

Our Health & Wellbeing Statement 2022

Our annual communication on progress

Chris O'Shea, Group Chief Executive: "As Chief Executive, I want every colleague to feel able to speak up and access the support they need which is why we offer a variety of tools, resources and benefits to support health and wellbeing. In doing so, I hope we can continue to break down the stigma associated with mental health and make Centrica a truly inclusive place to work."

Why it's important

The last few years have been tough for colleagues – a business restructure, a global pandemic, and a cost of living crisis. Events like these can have a big impact on colleagues, which is why we want to be there for them because mental health is just as important as physical health. Towards this, we've increased our focus on helping colleagues improve their mental, emotional and physical health – from creating an inclusive culture where everyone feels welcome and able to succeed, to encouraging colleagues to speak up if they're struggling so that they can seek proactive and/or reactive help via our wellbeing suite of support.

This isn't just the right thing to do; it's essential to the long-term success of our business. With colleagues being the beating heart of our business, wellbeing support improves health and happiness which enhances productivity and reduces sickness as well as absence. In turn, this enables us to attract and retain the diverse and talented team we need to deliver on our purpose of helping our customers live sustainably, simply and affordably.

Through our wider responsible business activities, we also endeavour to support the health and wellbeing of people across our value chain, including customers, communities and suppliers.

What we're doing

In 2022, we focused on promoting positive wellbeing in three key ways.

1. PROVIDING A STRONG SUITE OF SUPPORT

We provided resources, tools and benefits to help people access the right support at the right time.

- **Gave expert health and wellbeing advice via MyHealth.** The external service supports colleagues to access a team of professional healthcare specialists across a range of areas such as musculoskeletal, nutrition, sleep, exercise and more. MyHealth also provides a 24/7 MyCare phone line for psychological support, an advice line for managers, and proactive support where colleagues can get the help they need.
- **Provided a company funded healthcare plan.** The plan gives all colleagues the same healthcare cover regardless of seniority, and complements the NHS with access to private treatment. For peace of mind, there's also the opportunity for colleagues to add immediate family members.
- **Provided Virtual GP 24.** Everyone therefore has access to a GP as and when they need it.
- **Ran on-demand support via an external wellbeing app.** The app provides bite-sized and interactive courses to proactively manage everyday mental health needs, including how to manage anxiety or nurture relationships. The app has been proven through science to have a wide range of benefits - from improving happiness and sleep, to performance.

- **Maintained our 100-plus network of colleague Mental Health First Aiders.** Our passionate volunteers are fully trained and on hand to confidentially talk to colleagues about mental health concerns and signpost extra support.
- **Rolled-out proactive wellbeing webinars alongside toolkits and modules.** This allowed us to share the experiences of expert external speakers and colleagues, sparking positive conversations to raise awareness and tackle difficult or taboo topics. Topics span issues such as men's mental health, cancer and menopause, alongside our continued focus on holistic wellbeing on issues like exercise, sleep, nutrition and hydration.
- **Enabled colleagues to seek legal advice on issues they're worried about.** Through the legal portal, colleagues can access a range of support such as expert legal advice via a 24/7 helpline, jargon-free guides for consumer laws and regulations, as well as easy-to-customise legal documents that can be reviewed by a lawyer.
- **Provided income protection for colleagues with an illness or injury.** Being unable to work, can put a huge strain on finances and impact wellbeing. We therefore provide all impacted colleagues with a monthly payment that's nearly 70% of their basic annual salary. This provides peace of mind and ensures that colleagues can focus on getting better.
- **Expanded the range of benefits available via our Benefits scheme.** Benefits include discounted offerings at top retailers to reduce pressure on finances, extra healthcare top-ups to meet individual health needs, and gym incentives to become more active – all of which help colleagues to thrive.
- **Ramped up support for colleagues during the cost of living crisis.** In addition to reinforcing and signposting the support available via our wellbeing suite, we helped ease the financial pressure many colleagues were facing. For example, we provided two cost of living payments, increased our Group Profit Share and enhanced our benefits scheme by broadening the range of retail discounts and cashbacks. We also provided specific support to help colleagues with the rising cost of energy. As part of this, we increased our Colleague Energy Allowance which enables colleagues who are British Gas customers to receive money off their energy bills. Additionally, we put in place a confidential energy debt line dedicated to colleagues, so that they could seek support. And we recognised the increased strain our customer-facing teams were under as they helped customers through the energy crisis, which is why we rolled-out targeted mental health and wellbeing assistance.
- **Enhanced help for customers and communities during the cost of living crisis.** We know the rising cost of energy has been a real worry for many, which has impacted health and wellbeing. So on top of the millions of pounds we already invest in helping people with their energy bills, we provided an extra £50 million to support customers and communities with grants and expert advice, which included £10 million to specifically support our prepayment customers. This enabled us to establish the largest voluntary energy support fund in the UK which was partly funded through our commitment to donate 10% of British Gas Energy's profits for the duration of the energy crisis. To ensure people get the help they need, we've run targeted marketing campaigns with mental health campaigner Professor Green, that urges people to come forward and not suffer in silence. And we've collaborated with charities like StepChange and the British Gas Energy Trust which is an independent charity, to target support where it's needed most. In addition to support with energy bills, we wanted to make a big difference in our local communities to help them through these challenging times. Towards this in 2022, we gave nearly 2,100 volunteering days and donated £4.5 million to over 400 charities.

