accord and based on science. This differs from total carbon emissions set out in the performance measures on page 17, which includes all emissions at time of ownership.

As part of our strategic transformation to move away from centralised power generation and exploration and production, to focus on providing services and solutions that help our customers live sustainably, simply and affordably, we now emit over 80% less carbon than a decade ago. Towards our new target to be net zero by 2045, our total carbon emissions in 2020 decreased by 18% from 2019, with savings largely linked to less upstream generation and production as a result of COVID-19 and outages. Meanwhile our internal carbon footprint across property, fleet and travel declined by 30% due to reduced travel and property use during the pandemic. Savings were also achieved through low carbon fleet initiatives, delivering property efficiencies across lighting, heating and cooling systems, alongside savings arising from the restructuring of our business. This brings our overall reduction to 58% against our 35% target for 2015–25, and we'll now retire this measure to focus on our new net zero goal.

We want to continue to lead by example and drive emissions out of our business. Within our plan is the completion of our strategic transformation to exit oil and gas exploration and production, convert our road fleet to electric and seek opportunities to expand energy efficiency, onsite generation and green tariffs across our sites.



Maintained 'A' rating for being a world leader for action and disclosure on climate change

To help our customers be net zero, we'll encourage their take-up of new and existing low carbon services and solutions that transform the way they live, work and move. We'll provide energy efficiency and optimisation products like Hive smart thermostats and valves, offer fuel switching technologies such as electric vehicle charging solutions, heat pumps and hydrogen, as well as ensure a low carbon energy supply with products that include green tariffs, demand side response and a cleaner fuel mix, while recognising the continued importance of gas as a transition fuel. In support of this, we've set an ambition to install 23,000 EV charging points during 2021 and we'll publish more information on our net zero transition plan later this year.

Net zero fleet

We've brought forward our target to electrify our 12,000-strong British Gas fleet by 2025, and introduced plans to never purchase another combustion engine vehicle. We've already driven 220,000 miles in our electric vehicle (EV) fleet and have placed an order for 3,000 EVs with Vauxhall, the largest commercial EV order of its kind in the UK. We'll order more vehicles as soon as they become available.



“I'm driving one of Centrica's electric vehicles, helping to reduce my carbon footprint every day.”

Tom Hesketh, Smart Energy Expert

Net Zero Heroes

We're in homes, businesses and communities every day to help people manage their energy more sustainably. While we're a long way off net zero, we wanted you to meet some of our net zero heroes and see how we're working together to transition in a way that doesn't cost the earth.



A blueprint for a smarter, flexible grid

In 2020, we completed a three-year local energy market (LEM) trial in Cornwall, with over 200 homes and businesses generating, storing and trading renewable electricity.

Retired law lecturer David Corns and his wife Anna live in a converted farmhouse and participated in the £17 million trial, which tests how flexible smart energy solutions can reduce energy bills, enable more renewables to come on-line and avoid expensive network upgrades. The Corns had a battery installed which allowed them draw on renewable energy stored from their solar panels, with any remaining energy sold back to the grid via a virtual marketplace. On average, households like David's saved around £400 a year while businesses could save as much as 35% on energy costs.

With over 310MWh of power traded, it's the UK's largest-ever trial of energy flexibility and provides a blueprint for a better energy system.

“I was really chuffed to take part in a proof of concept project like this. Every new house should have solar panels... or, a battery.”

David Corns,
LEM participant

10,000tCO₂e

Total carbon emissions saved



Social housing heat pump project shows signs of success

With East Devon District Council, we're delivering an ambitious heat pump project to reduce energy bills and carbon emissions from heating across social housing.

Around 80 hard-to-heat homes have received an air source heat pump, alongside solar panels, new radiators, upgraded insulation and smart heating technology, to bring them up to a minimum ECP rating of B or C. Early tenant feedback suggests the project has exceeded expectations in making homes warmer for less, while reducing environmental impact. We're now looking to extend the project to even more tenants.

With 85% of UK homes having a gas boiler⁴, we need to accelerate the deployment of lower carbon heating projects like this, and we hope others will follow suit.

“This scheme has real potential to change tenants' lives for the better, by making their home heating systems more effective and more affordable – while reducing global warming and improving air quality.”

