



Workforce Disclosure Initiative

WDI Survey

Centrica

Question Number	Question Text	Question Tier	Privacy setting of Answer	Scoring Information	Answer Criteria
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	Start date		Mandatory Public		0
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01 January 2019

	End date		Mandatory Public		0
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31 December 2019

1 GOVERNANCE

Governance structure and management

Question Number	Question Text	Question Tier	Privacy setting of Answer	Scoring Information	Answer Criteria
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1.1	Which workforce-related topics are subject to Board level oversight (Board members and committees), if any? Select all that apply.	F	Mandatory Public	Rule 1 (1 point)	Yes/No
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All of the following items should be selected.

- Attracting and retaining workers
- Diversity and Inclusion
- Forced labour, modern slavery and Human trafficking
- Gender pay equity

- Grievance and whistle blowing processes**
- Human Resources**
- Human rights**
- Mental health in the workplace**
- Occupational health and safety**
- Responsible sourcing**
- Training and development**
- Wage levels / living wages**
- Worker engagement**
- Other

1.2	Identify the Board members and committees and/or executive management positions with governance responsibility for workforce matters in the company's direct operations and supply chains. State their remit of responsibility.	F	Mandatory Public	Rule 1 (1 point)	25 word limit
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In 2019, the Board had responsibility for workforce matters, supported by their Safety, Health, Environment, Security and Ethics Committee, Nominations Committee and Group People Committee.

1.3	Describe how the positions identified at 1.2 receive, consider and assess information on workforce matters (such as those selected at 1.1) and how their insights inform strategic decisions. State how frequently these matters are considered and how decisions are reported.	F	Mandatory Public	Rule 1 (1 point)	250 word limit
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The Board has overall responsibility for the company's workforce and regularly considers issues such as culture and restructuring. To ensure good governance, members of the Board additionally sit on relevant people-focused Committees and as needed, receive minutes, actions and updates from these and wider Committees. For example in 2019, workforce issues were primarily managed through the Board's Group People Committee (GPC) which typically meets five times a year while the Safety, Health, Environment, Security and Ethics Committee (SHESEC) usually meets four times a year, to review strategy and performance related to our workforce. The GPC annually reviews and approves the forward business schedule comprising of key priority areas and standing items for the year such as progress against diversity targets and engagement, which have been proposed by the Group Heads for Talent, Resourcing, Learning and Employee Experience, alongside the Group HR Director. Meanwhile, the SHESEC's forward programme is developed by the Group General Counsel and Company Secretary with input from leaders across the Committee's focus areas. The Committee receives reports from Internal Audit and Risk on the adequacy of systems to identify and manage risks and opportunities related to our people, while tabling deep dives on key areas of focus like human rights with any pertinent issues including action against modern

slavery, being escalated to the Board. The Board additionally receives updates from the Remuneration Committee which assists them in overseeing remuneration and incentive plans while the Nominations Committee assists with succession planning.

1.4	Describe how the governance of workforce matters impacts on or shapes wider company strategic planning.	F	PUBLIC	Rule 1 (1 point)	250 word limit
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Our business model delivers returns and growth by focusing on energy services and solutions that satisfy our customers and enables the transition to a lower carbon future. To achieve this, we need a workforce that is productive, empowered and capable and we need a supply chain that is responsible and reliable. So we work hard to ensure governance over workforce matters is effective in helping develop and embed the right plans to optimise our business model and purpose. For example, the SHESEC, GPC and Nominations Committee, review strategic plans on workforce issues such as inclusion, succession planning, business restructuring and supplier engagement, to challenge and ensure they're rigorously sufficient to evolve our business and continue to deliver for our customers and society over the immediate and longer term. The annual Board Planning Conference additionally focuses on performance and implementation of our most material deliverables, and as necessary, ensures the relevant people plans are in place for the year ahead. Workforce matters in supplier selection is an increasing area of focus and we require our suppliers to uphold policies that set out good working practices and have governance processes to assess their credentials during onboarding as well as on an ongoing basis. Underpinning all of this is our internal risk assessment. Significant workforce risks are identified and assessed by the business, aggregated centrally by Risk, and reviewed by the Executive Committee at least annually to agree a set of prioritised risks and embed plans in the business to manage them effectively.

Performance incentives

Question Number	Question Text	Question Tier	Privacy setting of Answer	Scoring Information	Answer Criteria
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1.5	How does the company assess and incentivise the performance of those with governance responsibility (identified at 1.2) for workforce matters, such as those identified at 1.1? Include relevant KPIs and weighting in compensation or remuneration schemes.	F	PUBLIC	Rule 1 (1 point)	250 word limit
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Effectiveness of governing workforce matters is tied to leaders' performance evaluations and remuneration. Effectiveness of workforce matters is monitored as a whole and can also be tied to specific KPIs – for example in 2019, the gender pay gap and our 2030 Responsible Business Ambition to have a workforce that reflects the full diversity of our communities, was overseen by the GPC, succession planning was the remit of the Nominations

Committee and KPIs like process safety incident frequency rate, employee engagement and Our Code compliance which includes human rights, was overseen by the SHESEC. As stated in Q1.2, the Board additionally reviews workforce matters like modern slavery and wider KPIs as needed. At least once a year, the Committees review their performance over these issues and KPIs alongside their constitution and Terms of Reference, to ensure they're operating at maximum effectiveness and annually report how they've discharged responsibilities to the Executive Committee and the Board, together with any recommended changes. The effectiveness of the Board and its members were further evaluated in 2019 by the Independent Audit Limited, with recommendations made to ensure continuous improvement and value. The effectiveness of Board members and senior executives responsible for workforce matters are then formally taken into consideration in annual reviews which determines their performance rating and bonus. In particular, the long-term incentive scheme for executives is tied to three workforce KPIs which accounts for 22% of the scheme and spans process safety incident frequency rate, total recordable injury frequency rate and employee engagement.

Delegating authority

Question Number	Question Text	Question Tier	Privacy setting of Answer	Scoring Information	Answer Criteria
1.6	How does the company organise the day-to-day management of workforce matters, including within supply chains, to delegate responsibility for managing risks to workers' rights to the relevant business functions and senior managers, and beyond?	F	Mandatory Public	Rule 1 (1 point)	250 word limit

Responsibility for actioning strategic decisions agreed by the GPC, SHESEC, Nominations Committee and Board, are delegated to the people-focused leadership teams such as the Chief Operating Officer for HR, Procurement and Property, Group Head of Colleague Experience, the Human Resources Director for British Gas and Head of Organisational Change, and embedded by their senior managers across workforce issues including risk, and subsequently cascaded to employees. This includes teams working across HR, Talent, Reward, Diversity and Inclusion, Learning, Development and Resourcing, Internal Communications, Procurement, Health and Safety, Responsible Business and Legal, to deliver positive change that can help our people and business flourish. The HR Operating Committee and the Health Safety, Environment and Security Sub-Committee, are additionally made up of the various leaders and their extended leadership teams, who have a collective responsibility to review progress and drive action. Meetings of these Sub-Committees usually occur on a monthly or quarterly basis. Information and activities applicable to our people are cascaded and embedded via a variety of methods. These methods can include communications from leaders on email or at events such as leader-led townhalls, news articles, online modular training, policy updates and conversations between a line manager and their team.

Human rights policy commitment

Question Number	Question Text	Question Tier	Privacy setting of Answer	Scoring Information	Answer Criteria
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1.7	Does the company have a publicly available commitment to respect all internationally recognised human rights that is approved at Board level?	F	Mandatory Public	Rule 3 (1 point for Yes)	Yes/No
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Yes

Provide link: <https://www.centrica.com/media/4454/our-code.pdf>

Modern slavery statement

Question Number	Question Text	Question Tier	Privacy setting of Answer	Scoring Information	Answer Criteria
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1.8	Does the company have a publicly commit to prohibiting, identifying and preventing forced labour, modern slavery and human trafficking from its operations and supply chains?	F	Mandatory Public	Not scored	Yes/No
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Yes

Provide a link: <https://www.centrica.com/sustainability/performance-reporting/modern-slavery-act-statement/> (full document)

2 RISK ASSESSMENT AND HUMAN RIGHTS DUE DILIGENCE

Human rights and due diligence

Question Number	Question Text	Question Tier	Privacy setting of Answer	Scoring Information	Answer Criteria
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2.1	Does the company publicly describe how it conducts ongoing human rights due diligence to identify, prevent, mitigate and account for human rights risks and adverse impacts?	F	Mandatory Public	Rule 3 (1 point for Yes)	Yes/No
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Yes

Provide a link: <https://www.centrica.com/sustainability/performance-reporting/modern-slavery-act-statement/> (full document) and https://www.centrica.com/media/3900/centrica_ungc_communication-on-progress-2018-19-vfinal.pdf (pages 1-4)

Risks and Opportunities

Question Number	Question Text	Question Tier	Privacy setting of Answer	Scoring Information	Answer Criteria
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2.2	Describe the company's process for identifying and assessing workforce risks and opportunities in its direct operations. Include how the company's human rights due diligence activities inform the process.	F	PUBLIC	Rule 1 (1 point)	250 word limit
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The Board, Audit Committee and SHESEC are responsible for identifying and prioritising risks and opportunities (R&O), as well as setting objectives/targets for managing them. Meetings evaluate Group strategy with regard to the external economic, competitive, regulatory and policy context, including workforce risks. The process to review R&O involves the HR Risk and Governance Manager collating inputs from risk representatives to review and identify themes for monitoring/mitigation, with risks arising from human rights due diligence fed in by the Modern Slavery Steering Group. In 2019, the HR Operating Committee acted as an escalation route for risks and presented to the Group Enterprise Risk (ERM) team quarterly. The risks are managed through our ERM process which addresses 0-3-year risks. Longer term risks are assessed annually via our Board strategic planning process. Each risk and related controls are assessed and reported according to Our Approach to Enterprise Risk Management and published in our Annual Report's Principal Risks and Uncertainties which is aligned to Group Priorities (www.centrica.com/ar19, pages 34-43). We continually evolve our people strategy to seize opportunities and achieve our strategic priority to be an employer of choice. As part of this, 2030 Responsible Business Ambitions were introduced to target a more inclusive culture and build STEM skills. Using the UN SDGs as our guide and

undertaking a materiality assessment based on internal and external feedback via interviews and research, these issues were identified by the Responsible Business team in partnership with business leaders, as areas we could make the greatest difference.

2.3	Describe the company's process for identifying and assessing workforce risks and opportunities in its supply chain, if different from 2.2. Include how the company's human rights due diligence activities inform the process.	F	PUBLIC	Rule 1 (1 point)	250 word limit
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The same process set out in Q2.2 applies for the supply chain for identifying and assessing workforce R&O, regarding the funnelling of identified R&O into the Group's ERM process. However, a number of processes to identify and reduce risk while maximising opportunities across our supply chain are additionally pertinent to share. For example, we risk rate suppliers on an ongoing basis using a country and sector risk segmentation tool that considers the product or service being offered alongside any risks such as human rights. Suppliers identified as potentially high risk are subject to a further, enhanced risk assessment which considers their corporate responsibility standards including labour and workers' rights. Suppliers that continue to be categorised as high risk, are flagged to receive a site visit from a third-party auditor to review their human rights, labour, and health and safety practices. During this process, workers in our supply chain are observed and any contacts made via the anonymous third-party worker helpline provided by an independent audit firm, are considered in our assessment. If the supplier fails to meet our standards, we have the right to terminate our relationship or we'll seize the opportunity to work with them and raise standards. The Director of Global Business Services, Risk and Control, has responsibility for ensuring a responsible supply chain and embedding via Procurement Managers. Procurement Managers are trained to identify R&O and additionally work to spot these in their ongoing supplier engagements.

2.4	Identify three workforce opportunities for the business relating to the company's direct operations and/or supply chain.	F	Mandatory Public	Rule 4 (max 3 points)	Table (150 word limit)
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Business opportunities	Description
Opportunity 1	Diversity & inclusion - Being a diverse and inclusive workforce that reflects the world around us, is key to satisfying the changing needs of our customers and enabling the low carbon future. Growing our diversity and providing a more inclusive culture will not only help us attract and retain our talented team who feel able to be themselves and achieve their full potential, but it will strengthen our ability to provide services and solutions that meet the diverse needs of our customers.
Opportunity 2	Building skills - We need skills to deliver our strategy so that we can continue to satisfy the changing needs of our customers and enable a low carbon future. And by developing our colleagues' skills, they will not only feel motivated and able to thrive in their careers but deliver green growth too. We will also look to create stronger communities by providing training opportunities for under-represented groups.
Opportunity 3	Employee engagement - Having good employee engagement helps increase productivity while reducing unplanned employee turnover and absence. In doing so, we can attract and retain a happy and healthy workforce to deliver for our customers.