- **Conducted due diligence to protect the wellbeing of workers in our supply chain.** We include detailed contractual stipulations covering a range of topics that suppliers must uphold, such as diversity and inclusion (D&I), fair pay and avoidance of modern slavery. If we feel a supplier is high risk following due diligence, we'll undertake an on-the-ground independent site audit and remote worker surveys. In 2022, nine audits were conducted on the ground at sites located in Bangladesh, Cambodia, China, Hong Kong, Pakistan and the UK. Meanwhile 7,245 remote worker surveys were additionally deployed to supply chain workers at six supplier sites across these countries. Whilst we identified no serious non-conformance, 61 improvement opportunities were agreed with suppliers to continuously raise standards and enhance worker wellbeing.

2. BUILDING A MORE INCLUSIVE AND SUPPORTIVE CULTURE

We ensured that mental health and wellbeing is part of everything we do. This was achieved through our focus on building a more inclusive and supportive workplace, which includes embracing 'good work' principles.

- **Continued to cultivate a more inclusive and supportive environment for colleagues by embedding inclusion at the heart of our strategy.** In 2021, we launched our [People & Planet Plan](#) to get to net zero by 2050 whilst creating the diverse and inclusive team we need to get there. This included setting D&I goals aligned to Census data for working populations to ensure we reflect the full diversity of our communities by 2030. And in 2022, we co-created an action plan with colleagues and embedded tailored D&I dashboards to attract, promote and retain more diverse talent across our business. We're making good progress on our plan including through some of the actions set out below.
- **Worked to create a culture that's free from bullying, harassment and discrimination.** [Our Code](#) sets out this commitment amongst others, to ensure that everyone who works for us or with us, acts with integrity. And each year, all colleagues undergo training and declare that they'll uphold its principles. We also support an industry initiative to take action on the mounting levels of abuse customer-facing colleagues receive which adversely impacts how they feel. Through the UK's Institute of Customer Service's #ServicewithRespect campaign, we're advocating for the Government to introduce a new offence for anyone who abuses people in customer-facing roles. We've also run internal campaigns and introduced guidance, encouraging colleagues to report abuse to line managers. This enables us to take a zero-tolerance approach, because we don't want customers who can't treat colleagues with respect.
- **Empowered line managers to support their team's mental health with training and guidance.** We strengthened line manager competencies with the continued roll-out of mental health training for leaders which is now embedded in onboarding training. The training helps leaders recognise causes and symptoms, and arms them with the confidence to discuss mental health as well as signpost support. Line managers are also provided with guidelines and toolkits to better navigate life events that can be challenging – from maternity leave and returning to work, to the menopause, domestic abuse and transitioning at work. Together, these resources help managers have more open and informed conversations with their team day-to-day and in quarterly performance reviews, ensuring they provide the right environment for colleagues to reach the full potential.
- **Senior leaders increasingly role-modelled positive mental health behaviours.** Leaders including our Group Chief Executive talk openly about their own mental health experience, whilst encouraging people to talk about theirs and to seek the support they might need. As part of this, leaders get involved in national and international days like World Mental Health Day and World Menopause Day. This may involve leaders posting blogs and videos