Sophie Davies,
Housing Business and Customer Improvement Manager at East Devon District Council

1,500

Total heat pumps we've delivered across social housing

NHS cuts carbon and energy costs

Climate change poses a major threat to our health as well as our planet, so we've teamed up with the NHS to manage their energy more sustainably.

In 2020, we worked with NHS Property Services to provide a 100% renewable electricity to 3,500 sites spanning 34 million square foot, which will save over 40,000tCO₂e a year.

And in 2021, we started a programme of energy efficiency for Northern Lincolnshire and Goole NHS Foundation Trust. At the heart of this is a £2.7 million project at Goole Hospital to cut emissions by nearly 60% with the installation of a super-efficient Combined Heat and Power (CHP) unit that will replace its existing CHP and coal-fired boiler plant. The project will not only deliver annual savings exceeding £250,000, but it'll create a warmer environment for patients and cleaner air for local residents.

“Switching to 100% renewable electricity is a landmark moment. This move will also help us improve the wellbeing of our people and patients whilst reducing NHS operating and maintenance costs.”

Martin Steele,
Chief Operating Officer
at NHS Property Services

4–5%

Proportion of the UK's carbon footprint that the NHS is responsible for



Supporting community action on climate change

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

Following the success of previous campaigns, we're launching a three-year scheme to empower deprived areas across the UK to transition to net zero in an affordable way. With grants of £10,000-£100,000 available for a range of community initiatives – from a community group looking to train an adviser on energy efficiency, to a community centre wanting to install solar panels and unlock savings to fund STEM workshops – we're looking to encourage greater community action and collaboration on decarbonisation.

The scheme is funded by feed-in tariffs of solar panels we've installed at nearly 270 schools, which saves each school around £2,500 a year.

“It feels great to help communities transition to net zero in an affordable way. Using insights from the projects, we'll also better understand barriers to the transition and our role to help overcome them.”

Sarah Wright,
Programme Manager for
Energy for Tomorrow

£600,000

Annual total available for grants





Our Foundations

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

Customers

2020 was a challenging year for many customers and we wanted to be there for them. We spent £216 million in mandatory and voluntary contributions to help those who struggled to pay for their energy. This went towards supporting over 570,000 customers through the UK's Warm Home Discount Scheme, while customers and non-customers additionally accessed help via the British Gas Energy Trust.

80,000

British Gas' most vulnerable customers received extra help during COVID-19 through advance credit or deferred payments

£800,000

COVID Response Fund set up by the British Gas Energy Trust to support frontline money and energy advice organisations

Despite working hard to improve key customer journeys to ensure a great service, our Brand net promoter score decreased slightly by 1.3 points to +13.8. We know we need to get back to basics and fix our relationship with customers which is why we're investing in customer systems and capabilities to improve satisfaction and reduce complaints over time.



Creating our new purpose together

We wanted to refresh our purpose to reflect who we are today and provide a stronger vision for the future – something that would speak to the heart of what our customers want, inspire and galvanise our colleagues to give their all and act as a north star for our strategy, while driving positive impact for stakeholders over the long term.

And so we set out on a journey to co-create it with stakeholders. We had more than 300 conversations with customers and colleagues who told us that they wanted us to be a better customer champion, support a more secure future by solving problems for their homes and businesses, and help create a more sustainable world. Using this feedback, customers and colleagues selected our new purpose to be: 'Helping you live sustainably, simply and affordably'.

9,000 Customers and colleagues voted on our new purpose

14%

Median ethnicity pay gap, based on 65% of colleagues sharing their ethnicity

Read more at centrica.com/paygap

Colleagues

We want our people to feel safe, engaged and rewarded. We pride ourselves on having a strong safety culture and in 2020, there were no process safety Tier 1 or 2 events while our total recordable injury frequency rate (TRIFR) improved by 3% to 1.03 per 200,000 hours. During COVID-19, all field workers were also provided with personal protective equipment (PPE) and operated in line with government guidance to keep themselves and our customers safe. We strive to continuously improve our safety performance by working to ensure safety is front-of-mind and reinforcing safe behaviours, while improving controls and monitoring.