2.5	What action has the company taken, or intends to take, to ensure these opportunities add value to the company? If none, please explain why not and any plans to do so in the future.	F	PUBLIC	Rule 4 (max 3 points)	Table (250 word limit)
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Business opportunities	Action taken to capitalise on identified opportunities
Opportunity 1	<p>Diversity & inclusion - We want to build a more inclusive workplace and help every colleague to be themselves so that they can be themselves and flourish, while we can access a diverse range of talent to better serve our customers. We support the recommendations of the UK's Hampton Alexander Review and Parker Review in relation to gender and ethnic diversity and towards this, we are accelerating our progress in these areas with the introduction of our Responsible Business Ambitions in 2018, whereby we're aspiring for senior leadership to reflect the full diversity of our labour markets by 2030, while continuing to generate greater diversity across all levels in the business. To do this, we have strengthened our attraction, development and retention processes to create a more diverse talent pipeline and a more inclusive culture. This includes challenging recruiters to draw up gender balanced shortlists, implementing mandatory unconscious bias training for managers with availability to all employees, developing more inclusive policies and enhancing succession plans. By 2030, we also aim to help one million carers stay in or return to work via active promotion of carer positive policies. Towards this, we have extended our world-class carers leave allowance to up to six weeks in total when matched with annual leave, advocated for the introduction of statutory carers' leave in the UK which is now part of the UK Government's legislative programme and hosted peer learning forums to share best practice.</p>
Opportunity 2	<p>Building skills - We are developing skills that enable our all colleagues to thrive and as a result improve service to our customers. As part of this, we have introduced a range of 2030 Responsible Business Ambitions to promote socio-economic development and plug the shortage of STEM skills by developing 2,500 skills development opportunities for young people not in education or employment, inspiring 100,000 people with STEM skills and attracting more women into STEM with 40% of STEM recruits to be female. Achieving these goals will be challenging but we are working towards them by collaborating with third parties such as Movement to Work and PwC's Women in Tech programme to access and inspire diverse talent to pursue a career in STEM and drive green growth, while continuing to provide a broad range of mentoring and development offerings to all of our colleagues via our Career Development Hub and Learning Academies.</p>

Opportunity 3	<p>Employee engagement - We have been through a continued period of business reorganisation in recent years and naturally, this has affected engagement levels. We want all our colleagues to feel happy and motivated because it's good for their wellbeing and will help boost productivity and retention while reducing absence. We are working towards our long-term engagement target to meet or exceed the external global benchmark of 72% by focusing on improving colleague experience based on their feedback. This includes better connecting colleagues with our purpose and leaders which is why in addition to our annual engagement survey, we have run a series of townhalls and focus groups to give our people the opportunity to have open and honest conversations about our business, how they are feel and the changes they want to see made. We have also introduced proactive wellbeing support to encourage colleagues to take preventative steps to get the support they might need with the creation of a 150-strong network of employee Mental Health First Aiders and the launch of an 'Unmind' mental health app for all employees.</p>
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2.6	<p>What are the company's salient human rights issues relating to workers' rights in the company's value chain?</p>	F	Mandatory Public	Rule 4 (max 3 points)	Table
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Salient human rights issues	Description (250 words)	Location
Issue 1	Forced labour - Centrica has a zero-tolerance approach to modern slavery but as with most companies, there is always a risk of forced labour in our supply chain and operations. Based on their associated jurisdictional and industry risk, the following areas are at most risk and include suppliers that provide technology and solar products or manufacture garments, as well as workers who provide us with facilities management services on site. The risk covers workers in higher risk countries which typically includes Bangladesh, Cambodia and China.	Other: First tier and direct operations
Issue 2	Discrimination and harassment – Its essential that our people and partners respect diversity and provide an inclusive workplace free from harassment for everyone. While we pride ourselves on being an inclusive place to work, we know there is always more we can do to reduce risk which is why we need to maintain a continued focus on ending all forms of racism, sexism, ageism or any other factor, that may hinder a person’s ability to be themselves and be treated fairly whether the discrimination is conscious or unconscious. Within our supply chain, there is also the risk that workers may be discriminated against on the basis of their gender, sex, race and religion amongst other factors. Workers most at risk include those who may appear more vulnerable, such as women, young people and migrants.	Other: First tier and direct operations
Issue 3	Health and safety – At Centrica, we recognise that our operations have the potential to result in personal injury – from working at one of our energy assets or travelling on the road to help our customers solve their energy issues. We therefore strive to create an incident-free workplace and encourage our suppliers to uphold this same commitment to ensure they keep their workers safe and healthy. The risk of not protecting workers is greatest in operations where machinery is involved such as factories, and in higher risk countries like Bangladesh, China and Pakistan.	Other: First tier and direct operations

2.7	How did consultations with workers and/or worker representative bodies, including trade unions, help the company identify these salient human rights issues? State the stakeholders consulted.	F	Mandatory Public	Rule 4 (max 3 points)	Table
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Salient human rights issues	Consultations with workers and other stakeholders (250 word limit)
Issue 1	<p>Forced labour - Internal and external stakeholder views are essential in aiding our identification of forced labour as a risk area. For example, external supply chain experts, EcoVadis, reviews and rates the risk of forced labour for all new and strategic suppliers which enables us to identify whether further action is needed. If further action is required, we then use an independent auditor to provide a site inspection, whose views are vital in giving us a clearer picture of the potential or actual level of risk and helps us determine appropriate action – this may include working with the supplier to establish a corrective action plan or ending our relationship and reporting the abuse. The views of workers in the supply chain via the independent modern slavery helpline and via our own confidential Speak Up helpline are also fed into the process. Meanwhile, we partner with ethical or trade organisations such as the Responsible Sourcing Council, the Institute of Business Ethics and the Hope for Justice/Slave Free Alliance Utilities Modern Slavery Working Group, which ensures we stay abreast of wider insights in this area to continually inform our approach to both identifying and mitigating the risk of forced labour. Additionally, our internal Modern Slavery Steering Group, comprised of representatives from Legal, Procurement, HR, Secretariat, Ethics and Compliance and Internal Audit, are key to identifying potential risk areas within the business and supply chain to investigate. In 2021, we should additionally have feedback from consultation with supply chain workers via remote worker surveys.</p>

<p>Issue 2</p>	<p>Discrimination and harassment - We consult internal and external stakeholders to identify discrimination and harassment risk. We listened to external stakeholders highlighting the need to eradicate discrimination and harassment as demonstrated by the UN Sustainable Development Goals as well as 'Me Too' and 'Black Lives Matters' movements. These issues are underreported in society so we encouraged colleagues to report incidents via their line manager, HR, employee representative, trade unions or anonymous Speak Up helpline, which enables us to understand the risk and take action. Employee feedback from focus groups, engagement survey and our employee Networks focused on issues like women and ethnicity, further enables us to understand issues that affect them so we can respond.</p> <p>We have similar processes as forced labour to identify discrimination and harassment in our supply chain. External supply chain experts, EcoVadis, reviews and risk rates suppliers for discrimination and harassment for new and strategic suppliers, in addition to our diversity and inclusion onboarding questions. We use an independent auditor to provide site inspections for higher risk suppliers, whose views provide clarity on the risk and helps determine appropriate action – from establishing a corrective action plan to terminating our relationship and reporting the abuse. Views of supply chain workers are also considered via the independent helpline. Meanwhile, we partner with ethical or trade organisations such as the Responsible Sourcing Council and the Institute of Business Ethics, to stay abreast of insights in this area to continually inform our identification and mitigation of discrimination and harassment.</p>
<p>Issue 3</p>	<p>Health and safety - We have similar processes as modern slavery and discrimination and harassment, to identify health and safety as a risk for our supply chain. For example, external supply chain experts, EcoVadis, reviews and rates the risk of health and safety for new and strategic suppliers which enables identification of risk and whether further action is required. If needed, we then use an independent auditor to provide an on-the-ground site inspection, whose views provide a clearer picture of the level of risk and ultimately helps determine appropriate action for us to take – this may include establishing a corrective action plan or ending our relationship and reporting the abuse. Views of supply chain workers are also considered via the independent helpline. Meanwhile, we partner with ethical and trade organisations such as the Responsible Sourcing Council and the Institute of Business Ethics, to stay abreast of insights in this area to continually inform our identification and mitigation of health and safety risk to safeguard workers across our supply chain. Within our business, we have HSE Management Systems that include policies, standards and procedures to protect customers, employees and third parties, invest in training and engage regularly with agencies such as the Oil and Gas Authority and UK HSE, to ensure we comply with legislative/regulatory requirements.</p>

2.8	What action has the company taken, or intends to take, to prevent and mitigate salient human rights issues identified?	I	PUBLIC	Rule 4 (max 3 points)	Table
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Salient human rights issues	Action taken by the company (250 word count limit)
Issue 1	<p>Forced labour - A number of steps are in place to mitigate forced labour risk. For example, we undertake due diligence of suppliers to reduce risk which includes risk rating all new and strategic suppliers to determine the level of risk and if needed, conducting a site inspection by an independent auditor, to gain a clearer picture of the risk and any further action needed to reduce it – whether that’s working with the supplier to create a corrective action plan, or terminating our relationship and reporting the abuse. All suppliers are also required to uphold clauses in supplier contracts to ensure a zero-tolerance approach to modern slavery while toolkits are provided to help their adoption of strong labour practices. Training is a vital part of mitigating risk and towards this, all Procurement Managers alongside relevant staff such as HR and our Local Heroes network, receive specific training to spot the signs of Modern Slavery in their supplier networks and how to report it. Within our wider business, we aim to educate and raise awareness of modern slavery by requiring all employees to undertake the annual Our Code training which includes a commitment to uphold human rights and encourages colleagues to raise concerns via our independent Speak Up helpline so it can be investigated and appropriate remedial action taken. Meanwhile, we partner with organisations such as the Hope for Justice/Slave Free Alliance Utilities Modern Slavery Working Group, to share best practice and find ways to end modern slavery together.</p>
Issue 2	<p>Discrimination and harassment - Similar to forced labour, we undertake due diligence of suppliers to reduce risk which includes risk rating all new and strategic suppliers to determine the level of risk and if needed, conducting a site inspection by an independent auditor, to gain a clearer picture of the level of risk and any further action that needs to be taken to reduce risk – whether that’s working with the supplier to put in place a corrective action plan, or terminating our relationship and reporting the abuse. All suppliers are also required to uphold clauses in supplier contracts to respect diversity and inclusion. Internally, Our Code additionally sets out the requirement for colleagues to support a diverse and inclusive culture that’s fair and free from discrimination and harassment. We require all colleagues to complete training and declare that they will uphold this commitment annually, while encouraging them to raise any concerns to line managers or through the anonymous Speak Up helpline. Building off of this, enhanced awareness raising is a vital part of mitigating risk so we run initiatives such as unconscious bias workshops and holding focus groups to better help us understand and end discrimination. We have also set 2030 Responsible Business Ambitions to build a more inclusive workplace, which helps create a culture that prioritises fairness and stamps out discrimination and harassment. Lastly, organisations such as The Responsible Sourcing Council and trade unions are engaged as needed, to further these causes through open dialogue.</p>

Issue 3	<p>Health and safety - As with forced labour and discrimination and harassment, we undertake due diligence of suppliers to reduce risk. This includes risk rating all new and strategic suppliers to determine the level of risk and if needed, conducting an on-the-ground site inspection by an independent auditor to gain a clearer picture of the level of risk and further action that needs to be taken to reduce risk – whether that’s working with the supplier to implement a corrective action plan, or terminating our relationship and reporting the abuse. All suppliers are required to uphold clauses in supplier contracts to ensure the health and safety of workers while toolkits support their adoption of strong labour practices. Training is a vital part of mitigating risk and towards this, all Procurement Managers and relevant staff such as those in higher risk roles including our engineers, receive specific training to prevent and drive down incidents. Within our business, we also have HSE Management Systems that include policies, standards and procedures to help protect customers, employees and third parties, as well as requiring all employees to undertake the annual Our Code training which includes the commitment to a safe and healthy workplace. Employees are encouraged to speak up about concerns to their line manager or the Speak Up helpline so that suspected issues are investigated, and appropriate action taken. We also engage regularly with agencies such as the Oil and Gas Authority and UK HSE, to ensure we comply with legislative/regulatory requirements.</p>
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Remediation and effectiveness of actions in the direct operations

Question Number	Question Text	Question Tier	Privacy setting of Answer	Scoring Information	Answer Criteria
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2.9	Does the company have a publicly available commitment to provide a remedy where it has caused or contributed to adverse human rights impacts affecting/linked to its business operations and relationships?	F	Mandatory Public	Rule 3 (1 point for Yes)	Yes/No
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Yes

Please provide more detail:

<https://www.centrica.com/media/4192/modern-slavery-act-statement-2019.pdf>

2.10	Provide an example of how the company has monitored the effectiveness of actions taken to address negative impacts on the human rights of workers in the reporting period, including by consulting with impacted workers and any lessons learned.	I	PUBLIC	Rule 1 (1 point)	250 word limit
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We have not knowingly caused/contributed to human rights abuses but as part of the 2015 Modern Slavery Act, we're required to publish instances of forced or compulsory labour as well as the actions being taken to mitigate risk. One of the ways we assess performance is via our risk score for suppliers and in 2019, we assessed a further 52 strategic and higher risk suppliers which resulted in a sustainability risk score of 59 (low risk). This is better than the multi-industry average of 45 (medium risk). If during this process, a supplier receives a medium or high-risk rating, it can be challenging to truly understand the issue given suppliers are often based worldwide. To overcome this, we conduct independent site inspections and consult workers onsite and via the independent helpline, to gain greater insights to create meaningful corrective action plans (CAP). In 2019, we undertook nine site inspections in the UK, China, Italy and Turkey, one of which included a significant improvement in a supplier's audit score following CAP completion. As a result of the CAP alongside our ongoing support, all suppliers audited have been able to improve their corrective actions spanning health and safety practices via guided support. We have identified that sustainability clauses in supplier contracts could be stronger, that our sharing of best practice could be enhanced, and assessment broadened to new business areas, all of which has been published and progress shared annually.