on external channels like LinkedIn and Twitter, alongside hosting and participating in townhalls and panel discussions internally. Action like this is key to eliminating the stigma that often surrounds mental health.

- **Helped colleague financial wellbeing.** We pay colleagues fairly which includes paying at least the Real Living Wage in the UK, upholding equal pay and driving down gender and ethnicity pay gaps through our People & Planet Plan. Through our 'Recognitions' platform, colleagues can also nominate and reward one another for championing 'Wellbeing' and 'Inclusion', alongside Our Values of 'Care', 'Delivery', 'Collaboration', 'Agility' and 'Delivery'. In doing so, these qualities are placed at the heart of our business and embraced as key values. In 2022, we also gave colleagues access to free financial education and money management tools that can be tailored to a colleague's specific situation or circumstance.
- **Provided world-class support to carers.** Alongside support available via our Carers Network, we give colleagues up to six weeks paid leave when matched with annual leave. This makes a meaningful difference in helping colleagues balance work alongside caring, which improves wellbeing and enables carers to stay in employment. To help wider working carers, we collaborated with Carers UK and campaigned for the UK Government to introduce statutory carers leave which we believe will be introduced later in 2023.
- **Enhanced flexible working for colleagues.** Having surveyed over 3,000 colleagues on how we wanted to work together when COVID-19 restrictions lifted, we introduced FlexFirst. Wherever possible, FlexFirst gives colleagues the opportunity to choose when they want to work from home, come into the office to connect and collaborate, or shift their core working hours to accommodate things like the school run. This gives colleagues control like never before and improves work-life balance.
- **Design good job structures and enable career progression.** From recruitment through to retirement, we think about the different needs of colleagues during the full lifespan of their career. To ensure we're growing the diverse talent pipeline we need to succeed, we embrace inclusive recruitment practices for current and prospective employees with initiatives such as diverse shortlists and interview panels. We know that flexibility is increasingly important and supports different types of people to flourish, so we recruit flexibly with virtual and in-person interviews whilst designing and advertising the majority of our jobs to be flexible following the introduction of FlexFirst. In ongoing one-to-ones between colleagues and their manager, they discuss whether extra changes in duties and schedules are required which may involve taking extra breaks during the day or flexing and reducing hours. This could be driven by a variety of factors such as making time for the school run, balancing wider caring responsibilities, managing the impact of the menopause, the desire to pursue further professional development or winding down hours towards retirement. We also make all reasonable adjustments for current and prospective colleagues who have accessibility needs - whether that's providing extra equipment, tools and training, or adjusting schedules. Additionally, training and development is an important aspect of our employee offer. And in 2022 we kick-started a revamp of our learning and development hub to offer different types of training to colleagues at different stages of their career. We also reinvigorated our talent and development programmes to help under-represented groups progress their careers. This included launching opportunities via Everywomen in Leadership, Step Up and the Black Leadership Academy, whilst expanding mentoring via the 30% Club, Moving Ahead and Mission Include, alongside our in-house reverse mentoring programme which pairs less experienced colleagues with leaders to share learning and experience.

3. LISTENING AND ACTING ON FEEDBACK

We maintained an open dialogue with colleagues. This enabled us to evolve our business, culture and suite of wellbeing support, in a way that works for them.