With the impact of COVID-19 coupled with the reorganisation of our business, we know that 2020 was tough for colleagues. The modernisation of our terms and conditions is critical to our long-term sustainability by enabling us to serve customers with the flexibility they expect, as well as creating a workplace that's fairer for everyone. Our people showed great courage and adaptability in the changes we needed to make and while the majority (98%) of colleagues accepted new ways of working, a small minority in field services roles regrettably decided to leave the company. Our aim is to now rebuild trust and develop positive and productive working relationships with all colleagues and trade unions for the future. And with 2020 being a year like no other, we were conscious of the toll this could have on colleagues' mental health. We helped ensure everyone had the flexibility to adjust working hours to accommodate caring responsibilities and temporarily amended policies to ensure COVID-related absence wouldn't impact pay. We also ran campaigns that talked about the importance of being open about mental health, encouraged use of our mental health suite which includes the 'Unmind' Wellbeing app, as well as support available via our 130-strong network of Mental Health First Aiders. With our engagement score declining by 1% to 42% and as we emerge from COVID-19 alongside years of business transformation, we have a big opportunity to rebuild engagement which we'll do by focusing on connecting colleagues with our new purpose while creating a more inclusive and supportive place to work.

We reward our people fairly. This includes paying at least the Living Wage in the UK and upholding equal pay. Our gender pay gap rose by 5% to 35% median and continues to be due to more men working in higher paid senior and technical roles like engineering. We also voluntarily published our ethnicity pay gap which is driven by similar factors to our gender pay gap. And as part of our partnership with Change the Race Ratio – a campaign to increase race and ethnic diversity – we want to encourage others to publish their ethnicity pay gap to improve collective transparency and insight needed to create a more inclusive society. Tackling our pay gaps will not be quick or easy, but we're determined to take the necessary action and deliver tangible change over the long term as we work to build a more inclusive talent pipeline (see pages 3 to 4).

Communities

Our Code and Our Values help us operate in a way that's beneficial to our communities by setting out the high standards and behaviours we expect from those who work for us or with us – from avoiding bribery and corruption to respecting human rights. To uphold human rights, we take action to ensure workers in our business and supply chain are protected by conducting training, due diligence and monitoring of supplier selection and renewal. On top of our normal due diligence for onboarding suppliers, we assessed a further 63 strategic suppliers on their social and environmental standards in 2020. This resulted in our overall sustainability score remaining healthy at 54 (low risk), which is better than the multi-industry average of 45 (medium risk). If suppliers receive a high-risk rating, we consider appropriate action which may involve conducting a site visit to better understand the level of risk. By the end of the year, five site visits/revisits had been completed in China, Bangladesh, Pakistan and Cambodia to review labour standards which was down from nine site visits/revisits in 2019 because of COVID-19. The site visits resulted in no major findings although we agreed five action plans to enable continuous improvement. To maintain appropriate oversight during the pandemic, we've targeted questionnaires to highest risk suppliers and will roll out remote worker surveys in 2021. To date, we've found no instances of modern slavery.

During 2020, 96% of colleagues completed refresher training on Our Code and confirmed they would uphold its standards. This is reinforced with a confidential Speak Up helpline which is available to anyone who suspects that Our Code is being violated. We had 1.43 reports per 100 employees in 2020 which is largely in line with the external benchmark and demonstrates that colleagues feel safe to speak up without fear of retaliation.

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

Environment

We closely monitor and manage our wider environmental impact. During 2020, our water consumption dropped by 41% to 306,361m³ while our waste declined 26% to 27,299 tonnes. The main factors behind this decline were reduced activity and occupancy levels during the pandemic alongside our exit from two power stations.











Our contribution to the 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.

At Centrica, we're committed to creating a more sustainable future which supports the SDGs – whether that's by tackling climate change or building a more inclusive team. While we contribute to many of the 17 SDGs through our activities, our People & Planet Plan makes a meaningful contribution to three lead SDGs alongside a number of supporting Goals. We look forward to working closely with key partners to further shape our contribution over the next decade.