Response to Covid-19

Question Number	Question Text	Question Tier	Privacy setting of Answer	Scoring Information	Answer Criteria
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2.11	Describe your approach to ensuring workforce, supply chain and business resilience in the event of COVID-19, including how workforce issues are being considered in recovery plans post-COVID-19?	F	PUBLIC	Rule 1 (1 point)	500 word limit
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Robust processes have enabled us to deliver resilient performance while protecting workers and keeping our customers and communities, warm, safe and supplied with energy and services throughout Covid-19. Pre-existing pandemic plans helped us act quickly, with implementation and refinement facilitated through our cross-business Crisis Management Framework that has a Chair with delegated authority from the CEO, to enable timely decisions and regular updates shared with the Board for awareness and input. During the crisis, we have maintained transparent dialogue

with stakeholders, such as government and regulators, to ensure compliance with relevant guidance including WHO and wider national/local guidance.

With trade unions and colleagues, we have collaborated to develop our risk assessment and operating protocols to mitigate risk. And where we needed to introduce temporary changes to policies such as the carryover of holidays, we shared proposals prior to wider employee communications. At the start of the pandemic, all discretionary non-essential activity like heating installation and servicing, were temporarily halted to reduce risk but have since largely restarted with PPE and other safeguards in place. We also aimed to safeguard colleague concerns about their job including: 1) ensuring everyone had homeworking facilities and the flexibility to adjust working hours to accommodate caring responsibilities; 2) supporting people participating in the Emergency Volunteer Programme/military deployment; 3) temporarily amended policies to ensure Covid-related absence did not impact pay; 4) offering flexible working if required to self-isolate and 5) maintaining employee pay at 100% regardless of returns from the job retention scheme. The Covid-19 crisis has, however, coincided with planned business restructuring which aims to put customers at the heart of everything we do and create a simpler, more modern and sustainable company. As part of this, we will simplify terms and conditions and reduce around 5,000 roles. During this time, we have sought to reassure and support colleagues by having an open dialogue, running a transparent reorganisation process and signposting our enhanced wellbeing initiatives.

For our suppliers, we have remained in contact to understand the impact of the virus and see how we can help. Wherever possible, we have worked to mitigate financial strains and as an example of this, we made part-payments to select PPE providers at the start of lockdown, to ensure they had the appropriate cash-flow to manufacture and pay their workforce. In the absence of being able to run site inspections, we asked some suppliers to complete online questionnaires and we have engaged with a third party to roll-out phone interviews with workers to check labour practices.

As we emerge from the pandemic, we have the opportunity to build back better. As part of this, we want to get to net zero while enhancing skills, engagement and inclusion through our 2030 Responsible Business Ambitions. We will also roll-out stronger clauses and tracking across these focus areas to ensure a responsible supply chain.

3 WORKFORCE COMPOSITION

Structure and location of direct operations

Question Number	Question Text	Question Tier	Privacy setting of Answer	Scoring Information	Answer Criteria
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3.1	Provide the total number of employees in the company's direct operations.	F	Mandatory Public	Rule 1 (1 point)	0
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28,073 comprising of 25,790 employees, 133 fixed term employees and 2,150 2nd party contingent workers

Provide the percentage (%) of total employees in the company's direct operations in each of the company's significant operating locations.

Question Number	Question Text	Question Tier	Privacy setting of Answer	Scoring Information	Answer Criteria
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3.2	Please enter the details in the following table	F	Mandatory Public		Table
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Significant operating location	Percentage (%) of total employees in the direct operations
Group/Global	100
UK	85
Europe	87
North America	13

3.2a	Please define what a "significant operating location" is for your company.	F	Mandatory Public	Not scored	150 word limit
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We define a 'significant operating location' as a country or region where we have the strongest presence in terms of brands, colleagues and revenue. For example, British Gas and Hive are based in the UK, Bord Gais Energy in Ireland and Direct Energy in North America, while Centrica Business Solutions spans the majority of these countries and more. Our Europe operations includes UK, Ireland, Netherlands, Germany, Denmark, Norway and Sweden, with the majority of employees located in the UK and then Ireland. Our North America operations includes Canada and the United States of America with the majority of employees in the United States. Group/Global has been provided to easily share aggregated performance for following related questions, given the importance of transparently sharing our overall company performance.

3.2b	How many operating locations does your company have in total in your direct operations?	F	Mandatory Public	Not scored	150 word limit
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We have direct operation listings for 12 countries which includes the UK, Ireland, Netherlands, Germany, Denmark, Norway, Sweden, Canada, United States of America, India, Mexico and Singapore. Across these countries, we have over 100 specific sites, some of which may be located in the same cities. The vast majority of sites are based in the UK and United States of America.

3.3	Provide the number and/or percentage (%) of the company's employees on each contract type as a proportion of the total direct operations workforce.	F	Mandatory Public	Rule 8 (max 3 points)	Table
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Contract type	Total number of employees on each contract type	Percentage (%) of all direct operations employees on each contract type
Indefinite/permanent employees	n/a	92
Fixed-term/temporary employees	n/a	0.47
Full-time employees	n/a	90
Part-time employees	n/a	10
Non-guaranteed hours employees (casual workers, on-call employees, zero-hours contracts)	n/a	0

3.4	Provide the gender balance (as a percentage (%)) for each contract type in Q3,3, as well as the overall gender breakdown of your direct operations workforce.	F	Mandatory Public	Rule 9 (max 4 points)	Table
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Contract type	Female (%) of employees on each contract type	Male (%) of employees on each contract type	Non-binary (%) of employees on each contract type
Indefinite/permanent employees	29	71	0
Fixed-term/temporary employees	28	72	0
Full-time employees	23	77	0
Part-time employees	78	22	0
Non-guaranteed hours employees (casual workers, on-call employees, zero-hours contracts)	0	0	0
Total direct operations workforce	29	71	0

3.5	Provide the total number and/or percentage (%) of the company's other direct operations workers as a proportion of the total direct operations workforce.	F	Mandatory Public	Rule 8 (max 2 points)	Table
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Contract type	Total number of employees on each contract type	Percentage (%) of all direct operations employees on each contract type
Contractors (independent, self-employed)	765	5
Agency workers (e.g. labour agency, recruitment agency workers)	1,385	3
Franchisee workers	0	0
Other workers (e.g. subcontracted service workers, third-party workers)	0	0

3.6	Provide the gender balance (as a percentage ((%) of the figures presented at 3.5) for each contract types.	I	PUBLIC	Rule 9 (max 2 points)	Table
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Contract type	Female (%) for each contract type	Male (%) for each contract type	Non-binary (%) for each contract type
Contractors (independent, self-employed)	n/a	n/a	n/a
Agency workers (e.g. labour agency, recruitment agency workers)	n/a	n/a	n/a
Franchisee workers	n/a	n/a	n/a
Other workers (e.g. subcontracted service workers, third-party workers)	n/a	n/a	n/a

3.7	Scope of disclosure (relates to 3.5-3.7)	Mandatory Public	Not scored	Dropdown
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- domestic operations/HQ only
- all significant operating locations
- ≤25% of direct operations workforce
- 26%-50% of direct operations workforce - selected**
- 51%-75% of direct operations workforce
- ≥76% of direct operations workforce
- All direct operations workforce – selected

3.8	Has the proportion of workers on contingent contracts (i.e. fixed-term/temporary employees, contractors, agency workers and/or other workers) increased or decreased substantively over the last reporting period?	I	PUBLIC	Not scored	Yes/No 150 words
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Yes

Please provide information:

The proportion of second party contract workers has dropped from 10.6% to 7.7% which is a reduction of just over 1,400 people and mainly due to the planned transformation of our business.

4 DIVERSITY AND INCLUSION

Monitoring diversity and inclusion

Question Number	Question Text	Question Tier	Privacy setting of Answer	Scoring Information	Answer Criteria
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4.1	What action has the company taken, or intends to take, to improve diversity and inclusion? State any time-bound diversity and inclusion		PUBLIC		250 word limit
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	targets and/or KPIs set and progress achieved, as applicable. Attach or upload documents or policies as relevant.			
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We're passionate about creating an inclusive workplace where everyone can be themselves and reach their full potential. We want all the different dimensions of diversity to be championed and valued – from gender, race and sexuality to religion, disability and any other factor. Towards this, we've set 2030 Responsible Business Ambitions that aspires for senior leadership to reflect the full diversity of our labour markets, attracts more women into STEM with 40% of recruits to be female and helping one million carers stay in or return to work. These are areas we can make the greatest difference by embedding action plans and monitoring progress. Our forward-thinking policies also support inclusion, run awareness training, roll-out engagement surveys to seek feedback for improvement, as well as consulting employee networks on issues like women, ethnicity, disability and LGBTQ+, to enhance understanding and action. Creating an inclusive team can be challenging but we're making progress. In 2019 for example, we progressed our carer positive culture by extending our world-class carers leave allowance to up to six weeks in total when matched with annual leave and advocated for the introduction of statutory carers leave in the UK which now forms part of the UK Government's legislative programme. We estimate the financial benefits from supporting employees with a flexible carer policy saves ~£1.8m annually by providing paid leave and peer support to avoid unplanned absences, presenteeism and recruitment costs.

Diversity, Respect and Inclusion Policy (full document) -

https://www.centrica.com/media/2585/centrica_diversity_respect_and_inclusion_policy_0.pdf

Responsible Business Ambitions Brochure (pages 9-10, 13-14) – <https://www.centrica.com/RBA19>

4.2	Provide the percentage (%) of the company's total direct operations workforce within each age category.	F	Mandatory Public	Rule 4 (max 2 points)	Table
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Age group	Percentage (%) of total direct operations workforce
<30 years old	17
30-50 years old	65
>50 years old	18

Provide the percentage (%) of the company's total direct operations workforce by race or ethnicity.

Question Number	Question Text	Question Tier	Privacy setting of Answer	Scoring Information	Answer Criteria
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4.3	Please enter the details in the following table	C	PUBLIC	2 points	Table
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Race or ethnicity category	Percentage (%) of total direct operations workforce
Ethnic minority	13

4.4	Provide the percentage (%) of the company's total direct operations workforce in leadership positions by gender.	F	Mandatory Public	Rule 10 (max 4 points)	Table
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Seniority level	Percentage (%) of total direct operations workforce	Female (%) at each seniority level	Male (%) at each seniority level	Non-binary (%) at each seniority level
Board	0.04	17	83	0
Executive committee (senior executives, C-Suite)	0.09	35	65	0
Senior management (any position/individual who directly reports to the Executive committee)	3	29	71	0

Provide the percentage (%) of the company's total direct operations workforce in leadership positions by race or ethnicity.

Question Number	Question Text	Question Tier	Privacy setting of Answer	Scoring Information	Answer Criteria
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4.5	Please enter the details in the following table		PUBLIC		Table
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Race or ethnicity category	Board (%)	Executive committee (senior executives, C-Suite) (%)	Senior management (any position/individual who directly reports to the Executive committee) (%)
Ethnic minority	25	18	10

4.6	What action has the company taken, or intends to take, to increase diversity in leadership positions? Include details on senior leadership training and mentoring opportunities provided and uptake among under-represented demographic groups, as applicable.	C	PUBLIC	Rule 1 (1 point)	250 word limit
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For companies to be their best, leadership need to have a range of backgrounds and experiences. That's why we set 2030 Responsible Business Ambitions to aspire for our leadership team to reflect the full diversity of our communities. This breaks down as aiming to have 47% female and 14% ethnic minority representation by 2030, with milestones that support the Hampton Alexander and Parker Review targets, as well as encouraging representation from wider diversity dimensions. We're working to achieve these goals through initiatives including succession planning to build a more diverse talent pipeline. Succession plans are monitored on an ongoing basis by the Head of Organisational Development, overseen by Senior HR Managers and reviewed periodically by the Board. Plans are adjusted as needed and enabled through initiatives such as diverse shortlists by recruiters as well as targeted in-house training and mentoring. For example, we leverage our high potential talent programmes and secondments to support mid-career women and ethnic minorities while our mentoring programmes empower colleagues to amplify personal and professional development – from in-house mentoring which pairs colleagues with senior leaders or reverse mentoring that pairs junior with more experienced workers to facilitate two-way learning, and cross-sector mentoring via the 30% Club. Effectiveness of training and mentoring are monitored and

measured, with programmes adjusted if they do not perform as expected. In addition to these focuses, our flexible working practices and carer-friendly policies have enabled many senior leaders to progress their careers while balancing family or further education commitments.

4.7	Provide the rate of internal hires (as percentage (%) of total internal hires) by gender.	I	PUBLIC	Rule 4 (max 3 points)	Table
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Gender	Internal hire rate (%)
Female	34
Male	66
Non-binary	0

Provide the rate of internal hires (as percentage (%) of total internal hires) by race or ethnicity.

Question Number	Question Text	Question Tier	Privacy setting of Answer	Scoring Information	Answer Criteria
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	Please enter the details in the following table	C	PUBLIC		Table
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Race or ethnicity category	Internal hire rate (%)
Ethnic minority	15

4.9	Scope of disclosure (relates to Q4.2-4.8): - what part(s) of the business does this data cover? - if providing ethnicity data, state the source of the ethnicity categories used in Q4.4 or provide more information on how the categories are defined if using an internal classification system - If the company is restricted from collecting data on employees' age, race or ethnicity, state which jurisdictions this restriction applies to.	PUBLIC	Not scored	250 word limit
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Data relating to gender and age spans all workers across the business. Meanwhile, ethnicity data encapsulates information from employees on a voluntary basis for those based in the UK and US, which is where the majority of our workforce is based. We do not collect diversity data for contingent workers.