- **Asked colleagues to tell us what it's like to work for us and acted on feedback.** How we do business can have a big impact on wellbeing. So we host regular feedback sessions with colleagues – from 'straight talking' sessions with leaders and their business areas to find out how colleagues feel, to focus groups with our diversity networks to develop policies, processes and practices that'll help us become more inclusive. We've also established our Shadow Board of diverse colleagues, who meet with leaders quarterly and drive colleague-centric decisions on a range of issues which in 2022, included developing solutions to overcome some of the challenges faced by our engineers. Our colleague engagement survey is additionally essential in helping us understand what we're doing well and where we can improve, by asking a range of targeted questions including those covering wellbeing on a quarterly basis. This enables us to track sentiment and tailor action throughout the year. Based on feedback from our engagement survey, we've taken action on a range of business-wide issues. For instance, we co-created our D&I action plan with colleagues to ensure it becomes part of our DNA and launched additional cost of living support. We're also working to bring our company's strategy to life for colleagues to give them a stronger sense of purpose and help them feel proud about what we're achieving together. And we're improving the connection between leaders and colleagues by increasing visibility through regular townhalls and site visits, which break down barriers and motivate colleagues. Tailored engagement reports are additionally provided at a team level, enabling managers and their teams to talk openly about specific improvement areas they can work on together - whether that's improving line manager support, addressing workload issues, or providing further development opportunities.
- **Sourced feedback from colleagues about our suite of healthcare support.** This allows us to understand its effectiveness alongside areas for improvement. Effectiveness is tracked with key performance indicators such as net promoter score (NPS).
- **Consulted colleagues on changes that might impact them.** We seek the views of colleagues and trade unions amongst others, to ensure we fully consider all potential impacts. This allows us to use their feedback to further shape and strengthen proposals. Centrica has six collective bargaining units in the UK covering our colleagues, as well as a duty to consult with recognised trade unions on matters impacting on the terms and conditions of colleagues. Under those agreements, we hold national and local councils which meet regularly. We also operated our Centrica Council, which is a strategic forum that meets bi-annually and brings together our Chief Executive, members of our senior leadership team, National Energy Officers and trade union representatives, to collaborate on key issues for colleagues and customers. In 2022 for example, we engaged on many issues including ways of working, organisational and contractual changes, mitigation of redundancies, and pay negotiations. Outcomes from engagements are shared openly with colleagues in numerous ways including via trade union representatives, or leader and manager-led communications like townhalls. An example of the positive difference engagement like this can have, can be demonstrated by our introduction of a company-funded healthcare plan for all.

Effectiveness

Whilst wellbeing is a constant journey, good progress was made in 2022:

- Mental health incidence rate was 133 per 100,000 workers. This is below the national UK average of 2,750 per 100,000 workers, and reflects the hard work and focus that has gone in to ensuring that colleagues can proactively access expert support. The vast majority of mental health incidence related to anxiety and depression (34%), stress (18%) and bereavement (6%).
- Our MyHealth package of support performs strongly in providing the right support at the right time. In 2022, 55% of colleagues used the service and we were able to make nearly 70,000 positive interventions, which was similar to 2021. During 2022, colleagues with a health-related issue rated the service very highly with an NPS score of +80. Meanwhile, 89% of colleagues rated the service as effortless.
- For colleagues who needed time away from work to manage their mental and physical health and in instances where it's appropriate to measure, 55% were able to return to work sooner than medical condition averages due to the proactive and effective support provided¹. This equates to around £3.8 million in estimated savings from reduced absence. Meanwhile, 58% of colleagues who engaged with psychological support services reported an improvement in their condition.
- Absence reduced from 12 days to 10 days in 2022 through good management practices, alongside proactive support and education via our health and wellbeing suite of support.
- Our Code training was completed by 98% of colleagues which equalled 2021.
- Mental health training has been completed by nearly 40% of line managers so far and is a good level that we can build from.
- Colleague engagement improved by 18% in 2022, bringing our total score to 73% favourable. Our score exceeded our 2023 target of 70% a year early.
- As a result of the financial support provided to help colleagues during the cost of living crisis, employee net promoter score improved by 30 points for reward and is 26 points ahead of the external benchmark.
- FlexFirst led to 89% of colleagues saying that enhanced flexibility in choosing when and how they work, has had a positive impact on their work-life balance as well as their wellbeing. It's also enabled them to pursue development opportunities that otherwise wouldn't have been possible.