[Read more at centrica.com/SDGs](https://centrica.com/SDGs)



	Why these SDGs are important to us	2020 examples of our contribution
People Lead SDGs:   Supporting SDGs:  	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.	<ul style="list-style-type: none"> • Campaigned for the UK government to introduce statutory carers leave which we hope will be advanced as part of the UK Government's legislative programme • Committed to recruit 1,000 apprentices by 2022, with the ambition that 50% will be women • Building a stronger STEM talent pipeline by supporting 500 schools via TechWeCan • Volunteered 58,000 hours to help the Trussell Trust deliver four million meals to those most in need during the pandemic
Planet Lead SDG:  Supporting SDGs:   	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, while working to become a net zero business ourselves by 2045.	<ul style="list-style-type: none"> • Reduced the carbon intensity of our customers' energy use by 18% last year – equivalent to the annual emissions of 1.7 million households • Partnered to build the world's first net zero industrial cluster by 2040 using hydrogen, carbon capture and storage technology • Produce over 80% less carbon than we did a decade ago, having shifted our business away from energy generation, exploration and production

[Read more on pages 7-10](#)

People and Planet – Performance Measures

We engaged DNV GL 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 four KPIs that are identified with the symbol '†'. It is important to read the responsible business information in the Annual Report and Accounts 2020 in the context of DNV's full limited assurance statement and Centrica's Basis of Reporting, which are available at centrica.com/assurance.

[Read more about our wider non-financial performance at centrica.com/datacentre](https://centrica.com/datacentre)

Progress against our People & Planet Plan

Goal	Milestone	2020 Progress ⁽ⁱ⁾																		
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:	All company and senior leaders to be by 2022: • 30% female • 13% ethnic minority • 4% disability • 3% LGBTQ+ • 3% ex-service	<table border="0"> <tr> <td>All company⁽ⁱⁱ⁾:</td> <td></td> <td>Senior leadership⁽ⁱⁱⁱ⁾:</td> </tr> <tr> <td>• 28% female</td> <td>▼</td> <td>• 28% female</td> </tr> <tr> <td>• 13% ethnic minority</td> <td>▲</td> <td>• 13% ethnic minority</td> </tr> <tr> <td>• 1% disability</td> <td>▲</td> <td>• 1% disability</td> </tr> <tr> <td>• 1% LGBTQ+</td> <td>▲</td> <td>• 1% LGBTQ+</td> </tr> <tr> <td>• 1% ex-service</td> <td>▲</td> <td>• 1% ex-service</td> </tr> </table>	All company⁽ⁱⁱ⁾:		Senior leadership⁽ⁱⁱⁱ⁾:	• 28% female	▼	• 28% female	• 13% ethnic minority	▲	• 13% ethnic minority	• 1% disability	▲	• 1% disability	• 1% LGBTQ+	▲	• 1% LGBTQ+	• 1% ex-service	▲	• 1% ex-service
All company⁽ⁱⁱ⁾:		Senior leadership⁽ⁱⁱⁱ⁾:																		
• 28% female	▼	• 28% female																		
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Recruit 3,500 apprentices and provide career development opportunities for under-represented groups by 2030 (baseline: 2021)	1,000 apprentices by 2022	– ⁽ⁱⁱⁱ⁾																		
Inspire colleagues to give 100,000 days to build inclusive communities by 2030 (baseline: 2019)	20,000 days by 2022	10,548 days ▲																		
Help our customers be net zero by 2050 ^(iv) (baseline: 2019)	28% carbon intensity reduction by 2030	18% reduction ▲																		
Be a net zero business by 2045 ^(v) (baseline: 2019)	40% carbon reduction by 2034	18% reduction ▲																		

Key: Progress against Ambitions ▲ On track ▼ Behind

(i) Our People & Planet Plan was introduced in 2021 to accelerate action in areas where we can make the greatest difference. The Plan builds on our 2030 Responsible Business Ambitions and where our outgoing goals directly support our new goals, we have provided 2019 performance to transparently demonstrate progress: 29% female representation in senior leadership, 10% ethnic minority representation in senior leadership, 29% female representation across all company, 12% ethnic minority representation across all company, 362 young people from under-represented groups supported with skills, 2,452 volunteering days, 3.9% customer carbon emission reduction and 39% internal carbon footprint reduction since 2015. More detail on our outgoing climate goals are on page 17.