Parental leave

Question Number	Question Text	Question Tier	Privacy setting of Answer	Scoring Information	Answer Criteria
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4.10	Does the company have a shared parental leave policy that exceeds the statutory minimum requirements?	F	PUBLIC	Not scored (150 word count limit)	Yes/No
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No

If yes, provide more information:

Having a baby or adopting a child is an exciting time but getting to grips with your rights as an employee can be challenging. We have set out what employees are entitled to in our Group-wide Parents and Family Leave Policy, which is supported by a series of toolkits to help managers and colleagues' access and understand entitlements and remind users of the key stages of the process. The policy spans maternity leave, adoption, shared parental leave and more. Our policy currently meets the statutory legal requirements for shared parental leave which is considered sufficiently generous although we always review key policies like this on an at least annually basis, to ensure our position meets the changing needs of the business, our colleagues and wider stakeholders. Our position may therefore change in the future. Last year, we did however, increase flexibility around time off for appointments including IVF and adoption leave. More information about our policy is available in the attached document (full document): [following internal document to be downloaded and uploaded as not published externally on centrica.com:

<https://centricapl.sharepoint.com/sites/intranet/our-businesses/functions/hr/Documents/Official%20version-controlled/Parents%20and%20Family%20Leave%20Policy.pdf>].

Discrimination and harassment

Question Number	Question Text	Question Tier	Privacy setting of Answer	Scoring Information	Answer Criteria
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4.11	Does the company have a public policy on discrimination and harassment, or similar?	F	Mandatory Public	Rule 3 (1 point for Yes)	Yes/No
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Yes

Please provide more information:

Centrica has a Group-wide Diversity Respect and Inclusion Policy. We recognise the value that individuals from different backgrounds and different abilities can bring to our business and we want to ensure that each employee is respected and can fulfil their potential. This policy sets out our zero-tolerance approach to discrimination and harassment.

More information is available in our policy (full document):

https://www.centrica.com/media/2585/centrica_diversity_respect_and_inclusion_policy_0.pdf

4.12	Provide the number of discrimination and harassment incidents reported and resolved in the reporting period.	C	PUBLIC		Table
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Discrimination and harassment incidents reported	Discrimination and harassment incidents resolved
231	231

5 WORKFORCE WAGE LEVELS AND PAY GAPS

Pay gaps and pay ratios

Question Number	Question Text	Question Tier	Privacy setting of Answer	Scoring Information	Answer Criteria
5.1	Provide the CEO to median worker pay ratio.	F	PUBLIC	Rule 6 (max 1 points) (150 word count limit)	Table

CEO- median worker pay ratio	Explanation [not scored]
29:1	Our median pay ratio is 29:1 which is down from 59.1 in 2018 as a result of our outgoing CEO, Iain Conn's, total remuneration package not including an annual bonus or the value of a long-term share award vest. The Company has used its gender pay gap data (Option B in the Directors' Reporting Regulations) to determine the employees with remuneration packages that sit at the lower, median and upper quartile positions across the UK workforce. This is deemed the most appropriate methodology for Centrica given the different pension and benefit arrangements across the diverse UK workforce.

5.2	Provide the company's median gender pay gap for the company's domestic operations.	I	PUBLIC	Rule 6 (max 1 points) (150 word count limit)	Table
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Gender pay gap (%)	Explanation [not scored]
30%	Our gender pay gap was 14% mean and 30% median in 2019, using the mandated methodology to calculate in the UK. Like many companies with roles rooted in STEM, our gap is primarily driven by a greater number of men in higher paid technical roles like gas and electrical engineering which make up a significant proportion of our workforce, and more women working in roles such as customer service and administration which are essential to our business but are less specialist and lower paid. We expect to make progress in closing our gap over the long term but recognise it may fluctuate as our business goes through transformation. We are working to reduce the gap but believe it will take time for the positive impact of our diversity and inclusion action plan to transform our business, sector and society. We do not have an equal pay issue.

5.3	Provide the company's median ethnicity pay gap for the company's domestic operations.	C	PUBLIC	Rule 6 (max 1 points)	Table
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Ethnicity pay gap (%)	Explanation [not scored]
n/a	n/a

5.4	What action has the company taken, or intends to take, to reduce pay ratios and gaps? State any KPIs and progress towards these, as applicable.	I	PUBLIC	Rule 1 (1 point)	250 word limit
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We strive to reduce pay ratios and gaps but recognise it will take time for the positive impact of our action to transform our business, sector and society. We are building a more diverse and inclusive workforce through initiatives including: 1) setting Responsible Business Ambitions that aspire

for our senior leadership to reflect our communities with 47% female and 14% ethnic minority representation by 2030, together with milestones to meet the Hampton Alexander 33% of women in senior leadership target and maintain compliance with the Parker Review target to have at least one member of colour on the Board by 2022 alongside wider diversity dimensions, 2) providing training and mentoring for high potential employees from under-represented backgrounds to enhance capability and opportunity for accelerating careers, 3) embedding recruitment processes to attract diverse candidates – from gender neutral language in job adverts and diverse recruitment panels, to challenging recruiters to present gender balanced shortlists, 4) growing our inclusive culture to enable under-represented groups to flourish by raising awareness of discrimination/blockers via events and unconscious bias training, as well as taking action on feedback from focus groups, surveys and consultations, 5) providing policies that support inclusion which includes flexible working as well as our best-in-class support to carers so that they can better balance work with caring responsibilities, 6) developing a pipeline of diverse talent through partnerships with organisations like PwC’s TechWeCan, and 7) reviewing our pay structures to ensure everyone is rewarded fairly.

Wage levels

Question Number	Question Text	Question Tier	Privacy setting of Answer	Scoring Information	Answer Criteria
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5.5	Provide the percentage (%) of female and male employees in the bottom, lower middle, upper middle, and upper pay quartiles.	F	PUBLIC	Rule 4 (max 4 points)	Table
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Pay quartile	% Female	% Male
Upper	24	76
Upper-middle	11	89
Lower-middle	25	75
Bottom	49	51

5.6	Please provide the gender balance of the figure provided at 3.37 (as a percentage (%))	C	PUBLIC	Rule 5 (max 2 points)	Table
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Female (%)	Male (%)
29	71

Living wages

Question Number	Question Text	Question Tier	Privacy setting of Answer	Scoring Information	Answer Criteria
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5.7	To what extent does the company pay its employees a living wage or above? Select one option from the drop-down list as applicable.	I	PUBLIC	Rule 1 (1 point)	Dropdown
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- Not in any direct operations
- 1 location only – selected**
- More than 1 location
- All global operations

5.8	Provide more detail, including the company's methodology used for determining whether at least a living wage is paid.	I	PUBLIC	Rule 1 (1 point)	250 word limit
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Over 20,000 people work for Centrica and British Gas in the UK, which is where we have made the commitment to pay at least the living wage. To ensure we deliver this commitment, the principle is enshrined in Our Code and related HR policies. From a practical perspective, it's also embedding in our HR pay systems and processes which includes having checks in Centrica People Services systems and rules/alerts in our HR management system, Workday, to prevent employee salaries being less than the living wage. More broadly, we use the Hay Job Evaluation Methodology to standardise our approach to job grading and reward when benchmarked against peers, to ensure fair pay across our global operations. We also consult with colleagues individually and via collective consultation through negotiation with Trade Unions and/or employee representatives, so that everyone has the opportunity to share feedback and provide alternative proposals. All of these processes are reviewed at least annually by HR centrally, to ensure we pay our people fairly and uphold the living wage in the UK.

5.9	How is the company working to improve wage levels for its contractors and other workers, if not already paying at least a living wage? Include details on the methodology used to assess wage levels.	I	PUBLIC	Rule 1 (1 point)	250 word limit
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We operate fair and transparent reward and recognition processes that are supportive of employment rights, development and fair wages. In countries that do not operate a formal living wage, we pay at least the minimum wage or a fair representation of the prevailing sector wage, and will comply with the laws on fair wages in the countries in which we operate. Contractors and other workers' rights are protected through various activities including third party expert resource at resource agencies and civil society organisations, as needed. As a signatory to the Living Wage, we also ask that our suppliers uphold this commitment to safeguard workers in our supply chain which is set out in our Procurement and CR Policy for Suppliers.

6 STABILITY

Employee turnover rates

Question Number	Question Text	Question Tier	Privacy setting of Answer	Scoring Information	Answer Criteria
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6.1	Provide the total, involuntary and voluntary employee turnover rates (as a percentage (%)) during the reporting period and for female and male employees.	F	Mandatory Public	Rule 10 (max 4 points)	Table
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Turnover category	Total turnover rate (%) of all direct operations	Turnover rate (%) for female workers	Turnover rate (%) for male workers
Involuntary	13	14	12
Voluntary	11	12	11

6.2	Provide the number and rate (as a percentage (%)) of employee turnover by contract type (if no employees on any one of the contract types, state "n/a").	I	PUBLIC	Rule 4 (max 2 points)	Table
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Contract type	Total turnover rate (%)
Indefinite/permanent employees	23
Fixed-term/temporary contract employees	101

101% for fixed term and contract workers means that we hired and terminated more that we had at the start of the year. Some contractors would have been hired and terminated within the reporting period hence the ability to be 100%+.

Changes to employee turnover rates

Question Number	Question Text	Question Tier	Privacy setting of Answer	Scoring Information	Answer Criteria
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6.3	Describe how the company's turnover rate has changed significantly since the last reporting period and explain any increase or decrease for any particular category of workers. If turnover has remained stable, state this.	I	PUBLIC	Rule 1 (1 point)	250 word limit
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As part of our strategic transformation, business headcount reduced by 3,588 in 2019. The regrettable loss of colleagues from the business was planned and forms part of the necessary changes we're making to our business to transform it into one that's truly focused on delivering for our customers and to be a business that's leaner, more modern and sustainable. As a result of this large-scale change, we recognise that our retention levels may be lower than sector or industry averages. Losses were felt across operating geographies, job profiles and contract types. As we re-emerge from our transformation, we will look to increase employee engagement to ensure that we can retain our talented team to go forward and succeed together.

7 TRAINING AND DEVELOPMENT

Training and development strategy

Question Number	Question Text	Question Tier	Privacy setting of Answer	Scoring Information	Answer Criteria
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7.1	Describe the company's strategy for developing the skills and capabilities of employees. State the KPIs as applicable.	F	PUBLIC	Rule 1 (1 point)	250 word limit
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Effective learning and development opportunities is key to build the right capabilities for our people to flourish and better serve our customers. All colleagues are offered voluntary and mandatory opportunities which are delivered through multiple formats across multiple issues. For example, we offer modular learning online via our Career Development Hub and Career Academies on areas such as digital skills and leadership, bitesize mandatory training via our HR Workday system for issues like customer service or HSE, longer-term training through our British Gas engineering apprenticeship academies and Centrica graduate programme to plug key skills, provision of funding and/or sabbaticals for pursuing external training/higher education like Certified Professional Learning or a Masters' Degree to develop the skills we need to run and grow our business with a guaranteed return to employment, and funding event attendance across all of these issues. Internal and external mentoring schemes, as well as executive coaching are also viewed as central to our training and development ecosystem. Timing of training can also vary with some offerings being available on demand like the online modules in our Career Development Hub which enables everyone to progress their personal development plan when they want, while others will have an annual controlled intake such as our British Gas engineering apprenticeships. Efficacy of training is evaluated according to the type of training – from NPS and other satisfaction measures, to return on investment and retention.

7.2	How does the company identify and address skills gaps and training need on an ongoing basis? Provide details on how	F	Mandatory Public	Rule 1 (1 point)	250 word limit
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	consulting with workers and/or worker representative bodies informs the process, as applicable.				
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Ensuring we identify the skills to deliver now and in the future is essential. On an individual basis, skills gaps and training are identified through employee and line manager quarterly performance reviews. Employees can then access a range of development material through the methods set out in Q7.1. For large strategic projects and future skills priorities, our Head of Organisational Development and Leadership works closely with leaders across the business on an ongoing basis to identify skills gaps and plan future training needs. As part of this, we also seek feedback from stakeholders like colleagues and trade union representatives including employee networks, as well as through our annual engagement survey, to focus action in the right place and ensure their views are considered when developing or altering offerings through focus groups, surveys or formal meetings. We know that STEM skills are vital to the energy transition and our future success – from skills for installing and maintaining green services and solutions, to digital skills for harnessing and driving technology innovations. As there is a global shortage of STEM skills, we introduced 2030 Responsible Business Ambitions to inspire more women into STEM and provide training opportunities for those from other under-represented groups. The Ambitions are reviewed by leaders and Board Committees throughout the year to ensure we remain on track and adapt plans if performance or needs change. Due to their newness, it's too early to see meaningful improvements but we're embedding succession plans and developing offerings to widen participation.

Tracking training and development

Question Number	Question Text	Question Tier	Privacy setting of Answer	Scoring Information	Answer Criteria
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7.3	Provide the average number of hours of training provided to employees (on an FTE basis) by gender (female and male only).	I	PUBLIC	Rule 5 (max 2 points)	Table
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Female average FTE training hours	Male average FTE training hours
-	-

The data available to us means that we are unable to complete this field but we will look to do so in future years.