In 2023, we plan to build on this and continue to evolve wellbeing support. This includes:

- Continuing to act on colleague feedback to create a culture that's more inclusive and supportive by further embedding our D&I action plan.
- Maintaining strong awareness of why wellbeing is important and signposting support that's available. We'll particularly focus on raising awareness of and evolving our support during the cost of living crisis and inspiring colleagues to get more active, whilst improving nutrition and sleep. This will help us tackle the increasing financial stress among colleagues as well as the underlying risk factors of cases we manage – these include being inactive, overweight and not getting enough sleep.
- Inspiring line managers to complete mental health training. This will help upskill more and more of our leaders to have more meaningful conversations with their team, and importantly, better identify early warning signs if someone is struggling.

¹ Included 68% of colleagues with a mental health disorder.

Managing mental health

Day-to-day management

We've dedicated people in place to ensure the strong day-to-day management of colleague wellbeing, which is led by six talented members of our Wellbeing Benefits Team. In turn, they work with a number of teams across the business to embed and evolve health and wellbeing initiatives. For example, they work closely with the Health Care team to not only manage and enhance the suite of support available for colleagues, but to explore strategies to further inspire colleagues to take positive steps to manage their health and wellbeing. The Wellbeing Benefits Team also work collaboratively with wider teams and groups that include Internal and External Communications, Health & Safety, Industrial and Employee Relations, HR Partners, as well as trade unions and colleague diversity networks. Collaboration with these teams help deliver internal and external campaigns that gain cut-through whilst securing insight and feedback from colleagues to ensure their needs are met. Across the value chain, wider teams such as Ethics and Compliance, Responsible Sourcing and Consumer Vulnerability, play an important role in delivering initiatives that target high standards and protects wellbeing.

Should a colleague need time away from work to get better, absence is recorded in our HR management system. This formalises the process and ensures colleagues receive the further help they may need via MyHealth. All sickness absences are passed to our MyHealth Case Management team to assess and triage each absence within 24 to 48 hours. Depending on the nature of sickness, this will drive further interventions via MyHealth to ensure appropriate treatment or action, with underlying issues identified and addressed wherever possible. It's in everyone's interest for colleagues to get better so line managers will also have guided conversations with the person affected at key stages of absence, to see how they're doing and monitor when and how they're best to come back to work. This may include a phased return so that they don't take on too much too soon.

Overall governance

[Our Code](#) sets out the standards we expect for everyone who works for us or with us². It includes key commitments such as ensuring colleague wellbeing is cared for, that they're paid fairly, have access to career progression, as well as the right to collective bargaining and consultation. Our Code also spans our wider value chain to help us work in a way that benefits our customers, communities and supply chain. To embed this is at the heart of how we do business, we require all colleagues to undertake Our Code training annually. A range of supporting policies are then used to ensure we've the right processes and procedures in place – these primarily include our Wellbeing Standard and Psychological Risk Assessments, our Diversity, Respect and Inclusion Policy, our Flexible Working Policy, our Sick Leave Policy and our Health, Safety and Environment Policy.

The Board has ultimate responsibility for ensuring the health and wellbeing of colleagues, and are fully committed to continuous improvement. Our Group Chief Executive supports the Board in this duty by delegating oversight to the Group Chief People Officer, who reviews plans and performance quarterly to ensure frequent oversight and challenge, with improvements made as needed. A detailed MyHealth report with key insights and actions are also shared quarterly with business leaders, Board members, HR Partners, safety teams and trade union working groups. This enables key people across the business as well as those connected to our business, to better understand colleague wellbeing and take action to support it.

² Applies to all colleagues and contractors across our different businesses and geographies, as well as our associated suppliers, partners and customers.

At the moment, our health and wellbeing activities don't undergo third party assurance. We feel our resources are better spent on rolling out initiatives we know make a huge difference to our colleagues, customers, communities and suppliers. This is because our approach is driven by data insight and direct feedback alongside our own best practice research, which is proving effective.