(ii) Ethnicity is based on 65% of colleagues in 2020 and 63% of colleagues in 2019 who voluntarily disclosed whether they are from a Black, Asian, Mixed/Multiple or other ethnic group across the UK and North America. Senior leaders includes colleagues above general management and spans senior managers, the Centrica Leadership Team and the Board.

(iii) Performance against the goal will be reported in full from 2021. This is because our apprenticeship goal is a new focus for 2021 onwards, while many wider training opportunities were paused in 2020 due to COVID-19.

(iv) Carbon intensity of our customers' overall energy use including electricity and gas with a baseline normalised for 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.

(v) Scope 1 (direct) and 2 (indirect) greenhouse gas emissions based on operator boundary and normalised for acquisitions and divestments, with target aligned to the Paris Accord and based on science. This differs from total carbon emissions reported on page 17 which includes all emissions at time of ownership.

Progress against our Foundations

People

Metric	2020	2019	What's next
Customers			
Brand net promoter score (NPS) ⁽ⁱ⁾	+13.8	+15.1	Continue to deliver new services and solutions that help our customers live sustainably, simply and affordably
Complaints per 100,000 customers ⁽ⁱ⁾	2,569	3,429	Maintain focus on driving down complaints by improving customer service
Vulnerable customers helped through the UK Warm Home Discount Scheme	570,304	618,881	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	3.85	2.82	Consistently follow existing controls as well as encourage customers to maintain distance from work areas

(i) Measure linked to Executive Director remuneration arrangements.

Metric	2020	2019	What's next
Communities			
Total community contributions	£219.7 million⁽ⁱ⁾	£167.0 million ⁽ⁱⁱ⁾	Help create more inclusive communities and grow colleague engagement via our flagship charity partnerships with the Trussell Trust, Carers UK, British Gas Energy Trust and Focus Ireland
Average supplier sustainability risk score (score out of 100) ⁽ⁱⁱⁱ⁾	54 (low risk)	59 (low risk)	Continue to monitor and raise standards to reduce risk across our supply chain, particularly among higher risk strategic suppliers
Ethical site inspections undertaken for higher risk suppliers	5	9	
Colleagues committed to Our Code	96%	82%	Ensure all colleagues uphold Our Code as part of our commitment to doing the right thing and acting with integrity

(i) Comprises £216.4 million in mandatory and £0.5 million in voluntary contributions which largely support vulnerable customers, alongside £2.8 million in charitable donations which includes £0.3 million in contributions from third parties such as employee fundraising.

(ii) Restated due to availability of improved data. Comprises £164.0 million in mandatory and £0.3 million in voluntary contributions alongside £2.8 million in charitable donations which includes £0.5 million in contributions from third parties such as employee fundraising. Aggregated component values differ from total due to rounding.

(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 while lowest-risk companies have strong sustainability credentials and reporting embedded across their business.

Metric	2020	2019	What's next
Colleagues			
Employee engagement ^{(i) (ii)}	42% favourable	43% favourable	Endeavour to improve employee experience which includes connecting colleagues with our purpose and enabling them to perform at their best
Gender pay gap ⁽ⁱⁱⁱ⁾	21% mean 35% median	14% mean 30% 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)	26% mean 5% median	29% mean 23% median	
Ethnicity pay gap ^{(iii) (v)}	8% mean 14% median	– ^(vi)	
Ethnicity bonus gap ^{(iv) (v)}	14% mean 16% median	– ^(vi)	
Retention	85%	80%	Support employees through restructuring and improve retention by enhancing employee experience and talent development
Absence per full-time employee ^(vii)	15 days	14 days	Strive to reduce absence through good management practices alongside proactive support and education on the importance of overall health, and how physical and mental health are connected
Total recordable injury frequency rate (TRIFR) per 200,000 hours worked ⁽ⁱ⁾	1.03	1.06	Drive down TRIFR and LTIFR by keeping safety front-of-mind and reinforcing a strong safety culture while adhering to existing controls and monitoring
Lost time incident frequency rate (LTIFR) per 200,000 hours worked	0.72	0.58	
Process safety incident frequency rate (Tier 1 and 2) per 200,000 hours worked ⁽ⁱ⁾	0.00	0.08	Continue to ensure robust operational controls and operator competencies, timely safety-critical maintenance programmes and effective performance management
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 employees 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 2018 and 2019. 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.