7.4	Describe two example trainings provided to employees to develop or upgrade their skills in line with their existing or a new role.	I	PUBLIC	Rule 7 (max 2 points)	Table
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Job function/role	Example of training programme provided (150 words)
Engineer	Having installed over 17,200 electric vehicle (EV) charge points since 2013, we want to continue to grow the infrastructure for a low carbon transport system. To do this, we need to expand installation capacity to meet growing demand so in 2019, we started to cross-train selected service and repair engineers. This enabled them to offer the EV charge point installation service above and beyond their core services focused on keeping homes and businesses running. By the end of 2020, 100 of our 8,000 engineers were upskilled and while we do not need all of our engineers to have this capability, we want to ramp up our cross-training in the future given its success in helping engineers do their job more efficiently while giving customers what they need and want.
Reverse mentoring	It can be hard to develop soft skills as well as an understanding of how best to work with people at different stages of their careers and life. So we've rolled out reverse mentoring which works by pairing senior colleagues with less experienced high-performing members of the company, enabling them to learn mutually from one another. We have 20 members of our Centrica Leadership Team involved in reverse mentoring including our Group Chief Executive and 50 participants. The initiative has been used to support the development of under-represented groups including ethnic minorities and females at 57% and 37% respectively. Success is measured via quantitative and qualitative feedback which has been overwhelmingly positive from both parties, in helping develop core skills to excel in their job and progress their careers. Following its success, we're rolling out the scheme to even more employees.

7.5	Provide the average number of hours of training provided to employees (on an FTE basis) by contract type (if no employees on any one of the contract types, state "n/a").	F	PUBLIC	Rule 4 (max 2 points)	Table
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Contract type	Average number of FTE training hours
Indefinite/permanent employees	28
Fixed-term/temporary contract employees	6

7.6	Describe any differences in access to training and development opportunities between the company's indefinite/permanent employees and its fixed-term/temporary employees, contractors and other direct operations workers.	I	PUBLIC	Rule 1 (1 point)	250 word limit
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Employees of all types alongside contractors and other direct operations workers, typically have access to the same training and development opportunities from the very outset of their employment with us. For example, all employees including fixed term/temporary workers and contractors, have access to our HR management system, Workday, to undertake all sorts of training including inductions and refresher training alongside new skills content. Induction modules can be specific to the area of the business or type of role an employee does, but all employees will need to undertake the relevant induction training for their area of the business to ensure they can do their job well. One of the key differences for contractors in how they are treated, is in instances where a learning request to upskill involves enrolment onto a course that requires a financial contribution. This is because contractors are typically enlisted on the underlying assumption that they should already have the skills they need to do the job, and so these requests are dealt with on a case-by-case basis to ensure we fully understand the requirement and can be confident of a return on investment. Another difference is that in some front-line areas like customer service or engineering, learning time is often scheduled in to enable easier completion of mandatory elements. However, all colleagues are generally encouraged to dip in and out of learning content over and above scheduled periods set aside for mandatory learning requirements.

7.7	How does the company measure the impact of its training programmes on business productivity and worker satisfaction?	F	PUBLIC	Rule 1 (1 point)	250 word limit
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Ensuring training does what it's intended to do is essential. That's why core offerings are assessed for their impact on business productivity and colleague satisfaction. Quantitative and qualitative measures are used to track impact and varies according to the training delivered. For example, digital learning modules in our HR management system involve a test at the end either via the e-learn module itself or in a follow-up face-to-face session, which we use to judge success as we know that if they pass, the key learnings have been understood. All digital modules like these are also star-rated by colleagues in real-time, enabling us to understand which modules are working well and which ones can be improved. Star-ratings are reviewed at least annually, and insights are used to develop enhanced training for courses the following year. Meanwhile in contact centres, our 'Be Brilliant' training to deliver an excellent service is run and following completion, team leaders monitor success by observing their team's effectiveness on-the-ground and provide programme feedback to ensure its constantly tweaked to better serve the needs of customers, while further

coaching sessions are rolled out where development is needed in the interim. And for classroom-based learning, we use the standard Kirkpatrick Model of learning evaluation which includes post course evaluation. Across all of these and more, we work with stakeholders and sponsors to identify what 'good' looks like and which specific measures are best used to measure business productivity which can include return on investment, customer NPS and employee engagement.

8 HEALTH, SAFETY AND WELLBEING

Occupational health and safety

Question Number	Question Text	Question Tier	Privacy setting of Answer	Scoring Information	Answer Criteria
8.1	Describe the company's strategy for identifying and managing health and safety risks and hazards in the workplace, including through audits, training and the provision of personal protective equipment. State the KPIs as applicable.	F	Mandatory Public	Rule 1 (1 point)	250 word limit

Workplace health and safety (H&S) risks are managed through Group-wide policies, standards, operating procedures, risk assessments and controls that complement the legal and regulatory requirements across jurisdictions. As needed, these are available in appropriate languages and accessible formats. Systems of work and controls prescribe safe ways to work including permits, pre-task checks and personal protective equipment whereby PPE was heavily used during the pandemic to ensure our people and customers were protected while we kept homes and businesses running. Workers receive a HSE induction and job-specific training and field workers are trained to conduct risk assessments where they work. Their managers perform periodic inspections, track refresher training, conduct 'Toolbox Talks' and discuss issues with their teams to ensure high standards. Each business has a H&S management system, risk register and dedicated H&S professionals to support operations as well as perform first line of defence activities. Observations, incidents and actions are recorded in a central system; with incidents investigated and corrective actions agreed/tracked. For significant incidents, lessons learned are shared Group-wide to mitigate recurrence. We operate industrial hygiene surveillance programmes for specific risks including noise, vibration, heat and dust. A dedicated H&S assurance team run annual audits to independently assess compliance with regulations, internal standards and systems. Business divisions and Board-level leaders review monthly KPIs including total recordable injury frequency rate and vehicle accident rate to ensure good governance and improvements. The policy, standards and management systems are periodically reviewed and updated according to regulatory changes, risks, audit findings and performance.

8.2	Does the company consult with workers and/or worker representative bodies when developing and evaluating health and safety policies and practices?	F	PUBLIC	Rule 3 (1 point for Yes) (250 words)	Yes/No
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Yes

Please provide more information:

Workers are consulted when devising or updating policies and practices. Examples include engagement with UK Trade Union Safety Representatives who review and observe the investigation of incidents involving their members and input into procedural changes. We also run worker consultations, trials and feedback loops for business division specific initiatives that address specific issues, such as improving field worker posture to help prevent future musculoskeletal injuries or in the design of racking systems for field-worker vans. Dedicated H&S professionals within each business division maintain their management system, risk assessments, controls and procedures, with input from their operating colleagues to ensure they remain robust and effective.

Provide the total number and/or rate of work-related injuries or ill health (excluding fatalities), as well as the change in the number of incidents since the last reporting period, for employees for each of the company's significant operating locations.

Question Number	Question Text	Question Tier	Privacy setting of Answer	Scoring Information	Answer Criteria
8.3	Please enter the details in the following table	F	Mandatory Public		Table

Significant operating location	Number of work-related injuries or ill health (excluding fatalities)	Change in the number of incidents since the last reporting period	Rate (%)	How rate is calculated
Global/Group	1,658	-451	5.29	No of Injuries + No of Ill Healths (MAT)*200000/Hrs Worked (MAT)
UK	1,571	-464	5.99	No of Injuries + No of Ill Healths (MAT)*200000/Hrs Worked (MAT)
Europe	20	+6	2.25	No of Injuries + No of Ill Healths (MAT)*200000/Hrs Worked (MAT)
North America	67	+9	1.70	No of Injuries + No of Ill Healths (MAT)*200000/Hrs Worked (MAT)

Provide the total number and/or rate of fatalities as a result of work-related injury, as well as the change in the number of incidents since the last reporting period, for employees for each of the company's significant operating locations.

Question Number	Question Text	Question Tier	Privacy setting of Answer	Scoring Information	Answer Criteria
8.4	Please enter the details in the following table	F	Mandatory Public		Table

Significant operating location	Number of fatalities as a result of work-related injury	Change in the number of incidents since the last reporting period	Rate (%)	How rate is calculated
Global/Group	0	0	0.00	No of Fatalities (MAT) * 200000 /Hrs Worked (MAT)
UK	0	0	0.00	No of Fatalities (MAT) * 200000 /Hrs Worked (MAT)
Europe	0	0	0.00	No of Fatalities (MAT) * 200000 /Hrs Worked (MAT)
North America	0	0	0.00	No of Fatalities (MAT) * 200000 /Hrs Worked (MAT)

Provide the total number and/or rate of work-related injuries or ill health (excluding fatalities), as well as the change in the number of incidents since the last reporting period, for other direct operations workers for each of the company's significant operating locations.

Question Number	Question Text	Question Tier	Privacy setting of Answer	Scoring Information	Answer Criteria
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8.5	Please enter the details in the following table	F	PUBLIC	Table
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Significant operating location	Number of work-related injuries or ill health (excluding fatalities) for other direct operations workers	Change in the number of incidents since the last reporting period	Rate (%)	How rate is calculated
Global/Group	226	-139	4.19	=No of Injuries + No of Ill Healths (MAT)*200000/Hrs Worked (MAT)
UK	296	+31	6.24	=No of Injuries + No of Ill Healths (MAT)*200000/Hrs Worked (MAT)
Europe	6	-2	1.97	=No of Injuries + No of Ill Healths (MAT)*200000/Hrs Worked (MAT)
North America	8	0	2.52	=No of Injuries + No of Ill Healths (MAT)*200000/Hrs Worked (MAT)

Provide the of total number and/or rate of fatalities as a result of work-related injury, as well as the change in the number of incidents since the last reporting period, for other direct operations workers for each of the company's significant operating locations (if none, state.

Question Number	Question Text	Question Tier	Privacy setting of Answer	Scoring Information	Answer Criteria
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8.6	Please enter the details in the following table	F	PUBLIC	Table
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Significant operating location	Number of fatalities as a result of work-related injury for other direct operations workers	Change in the number of incidents since the last reporting period	Rate (%)	How rate is calculated
Global	0	0	0.00	No of Fatalities (MAT) * 200000 /Hrs Worked (MAT)
UK	0	0	0.00	No of Fatalities (MAT) * 200000 /Hrs Worked (MAT)
Europe	0	0	0.00	No of Fatalities (MAT) * 200000 /Hrs Worked (MAT)
North America	0	0	0.00	No of Fatalities (MAT) * 200000 /Hrs Worked (MAT)

8.7	Scope of disclosure (relates to Q8.6-8.8)	PUBLIC	Not scored	Dropdown
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- Contractors (e.g. independent, self-employed) – selected**
- Agency workers (e.g. labour agency, recruitment agency workers) – selected**
- Franchisee workers – selected**
- Other workers (e.g. subcontracted service workers, third-party contract workers)

Mental health risks and safeguarding

Question Number	Question Text	Question Tier	Privacy setting of Answer	Scoring Information	Answer Criteria
8.8	Does the company monitor and report on employee mental health and well-being, such as sick days due to mental health?	F	PUBLIC	Not scored	Yes/No (250 words)

Yes

Please provide details:

Looking after our people’s mental health is a key focus and encapsulates a persons’ psychological, emotional and social well-being. We encourage colleagues to speak up if they need help and advise them to take time out if they’re struggling with their mental health, with absence recorded in our Workday HR management system which as needed, enables the employee to trigger further support via our health schemes. Time out can vary according to the needs of the situation and is agreed between the manager and individual, in line with our sick leave policy. Colleagues are supported back into work when they feel able with the option of a phased return to ensure they do not take too much on too soon. Mental health absence is closely monitored centrally via the tracking of the number of incidences which is reviewed throughout the year and used to identify trends as well as help us target relevant action such as signposting the support of our comprehensive suite of mental health support.

8.9	Does the company integrate mental health safeguarding into job design and workplace conditions?	C	PUBLIC	Not scored	Yes/No 250 words
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Yes

Please provide details:

We consider the effect of physical and mental health when designing roles and adopt 'good work' principles. For example, at the outset of designing a job or when a job changes, we strive to ensure factors including fair hours and patterns of work are considered as well as access to flexible working and making sure the work offered is meaningful. If we look to change our working practices, we seek the views of key stakeholders such as those of our people and trade unions. Through engagement, we're able to fully consider all potential impacts and use the feedback to further shape and strengthen proposals together, to create a solution that works well for all parties. Any changes to working practices are closely monitored to ensure the proposals work in practice. How we do this can vary depending on the specific change and can include moving to remote working or making changes to working hours. In these instances, we seek direct feedback and evaluate wider metrics such as engagement, productivity and retention wherever possible.

8.10	Identify the company's operating locations, business lines and workforce demographics where physical and/or mental health and safety risks and injuries are reported to be higher, and any processes in place to address problem areas.	F	PUBLIC	Rule 1 (1 point)	250 word limit
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Incidence of mental health is spread relatively evenly across jurisdictions but is slightly higher in the UK. This relatively even spread is likely due to our Group-wide campaigns to raise awareness about the importance of being open about mental health issues and proactively seeking help, with role-modelling from the Group Chief Executive. It's also likely due to our global population being affected by the pandemic as well as the reorganisation of our business, both of which have the potential to impact on mental health. As for the slightly higher reports of mental health incidence in the UK, we believe this is down to more of a societal culture where employees feel able to raise issues and have time away from work when they really need it. The data does not show meaningful trends in terms of particular roles impacted by mental health but this is something we always monitor in case insights develop so we can target action. To help reduce incidence and look after colleague's mental health, we have strengthened our ecosystem of wellbeing support which includes a 24/7 My Care support line, the 'Unmind' app and our 150-strong network of Mental Health First Aiders to better identify and support those in need. We have also run campaigns to educate people that we're all on a spectrum of mental health, and get people to talk about their mental health issues as well as better signpost where they can go to for help.

Worker wellbeing

Question Number	Question Text	Question Tier	Privacy setting of Answer	Scoring Information	Answer Criteria
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8.11	Does the company offer a health and well-being programme?	I	Mandatory Public	Not scored (150 words)	Yes/No
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Yes

If yes, please provide details, provide details on the outcome of one wellbeing programme or action.