(vi) We voluntarily published our ethnicity pay gap for the first time in 2020 and so there is no 2019 performance available.

(vii) Relates to absence from sickness rather than wider forms of absence such as bereavement.

Planet

Metric	2020	2019	What's next
Carbon and energy			
Total carbon emissions (Scope 1 and 2) ⁽ⁱ⁾	1,925,747tCO₂e[†]	2,512,141tCO ₂ e ⁽ⁱⁱ⁾	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	1,885,449tCO₂e[†]	2,474,794tCO ₂ e ⁽ⁱⁱ⁾	
Scope 2 emissions	40,299tCO₂e[†]	37,347tCO ₂ e ⁽ⁱⁱⁱ⁾	
Scope 3 emissions ^(iv)	115,828,220tCO₂e	127,209,632tCO ₂ e	
Total carbon intensity by revenue	92tCO₂e/£m^(v)	111tCO ₂ e/£m ^(vi)	Continue to analyse the impact of our strategy on decoupling carbon from value creation
Annual customer carbon savings from measures installed	4,419,549tCO₂e	3,045,458tCO ₂ e ^(vii)	Deliver services and solutions that help our customers achieve net zero by 2050
Total energy use	8,331,421,261kWh[†] ^(viii)	10,095,173,370kWh ^(ix)	Remain focused on energy efficiency as we strive to be a net zero business by 2045
Help our customers reduce emissions by 25% by direct (3%) and indirect action (baseline: 2015)	4.9%	3.9%	Our outgoing Responsible Business Ambitions were all on track by the end of 2020 – these goals have since been superseded by our People & Planet Plan which amplifies our commitment to help our customers be net zero by 2050 and be a net zero business by 2045
Deliver 7GW of flexible, distributed and low carbon technologies as well as provide system access and optimisation services	2.6GW	2.6GW ^(x)	
Reduce our internal carbon footprint by 35% by 2025 and be net zero by 2050 (baseline: 2015)	58% reduction (38,368tCO₂e)	39% reduction (55,145tCO ₂ e) ⁽ⁱⁱⁱ⁾	
Water, waste and non-compliance			
Total water use	306,361m³	516,836m ³	Effectively monitor, manage and reduce our water use and waste production, as well as our incidence of environmental non-compliance
Total waste generated	27,299 tonnes	36,814 tonnes ^(vi)	
Environmental non-compliance ^(x)	9	42	

† Included in DNV's limited assurance scope referenced on page 14.

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

(ii) Restated due to availability of improved data. Previous figures included in PwC's limited assurance scope for the 2019 Annual Report were: Total carbon emissions 2,283,514tCO₂e, Scope 1 emissions 2,246,167tCO₂e, Scope 2 emissions 37,347tCO₂e and Flexible capacity 2.7GW. See centrica.com/responsibilitydownloads to view PwC's assurance statement and Centrica's Basis of Reporting.

(iii) Included in PwC's limited assurance scope for the 2019 Annual Report.

(iv) Includes emissions associated with gas and power sold to customers, purchased goods and services alongside business travel and commuting which was expanded to include emissions from colleagues working from home during COVID-19. 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.

(v) Comprises UK 85tCO₂e/£m and non-UK carbon intensity by revenue 99tCO₂e/£m. Total is a weighted average of component parts.

(vi) Restated due to availability of improved data.

(vii) Comprises UK 116tCO₂e/£m and non-UK carbon intensity by revenue 107tCO₂e/£m. Total is a weighted average of component parts.

(viii) Comprises UK & Offshore 2,678,890,009kWh and non-UK energy use 5,652,531,252kWh.

(ix) Comprises UK & Offshore 3,130,631,079kWh and Non-UK energy use 6,964,542,291kWh.

(x) 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.

Supporting communities, our planet and each other

Find out more at centrica.com/peopleandplanet



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Footnotes

- (1) McKinsey & Company, Delivering through diversity, 2018
- (2) Engineering UK, Gender disparity in engineering, 2018.
- (3) Great Place to Work, Giving Workers Paid Time Off to Volunteer Will Help Your Company Succeed, 2016.
- (4) Committee on Climate Change, Heat in UK Buildings Today, 2017.

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