Our 150-strong Mental Health First Aiders (MHFA) are trained by accredited MHFA instructors, and are there to signpost colleagues to the most appropriate support available. Feedback has been overwhelmingly positive, with those affected feeling huge relief to have someone they can talk with confidentially without burdening friends and family. And having someone to discuss what support is available and how to access it, has helped colleagues feel more confident about seeking further support. The MHFA's are also trained to identify and approach someone who looks like they may need a helping hand but aren't able to ask for it. As a result of this initiative, we've seen an increase in the reporting of mental health incidence which is positive as it shows that more people now feel comfortable to get help. We hope our MHFA's will help improve return to work rates by facilitating earlier interventions.

Response to Covid-19

Question Number	Question Text	Question Tier	Privacy setting of Answer	Scoring Information	Answer Criteria
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8.12	What measures does the company have in place to ensure that workers who are unwell take sick leave, and other necessary leave, and are protected economically if they need to do so?	F	Mandatory Public	Rule 1 (1 point)	500 word limit
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If workers are unwell, we provide sick leave and other necessary leave to ensure they are economically protected in their time of need and won't be penalised for taking absences that go beyond local government requirements. Our sick pay relates to absence of more than one day if a colleague is unwell and specifically includes generous protections such as enhanced Company Sick Pay and Group Income Protection Schemes. By logging sick leave in our Workday HR management system, we can formalise the process and ensure the employee gets the relevant help they may need. For example, all sickness absences are passed to our MyHealth Case Management team to assess/triage each absence and depending upon the nature of sickness, will drive further interventions from our MyHealth suite of support to ensure appropriate treatment or action is provided and the underlying issues are identified and where possible addressed. It's in everyone's interest for the employee to get better so the line manager will also have guided conversations with them at key stages of absence to see how they are doing and monitor when and how they are best to come back to work which may include a phased return so that they do not take on too much too soon. Other appropriate absences that may be relevant

in these instances and can also be taken at the relevant time, include bereavement leave and carers leave, whereby we provide world-class support of up to six weeks paid leave to help better balance work with caring responsibilities. For the duration of the pandemic, we have also temporarily amended our policies to ensure that any Covid-related absence does not have a detrimental impact on colleagues' pay and includes ensuring that colleagues who need to self-isolate are not financially impacted.

8.13	Which workers are covered? Select all that apply from the drop-down list.	F	Mandatory Public	Rule 1 (1 point)	Dropdown
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- Indefinite/Permanent employees – selected
- Fixed-term/temporary employees – selected
- Non-guaranteed hours employees (e.g. casual workers, on-call employees, zero-hours contracts/on-call employees)
- Contractors (e.g. independent, self-employed) – selected
- Agency workers (e.g. labour agency, recruitment agency workers) – selected
- Franchisee workers – selected
- Other workers (e.g. subcontracted service workers, third-party contract workers) – selected

8.14	What steps, if any, is the company taking to protect the physical and mental health of its workforce during the COVID-19 crisis, including their safe return to the workplace? Where new health and safety policies have been introduced in response to COVID-19, state whether these will remain in place beyond the current pandemic period.	I	PUBLIC	Rule 1 (1 point)	500 word limit
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We have a culture of health and wellbeing (mental, physical, emotional and financial) which provides the right support at the right time. During the pandemic, we strengthened this process by 1) launching a new mobile-friendly one-stop-shop site for colleagues to access the latest information and guidance about our support suite and in relation to Covid-19, 2) diversified our 150-strong Mental Health First Aiders' Network to support colleagues remotely; 3) worked to build a more open culture to raise awareness and encourage colleagues to speak up and access support via communications from senior leaders including our Group Chief Executive, network leaders and more; 4) better signposted the support available through channels like our virtual townhalls, leader newsletters and webinars to boost take-up of support such as the 'Unmind' wellbeing app and healthcare plans, and 5) encouraged people to stay active with virtual gym sessions for all with Nuffield Health and rolled out gym membership incentives.

We also aimed to safeguard colleague concerns about their job which can affect mental health. For example, we 1) gave employees who did not already have homeworking facilities the ability to work from home and the flexibility to adjust working hours/days to accommodate caring responsibilities, 2) supported those who wanted to take part in the Emergency Volunteer Programme, military deployment or to get involved in our Trussell Trust partnership in which 95% of British Gas engineers said they felt good for contributing to their community, 3) temporarily amended policies to ensure that any Covid-related absence did not have a detrimental impact on colleagues' pay, 4) offered

colleagues flexible working if they were required to self-isolate following a foreign holiday to reduce any impact on employees and their pay and 5) maintained employee pay at 100% regardless of what came back from the job retention scheme.

Physical health was also protected. The transition to remote working for site-based colleagues occurred at the start of the pandemic and went smoothly by ensuring everyone had the tools needed. Although our sites adhere to government’s safety guidelines for the small number of colleagues who must work onsite, we don’t envisage a wider workforce transition to the office in the immediate future and our action will evolve in line with latest government advice. All field workers serving customers’ homes and businesses have been supplied with PPE and operate in a way that aligns to the guidance alongside running risk assessments devised in collaboration with colleagues and trade unions, to keep themselves and our customers safe. This included undertaking individual health assessments for each engineer to ensure appropriate protocols are in place and for engineers categorised as vulnerable, we additionally modified their work so that they could work from home and support colleagues remotely. It’s likely that post pandemic, we’ll harness the changing nature of how we’ve been working and consult our people and trade unions to increase flexibility to keep colleagues happy and productive. We’ll also continue our Trussell Trust partnership to boost engagement and create stronger communities.

9 WORKER VOICE AND REPRESENTATION

Freedom of association and collective bargaining

Question Number	Question Text	Question Tier	Privacy setting of Answer	Scoring Information	Answer Criteria
9.1	Describe the company's process for consulting with workers, their representative bodies and trade unions, as applicable, and other steps to secure workers' rights to freedom of association and collective bargaining.	F	PUBLIC	Rule 1 (1 point)	250 word limit

Working in partnership with trade unions is essential to achieving business objectives that benefit our people, customers and wider society. We therefore uphold the right for employees to be active trade union members. During 2019, we continued to work with our recognised trade unions supporting our employed trade union representatives with facilities time while engaging our trade unions in an open, transparent and collaborative way on a number of strategic matters. We held regular and structured in-person and virtual meetings as well as accessible consultations/negotiations (both statutory and voluntary) with unions on a local and national basis and in different areas of the business while spanning various levels of management including the Group Chief Executive. During the period we also engaged with our Trade Union National Officials on issues such as proposed large-scale organisational changes, mitigation of redundancies and achieving fair award agreements in our

pay negotiations. Engagement has enabled us to shape and implement outcomes to these issues that aim to create a fairer workplace for everyone across the business, while giving customers the service they want and need.

9.2	Provide the percentage (%) of employees covered by collective bargaining agreements for all locations in the direct operations	F	Mandatory Public	Rule 1 (1 point)	0
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80%

9.3	Scope of disclosure (relates to Q9.2)		Mandatory Public	Not scored	Dropdown
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- Domestic operations/HQ only
- All significant operating locations
- ≤25% of direct operations workforce
- 26%-50% of direct operations workforce
- 51%-75% of direct operations workforce
- ≥76% of direct operations workforce
- All direct operations workforce - selected**

Provide the percentage (%) of employees covered by collective bargaining agreements by each of the company's significant operating locations.

Question Number	Question Text	Question Tier	Privacy setting of Answer	Scoring Information	Answer Criteria
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	Please enter the details in the following table	I	PUBLIC		Table
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Significant operating location	Percentage (%) of employees in each location covered by collective bargaining agreements
Global/Group	63
UK	73
Europe	72
North America	0

9.5	How does the company secure the rights of other direct operations workers to collective bargaining?	F	PUBLIC	Rule 1 (1 point)	250 word limit
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The right of third-party workers to take up trade union membership is enshrined in Our Code and supported through our membership of the United Nations Global Compact, as well as our commitment to the UN Guiding Principles on Business and Human Rights. We therefore ensure that third party workers, including those in our supply chain, are enabled to enjoy these same rights through collective rights clauses in supplier contracts as set out in our Procurement and Corporate Responsibility Policy for Suppliers. Those who uphold this right and are committed to cascading them within their own supply chains, and are incentivised for doing so through being awarded a contract or gaining renewal on a contract, given this is one of the principles for being able to do business with us. Compliance is monitored via our risk processes for supplier onboarding whereby an analysis across labour practice is undertaken and if categorised as higher risk, we undertake further review processes which can include undergoing an ethical site inspection whereby relevant questions will be included that test the right to collective bargaining is in place.

Further information is available in Our Code, our UNGC Communication and Progress and Our Procurement and Corporate Responsibility Policy for Suppliers at https://www.centrica.com/media/3900/centrica_ungc_communication-on-progress-2018-19-vfinal.pdf and <https://www.centrica.com/media/4454/our-code.pdf> and https://www.centrica.com/media/2515/centrica_procurement_and_corporate_responsibility_policy_-for_suppliers20190827.pdf

9.6	Has the company identified any risks or restrictions to employees' right to freedom of association or collective bargaining in any of its direct operations?	I	PUBLIC	Not scored	Yes/No 250 word count
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No

Please provide more detail:

We believe the processes we have in place are sufficient in protecting employee rights to freedom of association and collective bargaining across our direct operations. For example, Our Code makes it clear that everyone is aware of our commitment in this area and are required to certify that they will uphold it via annual refresher training. We also provide an anonymous Speak Up helpline for anyone who feels freedom of association and collective bargaining is not being honoured which would enable us to investigate the concern and take appropriate action to rectify. Through regular engagement with workers and representative bodies as well as our recognised trade unions, we can ensure additional safeguards for these rights by actively participating in the process and raising awareness of the opportunity to participate while providing a safe forum to raise concerns directly or via representatives. As part of our enterprise risk management process, risks across labour practices are reviewed quarterly as set out in Q2.2.

Worker voice

Question Number	Question Text	Question Tier	Privacy setting of Answer	Scoring Information	Answer Criteria
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9.7	Describe the mechanism(s) for enabling workers' participation in corporate decision making, such as worker representation on the Board, having a Non-Executive Director with responsibility for employee engagement, town hall meetings etc.	F	PUBLIC	Rule 1 (1 point)	250 word limit
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The Board knows that having an engaged workforce is vital to delivering our strategy. So we engage, listen and respond to employee feedback to continuously improve how we do business. Joan Gillman, Non-Executive Director, completed her first full year as Employee Champion in 2019. Having held a hundred listening sessions to hear about some of the cultural 'blockers' and 'pain points' employees were experiencing; she has since acted as the voice of the employee on the monthly Board discussions relating to talent and resource among other areas. Joan has also worked to improve the Board's understanding of employee concerns, including their desire to feel more connected to the Company's strategy, purpose and leaders. This feedback was echoed in the 2019 annual Group-wide employee engagement survey. And so during 2019-20, our Group

Chief Executive hosted frequent in-person and virtual townhalls while enlisting the help of senior managers and others, to be more visible and bring the company's strategy and purpose to life. The townhalls have been a big hit with colleagues who attend in high numbers and have the opportunity to ask direct questions as well as share their views to shape future decisions. And in 2019 following leadership attendance at various inclusion events, the Board responded to feedback that they wanted to see a more inclusive company and responded by introducing 2030 Responsible Business Ambitions to accelerate diversity and inclusion progress, signed up to The Valuable 500 to drive disability inclusion and enhanced policies to support carers and parents.

9.8	How does the company obtain worker feedback? Provide the percentage (%) of employees who participated in the company's most recent engagement survey and the level of satisfaction indicated	F	Mandatory Public	Rule 1 (1 point)	250 word limit
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We run an annual employee engagement survey to understand what we're doing well and where we can improve. The reorganisation of our business contributed to our engagement score declining by 12% to 43% favourable in 2019, and was based on 67% of our global workforce completing. We recognise our people have been through significant change and we want to improve their experience by connecting them with our strategy, purpose and leaders so that they feel happy and able to be their best. Core themes like these are identified at a Group-level and an action plan developed to address concerns. Feedback by business, department and team are also shared with leaders to create more tailored action plans that deliver improvements locally. At a Group-level, employee feedback has been the key driver in implementing frequent townhalls hosted by the Group Chief Executive on a largely bi-weekly basis to give a greater understanding of our purpose, how the company is doing, discuss key issues of the day and enable a deeper relationship with leaders. To complement annual survey feedback, we run smaller quarterly 'pulse' surveys to monitor progress so that we can adjust action. Feedback can additionally be sought via focus groups on specific issues like skills or inclusion, as needed. Lastly, frequent feedback on a range of issues is also shared openly via the townhalls which ensures a constant flow of employee views to ensure leaders understand the big questions they want answered and what they are concerned or care about.

9.9	Provide one example of how workers have influenced decision making on an issue of substance in the reporting period.	C	PUBLIC	Rule 1 (1 point)	250 word limit
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While caring for a loved one can be hugely rewarding, it can also be incredibly demanding and a third of carers have to give up work. We saw the challenges colleagues with caring responsibilities faced as they tried to balance work with caring commitments. We didn't want them to have to choose between working and caring and lose members of our talented team. So, we consulted our 1,000-strong Carers Network to understand what support was working and what more we could do. While we already had a good carers' leave policy alongside flexible working, colleagues told us that the carers leave policy didn't go far enough and many were having to use holiday time to fulfil their caring responsibilities. As a result, we extended our paid carers leave allowance to up to six weeks in total when matched with annual leave. Our carers leave policy is considered world-class and we've since encouraged other businesses to increase their support for working carers via peer learning forums to share best practice. We've also campaigned with our charity partner, Carers UK, to advocate for the introduction of statutory carers' leave in the UK which

now forms part of the Government's future legislative programme and will help millions of carers nationwide. Through our policy, we calculate that we've saved around £1.8m a year by providing paid leave and peer support which has helped avoid unplanned absences and presenteeism (working while unwell or not fully performing) due to caring responsibilities.

10 GRIEVANCE MECHANISMS

Grievance mechanisms

Question Number	Question Text	Question Tier	Privacy setting of Answer	Scoring Information	Answer Criteria
10.1	Provide details of the channel(s)/mechanism(s) through which employees can raise complaints or concerns, including how these operate and how workers were consulted on the design of the mechanism(s).	F	Mandatory Public	Rule 1 (1 point)	250 word limit

Our Group Grievance Policy encourages colleagues to report any grievances. Colleagues should attempt to resolve grievances informally in the first instance, then follow the formal process if still aggrieved. If unresolved, the formal process involves writing a formal letter and being invited by their line manager to a grievance meeting (with representation if required), to discuss and seek resolution. The employee has the right to appeal the decision if unresolved. A record of the grievance and outcome is kept on the employee's file. The process draws on best practice HR protocols and shaped via trade union and colleague input. The HR team manages the process and monitors the number of contacts made as a lead KPI. Colleagues are also encouraged to report any concerns regarding instances of malpractice, human rights abuse or discrimination to their line managers, HR managers or through our Speak Up online and phone-based helpline. To remove barriers to reporting incidents, the Speak Up helpline is an independent service and enables concerns to be reported anonymously. The process is managed by the ethics and compliance team who also track and report on the number of reports made per 100 employees. The process has been devised according to best practice protocols and employee engagement. All grievances are investigated, appropriate action taken, and any learning incorporated into business strategy to prevent issues arising again – this may involve the HR or ethics and compliance team engaging business division or department leaders, to improve work practices.

10.2	Is the channel(s)/mechanism(s) identified in 10.1 accessible to the company's contractors, agency and other workers (e.g. subcontracted service workers, third-party contract workers)?	I	PUBLIC	Rule 3 (1 point for Yes)	Yes/No 250 words
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Yes

Please provide more information:

Our grievance mechanisms are accessible to all company workers including contractors, agency and other third-party workers. For example, its vital that the company acts fairly and with integrity always, so we ensure that anyone can report any issues they are concerned about – whether you're a direct employee, contractor, agency staff, business partner, customer or member of the public. While some routes to reporting the potential contravention such as via a line manager or member of HR, may not be applicable to some of these groups, anyone can access the Speak Up helpline to report their concerns and have the option to remain anonymous if preferred. Throughout the year, we ensure that access to the channel/mechanism works in practice by monitoring the number of contacts made, testing the channels and continuously embedding strong signposting on relevant platforms and channels to ensure good awareness.

10.3	Does the company assess the effectiveness of its grievance mechanism(s) against the criteria in Principle 31 of the UN Guiding Principles on Business and Human Rights (that is, whether the mechanism(s) is legitimate, accessible, predictable, equitable, transparent, and compatible with human rights)?	F	PUBLIC	Rule 3 (1 point for Yes) (250 words)	Yes/No
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Yes

Please provide more information:

Effectiveness of our grievance mechanisms is assessed against the criteria in Principle 31 of the UN Guiding Principles on Business and Human Rights, in that its legitimate, accessible, predictable, equitable, transparent and compatible with human rights. Through feedback and usage rates, we know colleagues are aware of, have access to and trust the process. If levels drop or we notice colleagues querying/challenging processes, we can respond to improve process or clarity of it. In the past, we noticed a decline in reports so we raised awareness and access by enhancing Our Code annual training and ensuring its completion, ran a campaign on the importance of speaking up, and improved general signposting. This helped address deficiencies and ensure a strong system to support colleagues and our business uphold our human rights commitment. We also run annual Our Code refresher training to remind colleagues of their responsibilities and how to raise a grievance. Stakeholders like trade unions and NGOs are engaged to review performance especially if an issue of significance is identified, or, in instances where an employee wants union representation. Trade unions and NGOs like the Institute of Business Ethics have also helped us develop and raise awareness of grievance mechanisms and should anything material change, we'll reconnect to ensure proposed changes work for everyone. It's important to learn from the remedy process and where relevant, we ensure learning is applied to improve the grievance process and wider ways of working.

10.4	Provide the number of grievances relating to human rights and/or workers' rights reported and resolved in the reporting period.	I	PUBLIC	Rule 5 (max 2 points)	Table
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Number of grievances reported	Number of grievances resolved
323	323

10.5	Provide an example of how the company has provided or contributed to providing a remedy for a human rights/workers' rights grievance raised in the reporting period, including by consulting with impacted workers and any lessons learned.	I	PUBLIC	Rule 1 (1 point)	250 word limit
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It's not possible to disclose a real-life case study due to the potential sensitive nature of grievances. More generally, a common grievance can relate to health and safety, relationships at work, the application or interpretation of an employee's terms and conditions, new working practices, organisational change and equal opportunities. Employees are encouraged to informally resolve the issue in the first instance, before following a formal process. The steps of these two processes, are outlined below.

Informal process:

- 1- Try to resolve the issue informally
- 2- Both parties discuss, grievance resolved, record of outcome kept

Formal Process:

- 1- Grievance not resolved, start formal process
- 2- Employee writes grievance letter
- 3- Line Manager invites employee into grievance meeting with rights to be accompanied (or suitable manager if grievance is against Line Manager)
- 4- Grievance resolved, record kept on employees file
- 5- Employee appeals decision
- 6- Suitable manager holds appeal meeting with rights to be accompanied
- 7- Decision is final, record kept on employee's file

All grievances are thoroughly investigated, and appropriate action taken. If necessary, we may review and improve organisational processes as a result of the grievance which involves HR or ethnics and compliance representatives working with relevant business or department leads to

implement new ways of working. Depending on the issue and improvement needed, colleagues and trade unions are engaged to ensure the changes are made in a way that works for everyone via meetings, surveys or focus groups.

10.6	What policies and procedures does the company have to protect workers from retaliation and reprisal for speaking up or lodging a grievance relating to their rights as workers and working conditions?	F	PUBLIC	Rule 1 (1 point)	250 word limit
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We actively encourage colleagues to speak up on grievances or concerns they may have about how we do business. We take all concerns raised very seriously and are committed to protecting those who raise concerns in good faith. That is why we have a zero-tolerance approach to any form of retaliation against colleagues who report possible or actual breaches of Our Code. We consider retaliation as gross misconduct. If any retaliation is identified, this should be raised with line management, HR or via the Speak Up helpline.

Through communication campaigns, our annual online Our Code refresher training and employee inductions, we aim to foster a culture where colleagues feel able to speak up without fear of retaliation. For instance, in our communications and training, we specifically raise awareness of the protections we have in place to ensure non-retaliation and additionally highlight that employees can raise concerns anonymously via our 24/7 Speak Up online and phone-based helpline. We have seen increases in use of the helpline following a campaign and/or training activity, which shows that these methods are effective at delivering cut-through with colleagues and gives us confidence that they feel satisfied with the protections we provide and able to speak up without fear of retaliation.

11 SUPPLY CHAIN TRANSPARENCY

Supply chain structure and location

Question Number	Question Text	Question Tier	Privacy setting of Answer	Scoring Information	Answer Criteria
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11.1	Provide a description of the company's supply chain and explain its role in the company's business model.	F	Mandatory Public	Rule 1 (1 point)	250 word limit
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We supply energy and services to over 26 million customer accounts mainly in the UK, Ireland and North America. To meet our customers' needs, we work with around 10,000 Tier 1 suppliers globally, to provide services and solutions that satisfy the changing needs of our customers and enable the transition to a lower carbon world through key brands including British Gas in the UK, Bord Gais Energy in Ireland, Direct Energy in North America and Centrica Business Solutions globally. To do this, we source directly from over 20 countries around the world including some high-risk jurisdictions such as China, Bangladesh, India, Vietnam and Sri Lanka, although the majority of our suppliers are based in lower risk countries. The types of suppliers involved across our supply chain can vary significantly - from providing parts for boilers in customers' homes to chairs for employees in the office. We have identified four areas of our supply chain that warrant specific focus based on their associated jurisdictional and industry risk including: 1) technology products, 2) garment manufacturers, 3) facilities management services and 4) solar. We do not have full visibility over our Tier 2 suppliers and are therefore unable to state how many suppliers make up this category.

Further information is available in our Modern Slavery Act Statement: <https://www.centrica.com/sustainability/performance-reporting/modern-slavery-act-statement/>

11.2	Provide details on the company's efforts to map its supply chain, including beyond the first tier. State the percentage of the company's supply chain mapped to date.	F	PUBLIC	Rule 1 (1 point)	250 word limit
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We map our supply chain on a project-by-project basis and in accordance with whether sections of the supply chain are based in high-risk jurisdictions such as China, Bangladesh, India, Vietnam or Sri Lanka. Based on these criteria for example, garment manufacturing is a higher risk area, so we worked with our clothing provider to map beyond Tier 1 which has given us greater visibility over all of our related Tier 2 providers. This has enabled us to better evaluate the risk and target action to where it's needed most, to safeguard workers by ensuring high standards of working conditions and benefits are provided across the tiers. We have additionally mapped our facilities services across Tier 1 and Tier 2, which next to garment manufacturing, is the next biggest area of risk. Third party platforms like EcoVadis have assisted us in this process by highlighting areas for improvement, supported with country and commodity risk indices, alongside engagement with a number of wider internal stakeholders including the relevant business division Procurement and Risk Management Teams. Given the breadth of our supply chain and the challenges around gaining transparency across it, we recognise that we have gaps in knowledge for some parts of our supply chain which typically include suppliers in Tier 2. To ensure our efforts are best spent, we will continue to maintain our current approach of mapping to focus attention and action on higher risk areas, but look to extend mapping in the near future as appropriate.

11.3	Does the company publicly disclose the results of its supply chain mapping?	I	Mandatory Public	Rule 3 (1 point for Yes)	Yes/No (150 words)
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No

Please provide more information:

We do not currently disclose our supply chain mapping. As we work to deepen mapping across our supply chain, our focus in the interim is on improving transparency across our wider annual reporting at a broader level, which includes demonstrating continuous progress in disclosing progress on our processes and performance related to modern slavery via our annual Modern Slavery Statement. We believe that at present, this focus meets the needs of our key internal and external stakeholders, and is the most material issue in our supply chain that we are legally obligated to report on. In the future, we would hope to publish supply chain mapping once the necessary work has completed. This would need to be updated at a reasonable frequency given the changing nature of supply chains.

Supply chain numbers

Question Number	Question Text	Question Tier	Privacy setting of Answer	Scoring Information	Answer Criteria
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Provide the number of first tier suppliers in each of the company's top ten sourcing locations (determined by percentage of overall procurement/spend).

Question Number	Question Text	Question Tier	Privacy setting of Answer	Scoring Information	Answer Criteria
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11.4	Please enter the details in the following table	I	PUBLIC		Table
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Top ten sourcing locations by percentage of overall procurement/spend	Number of first tier supplier organisations
United Kingdom	3,756
United States	525
Ireland	189

Netherlands	146
Norway	108
Canada	96
India	6
Hong Kong	5
Luxembourg	3
Poland - 2 (unable to right column due to formatting issue)	
South Africa	2

11.5	Provide the estimated number of workers in the company's first tier supply chain. Companies can indicate what percentage of their supply chain this covers in 11.6.	C	PUBLIC	Rule 1 (1 point)	0 (150 words)
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Our primary EcoVadis system which we use to engage suppliers does not have functionality that enables us to report on the estimated number of workers in Tier 1 of our supply chain.

11.6	Scope of disclosure (relates to Q11.5)		PUBLIC	Not scored	Dropdown
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- ≤50% of first tier
- 51%-75% of first tier
- ≥76% of first tier
- All of first tier

11.7	Does the company collect data on the gender composition of its supply chain workforce?	C	PUBLIC	Rule 3 (1 point for Yes)	Yes/No (150 words)
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No

Please provide more information:

Our primary supply chain tool, EcoVadis, does not have the functionality that enables us to access and analyse gender composition data across our supply chain. As with all our governance processes, we will continue to work with EcoVadis on system evolutions that bring greater transparency

over supply chain issues. We are also considering other ways in which to access or gauge diversity data including through our own onboarding supplier evaluation process.

High risk supply chain areas

Question Number	Question Text	Question Tier	Privacy setting of Answer	Scoring Information	Answer Criteria
11.8	Provide details on any specific products, services and raw materials, wherever these feature in the supply chain, identified to be of particular risk of forced labour, modern slavery and human trafficking.	I	PUBLIC	Rule 1 (1 point)	250 word limit

We have four focus areas that continue to warrant specific attention based on their associated industry and jurisdictional risk, according to the Global Slavery Index. These include 1) technology products that include branded and unbranded products such as those relating to our Hive business, 2) solar products as part of our low carbon energy offering for business customers, 3) garment manufacturers who create our engineer uniforms and PPE alongside 4) facilities management services responsible for activities such as cleaning and security services. The first two are largely critical to our customer offering to help customers live more sustainably, whereas the latter two are essential to our everyday operations and are the higher risk areas for forced labour and human rights out of the four listed. As such, it is deeply important for us to ensure the workers in our clothing supply chain are working in safe and hygienic environments and no child labour is being used. Equally within our facilities services, we work to ensure employment is freely chosen, no harsh or inhuman treatment is experienced and working hours are not excessive.

12 RESPONSIBLE SOURCING

Sourcing strategy

Question Number	Question Text	Question Tier	Privacy setting of Answer	Scoring Information	Answer Criteria
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12.1	What measures are in place to incentivise those responsible for the company's day-to-day sourcing decisions effectively ensure the company meets responsible sourcing and workers' rights commitments (beyond adherence to the company's Employee/Business Code of Conduct/Ethics Code etc)?	I	PUBLIC	Rule 1 (1 point)	250 word limit
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We have a number of incentives in place to support and drive effective decision-making for those responsible for day-to-day sourcing, to ensure the company meets its commitments on responsible sourcing and workers' rights. For example, our Responsible Sourcing Champions who typically include Responsible Procurement Managers and sit across all key procurement areas to make sure responsible sourcing is understood and embedded across the organisation, are incentivised via our global 'Recognition' platform. The platform is available to all employees and operates on the basis of colleagues nominating each other in recognition of a key achievement – in this case embedding and maintaining high standards relating to sourcing and workers' rights – with the reward of feedback for their quarterly review process linked to remuneration as well as points that can be turned into monetary vouchers and redeemed at key retailers. Incentives are also in place for roles that are accountable for ensuring the right strategic decisions are made to uphold responsible sourcing and workers' rights as well as the identification of any issues in relation to these focus areas. For instance, the Director of Global Business Services, Risk and Controls, is incentivised through standard performance evaluation processes linked to remuneration based on their ability to reduce risk and strengthen resilience across the supply chain. All of the incentives set out in this answer go beyond the requirement for colleagues to uphold Our Code's commitment on human rights.

12.2	Does the company assess supplier performance against its own human rights commitments, as applicable, as part of the process for selecting new suppliers?	F	PUBLIC	Rule 3 (1 point for Yes)	Yes/No 150 words
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Yes

Please provide more information:

100% of suppliers are assessed on their human rights commitments as part of the onboarding and risk assessment process which includes agreeing to uphold our Procurement and Corporate Responsibility Policy for Suppliers. In addition to this, 0.4% of suppliers identified as higher risk key suppliers, undergo further risk assessment via the EcoVadis supply chain platform. If a potential supplier is not willing to match our high standards on human rights, we will not enter into a relationship with them.

12.3	Does the company require suppliers to respect a minimum set of labour standards of workers' rights in a supplier code of conduct, or similar?	F	Mandatory Public	Rule 3 (1 point for Yes)	Yes/No 150 words
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Yes

Please provide more information:

Suppliers are required to respect a minimum set of labour standards of workers' rights which are set out in our Procurement and Corporate Responsibility Policy for Suppliers. The policy includes commitments on establishing minimum rights such as the requirement to pay the Living Wage and equal pay, freedom of association and those relating to the ILO Convention 155 and Recommendation 164 on occupational health and safety. Our policy can be read in full at: https://www.centrica.com/media/2515/centrica_procurement_and_corporate_responsibility_policy_for_suppliers20190827.pdf.

Monitoring suppliers					
Question Number	Question Text	Question Tier	Privacy setting of Answer	Scoring Information	Answer Criteria
12.4	Describe the process for monitoring or auditing supplier performance against the document disclosed at 12.2, including beyond the first tier, the standards used for the monitoring process, and whether the results are made public. State the percentage of suppliers independently audited.	I	PUBLIC	Rule 1 (1 point)	250 word limit

All Tier 1 suppliers are monitored by the Procurement team through the standard onboarding and risk assessment process. Key Tier 1 suppliers undergo further monitoring and auditing through the EcoVadis platform. The platform assesses the minimum standards across ESG issues including in relation to standards like the Employer Pays Principle, Dhaka Principles for Migration with Dignity and ISO 2600. If suppliers receive a medium or high-risk rating, they are considered for further due diligence which typically includes a site visit by an independent auditor who has experience in labour rights issues. The auditor undertakes a series of inspections including analysing the working environment, reviewing company documentation and undertaking interviews with workers to gain a deeper understanding of the risk. Should anyone feel unable to share their concerns during the visit, we also provide a modern slavery helpline for workers to get in touch confidentially. While we have not identified any instances of modern slavery, we remain vigilant and share results of our monitoring and auditing process each year in our Modern Slavery Statement which is available to stakeholders on our website: <https://www.centrica.com/media/4192/modern-slavery-act-statement-2019.pdf>). In total during 2019, 100% of new suppliers went through the standard onboarding risk assessments, 0.4% of suppliers went through the EcoVadis assessment and 0.001% received a site audit. Following the EcoVadis assessment, our sustainability score for suppliers was 59 (low risk) which is better than the multi-industry average of 45 (medium risk) and we continue to monitor this to ensure our strategy is low risk.

12.5	How does the company assess whether its sourcing and/or purchasing practices allow a supplier to meet its workers' rights commitments e.g. by requesting feedback on the business relationship from suppliers etc?	I	Mandatory Public	Rule 1 (1 point)	250 word limit
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We engage suppliers so that we can understand if our purchasing practices allow the supplier to meet its workers' rights commitments. For example, our Procurement Managers maintain collaborative working relationships with suppliers to help them maintain high standards as well as understand whether our practices may be having an adverse impact on areas such as paying the living wage and ensuring strong health and safety standards are met. In the past, we have additionally held supplier forums or rolled out questionnaires to key suppliers to understand what we are doing well and where we can improve, which gives suppliers the opportunity to feedback on whether our practises are impacting them and how we might better work together in the future. To further our understanding, we are also rolling out remote worker surveys to understand any impacts on workers, which may also prove to be a channel for identifying improvements. To date, we have not received feedback that our purchasing practices have had an adverse impact but remain conscious of this and committed to uphold good payment practices. Throughout Covid-19, we additionally engaged key suppliers to understand the impact the pandemic was having on them and whether they needed us to temporarily amend our purchasing practises during these unprecedented times to safeguard workers' rights and product availability. This resulted in us paying at least one supplier earlier than usual, to ensure their Tier 2 suppliers had the cash-flow needed to pay their workers for the uplift in activity to manufacture PPE.

12.6	Do the company's responsible sourcing policies and practices apply to third party labour providers (labour agencies, logistics, cleaning, security, etc.)?	F	PUBLIC	Rule 3 (1 point for Yes)	Yes/No 150 words
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Yes

Please provide more detail:

All of our suppliers, including third party labour suppliers, must adhere to our Procurement and Corporate Responsibility Policy for Suppliers which forms part of our contract with the supplier. Their adherence is monitored via our standard onboarding risk assessment, alongside the processes set out in Q12.4 for key and/or higher risk suppliers.

12.7	Describe the company's approach for incentivising supplier performance on workers' rights. State any KPIs or performance incentives used.	I	Mandatory Public	Rule 1 (1 point)	150 word limit
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Suppliers who undergo a sustainability desktop assessment and site inspections are rated based on their human rights and labour issues alongside other corporate responsibility practices such as health and safety as well as ethics. If we conduct an ethical site inspection and find a labour non-compliance, we implement a corrective action plan and if required, organise a further follow-up site inspection to make sure performance has improved. Continued non-compliance may result in ending the relationship with the supplier in question. Good labour practices can be rewarded with contract renewals and/or longer-term contracts if the business still requires the suppliers' services. We see this approach as an effective way to encourage good performance which can be demonstrated by all of our suppliers who have undergone corrective action plans, having improved their performance with our support.

13 SUPPLY CHAIN WORKING CONDITIONS

Workers' rights in the supply chain

Question Number	Question Text	Question Tier	Privacy setting of Answer	Scoring Information	Answer Criteria
13.1	What action has the company taken to build the capacity of its suppliers to mitigate and manage risks to workers' rights, including in their own supply chain (e.g. through supplier training)?	C	PUBLIC	Rule 1 (1 point)	250 word limit

As part of our commitment to raise standards in our supply chain, we share and strengthen best practice with suppliers to effectively manage and mitigate risks relating to workers' rights in their business and across their supply chain. We have run modern slavery training for Local Heroes, a network of trade-persons working alongside our Operations Team, to build capacity for identifying modern slavery in the construction and service industries. Training focused specifically on enhancing capability around 'spotting the signs' and what steps they should take if a suspected case of modern slavery was uncovered. The training received positive feedback and exists as a blueprint for further training that could be rolled out to others if the need or opportunity arises. We've additionally created a go-to Responsible Labour Practice Toolkit which supports supplier capability building on labour practices including modern slavery. The Toolkit does this by developing a shared understanding of our minimum expectations while providing best practice to suppliers who want to do more. Improvements like the 'Employer Pays Principle' for recruitment fees has been incorporated into the Toolkit and we'll share the updated version with key suppliers for feedback in 2021, before the resource is shared with all suppliers. We're also members of a number of industry organisations that enable us to share and learn best practice to enhance our engagement and development of capabilities with suppliers. Towards this, we are members of the Responsible Sourcing Council and the Hope for Justice/Slave Free Alliance Utilities Modern Slavery Working Group.

13.2	How is the company working to ensure that supply chain workers can exercise their rights to freedom of association, including the right to unionise, and collective bargaining?	I	PUBLIC	Rule 1 (1 point)	250 word limit
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We're committed to ensuring that workers in our supply chain can exercise their rights to freedom of association, including the right to unionise and collective bargaining. This is a right enshrined in Our Code and our membership of the UNGC as mentioned in Q7.2. We primarily uphold workers' rights through stipulations in our Procurement and Corporate Responsibility Policy for Suppliers and via responsible procurement clauses in supplier contracts. All suppliers are assessed on freedom of association and collective bargaining via the onboarding risk process. Our strategic suppliers are further evaluated through the EcoVadis sustainability risk assessment and if a supplier is considered medium or high-risk, we explore deeper due diligence which may involve an independent auditor undertaking a site inspection. During the site inspection, the right to freedom of association and collective bargaining is investigated which includes checking company documentation and asking workers whether they have access to appropriate information to take-up their rights. If the supplier falls short of our standards, we'll consider appropriate action which may include raising standards together through a corrective action plan or ending our relationship. A challenge or constriction to this commitment is that in China, workers can only join legal unions rather than forming their own. In these instances, we endeavour to monitor rights carefully and utilise our engagements with NGOs, industry bodies and working groups, to ensure we have the right knowledge and insights to manage the risk and safeguard workers' rights.

13.3	Does the company monitor whether supply chain workers have access to a grievance mechanism?	C	PUBLIC	Rule 3 (1 point for Yes)	Yes/No (150 words)
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Yes

Please provide more information:

We monitor whether supply chain workers have access to a grievance mechanism. During the standard onboarding process we assess whether grievance mechanisms are in place while our external supply chain experts, EcoVadis, reviews and rates the evidence provided by all strategic suppliers, which enables us to identify the maturity of a supplier's grievance mechanisms and specifically, whether whistle-blowers are safe from reprisals and/or given anonymity where relevant. If it appears that the supplier falls short of these standards, further action is required in the form of an independent auditor conducting an on-the-ground site inspection. The site inspection is vital in giving us a clearer picture of the potential or actual level of risk and helps us determine appropriate action – this may include working with the supplier to establish a corrective action plan.

Violations to supply chain workers' rights

Question Number	Question Text	Question Tier	Privacy setting of Answer	Scoring Information	Answer Criteria
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13.4	Has the company identified any instances of forced labour, modern slavery and human trafficking in its supply chain in this reporting period?	I	PUBLIC	Not scored	Yes/No (150 words)
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No

Please provide more information:

We've identified no instances of forced labour, modern slavery or human trafficking. During the standard onboarding process, we assess modern slavery risk while external supply chain experts, EcoVadis, rates all strategic suppliers which enables us to identify risk and whether action is needed. If the supplier receives a medium or high-risk rating, further action such as an independent auditor may undertake a site inspection to see first-hand the potential or actual level of risk by inspecting the work environment, reviewing company documentation and talking with workers about labour practices. We also provide a modern slavery helpline to enable workers to share concerns if they don't feel able during the audit. Off the back of the audit, we can then tailor action to raise standards which may include working with the supplier to establish a corrective action plan or ending our relationship and reporting the abuse.

Improving working conditions in the supply chain

Question Number	Question Text	Question Tier	Privacy setting of Answer	Scoring Information	Answer Criteria
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13.5	Describe any steps or initiatives the company is taking to improve the working conditions of supply chain workers. State where the company has collaborated with others to support system-level improvements, as applicable.	I	PUBLIC	Rule 1 (1 point)	250 word limit
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We've a range of initiatives to improve working conditions in our supply chain. In addition to collaboration with EcoVadis and auditors set out in Q13.4, we've partnered with another independent auditor to conduct Remote Worker Surveys during Covid-19 to understand how working conditions might be improved and we'll work with suppliers to act on feedback via corrective action plans (CAPs). The CAPs are time-bound and overseen by the Director of Global Business Services, Risk and Control, with overall progress reviewed by the Board via the Modern Slavery Statement. 9 factories have so far made improvements to working practices as a result of the CAPs. Partnering with ethical or trade organisations

like the Responsible Sourcing Council, the Institute of Business Ethics and Hope for Justice/Slave Free Alliance Utilities Modern Slavery Working Group, additionally enables us to continually develop and harness learning to raise standards and mitigate the risk of forced labour alongside other adverse working conditions. We strive to have strong relationships with suppliers and take steps to strengthen those where we need to increase oversight. This may involve incentives to reward good performance and transparency, or, new contracts and contract renewals as well as collaborations to amplify capabilities and become a more successful and sustainable business. Towards this, we've created a Responsible Labour Practice Toolkit to grow a shared understanding of our minimum expectations while providing best practice to suppliers keen to improve. The Toolkit and assessments via EcoVadis and Audit, also incorporates the 'Employer Pays Principle' for recruitment fees.