



8  
Business  
Principles



Building  
a better  
business

A guide to sound business practice

## About this guide

This guide provides practical advice for our people on making our Business Principles a reality.

Our behaviour as individuals and as an organisation can protect, enhance or damage Centrica's reputation and affect our success in the marketplace.

If there are other rules specific to your area of the company your manager will be able to explain these.

### FURTHER INFORMATION

MyWorld on the employee intranet

## Contents



### Our Business Principles

5  
11  
13

### and business partnerships

15  
18  
21  
23  
25



27  
30  
31

## 8 Business Principles...

- 1 Demonstrating integrity in corporate conduct
- 2 Ensuring openness and transparency
- 3 Respecting human rights
- 4 Enhancing customer experiences and business partnerships
- 5 Valuing our people
- 6 Focusing on health, safety and security
- 7 Protecting the environment
- 8 Investing in communities

# Our commitment to good business



We are an energy and services company. Everything we do is focused on satisfying the changing needs of our customers. Our Business Principles and Group Policies provide the foundation for how we operate to achieve this. This is much more than a tick box for compliance, how we conduct business reflects our values and defines us in the eyes of our people, our customers and our wider stakeholders. Together, our eight Business Principles, which set out the conduct we expect, and our Group Policies, which support these Business Principles, are our commitment to good business.

We expect the highest levels of ethical conduct and will support those who make decisions based on our Business Principles. As employees, business partners and suppliers, we have a shared responsibility to make sure we reflect these principles in our behaviour.

This guide explains the standards we expect and how to put our principles into practice in the many situations we encounter every day.

## Our purpose

Serving our customers is what we are known for, what we are good at and where we have distinctive capabilities.

Our Business Principles and Group Policies are the foundation for how we operate to achieve this purpose.

### Our Business Principles

Our Business Principles set out the standards we expect and to which we must all work, ensuring the protection of our people and our assets wherever we are in the world. Supported by a framework of specific policies, our principles work alongside business units' existing codes of conduct.

- 1. Demonstrating integrity in corporate conduct
- 2. Ensuring openness and transparency
- 3. Respecting human rights
- 4. Enhancing customer experiences and business partnerships
- 5. Valuing our people
- 6. Focusing on health, safety and security
- 7. Protecting the environment
- 8. Investing in communities

### Applying our Business Principles

Although no document can ever cover all possible outcomes and situations, our guide to sound business practice sets out our basic 'code of behaviour' and explains the standards we expect of our people and partners.

Our Business Principles and guidelines apply to all employees, agency staff and consultants, whether working full-time, part-time, under a contract or on a temporary basis (referred to together as 'employees') in all of our business units worldwide. They also apply to all our majority-owned business dealings and transactions in all the countries in which we or our subsidiaries and associates operate. Where we have a minority interest, we will encourage our contractors, suppliers and joint venture partners (referred to together as 'business partners') to uphold our principles.

The Business Principles are supported by specific policies, the requirements of which you should be aware. The 'Further information' boxes present in this guide indicate that a relevant policy exists. You can access group policies through the [Group Policy Portal on the intranet](#).

It is your responsibility to act with integrity, due skill, care and diligence when applying our principles and policies. If you fail to respect our principles and policies, you could face disciplinary action and dismissal. If a business partner fails to uphold our Business Principles, we may – as a last resort – terminate the relationship.

### Monitoring compliance and reporting

We regularly monitor compliance with our Business Principles and we report key metrics in our corporate responsibility (CR) reporting.

Our Speak Up helpline provides a channel for employees to raise concerns about malpractice. The Audit Committee reviews data from the Speak Up helpline quarterly to identify trends and to keep track of the volume



of cases. Speak Up data is also reviewed by the CR Committee annually.

At annual intervals, managers and eligible employees are required to complete a declaration to confirm that they understand and are committed to upholding our Business Principles. Compliance rates are monitored and departments with low completion rates are identified. If necessary, problem areas are escalated to the Audit Committee and the CR Committee. New starters are required to complete an online training module introducing the Business Principles.

For suppliers and business partners, we use the provisions of the Responsible Procurement and Supplier Management Policy to check

that they have relevant processes in place and mechanisms to demonstrate their effectiveness. Our suppliers are regularly monitored against a clear set of indicators and targets. Internal Audit also monitors the extent to which the Business Principles are communicated with our suppliers and business partners by different parts of the Group.

### Examples of malpractice

Issues you should be concerned about could include theft, fraud, bullying, harassment or discrimination.



## Demonstrating integrity in corporate conduct

▼	06
▼	06
▼	06
▼	06
▼	07
▼	07
▼	07
▼	09
▼	09
▼	09
▼	09
▼	10
▼	10
▼	10



## Our commitment

We are committed to working within the laws and regulations of all the countries in which we operate and complying with recognised international standards of best practice at all times. We also support the 10 principles described in the United Nations Global Compact (which relate to human rights, labour, the environment and anti-corruption) and will seek to address social, ethical or environmental matters that may affect our stakeholders – customers, neighbours, employees and shareholders.

We believe that competitive markets deliver the best outcomes for customers and we are committed to competing fairly in our chosen markets. Our businesses are judged by what the outside world thinks of us and the way we conduct ourselves collectively. As such, we will avoid conflicts of interest, will assess the implications of our business decisions on all parties likely to be affected by those decisions, and will manage our social, ethical and environmental impact accordingly.

## Acting legally and competing fairly

We are committed to observing the laws and regulations of the countries where we work at all times. Where the legal framework is weak or non-existent, we will work in accordance with standards recognised as best business practice. It is your responsibility to observe these standards. Legal, Regulatory and Compliance teams within the business can advise you on the relevant laws and regulations in relation to our business activities.

Your manager will make sure that you are aware of how legal compliance affects you and your day-to-day business activities. You must always make sure that you observe laws and regulations whenever you take action on the company's behalf.

### Anti-trust and competition law

Our Competition Law Compliance Programme explains that the purpose of competition law is to make sure the marketplace is fair and competitive and is not open to manipulation from price fixing. We must deal with our customers, competitors and business partners in accordance with all competition laws that apply. All employees have a part to play in making sure that the business complies with these laws and is protected from fines, court action for damages and adverse publicity.

#### *Competition law aims to control two types of activity:*

- Activities carried out in agreement with third parties
- Activities carried out unilaterally

If you are uncertain about how this applies to your role within the company, your Legal, Regulatory and Compliance team can provide further advice.

### Independence from competitors

It is essential that we act independently from competitors, our trading partners and any business partners when deciding in which markets we will operate, how we will operate and the prices we will charge. Any agreements or communications (including not only written or oral communications but also any action or signal construed as being a communication) with competitors (however informal) which lead to sharing markets, fixing prices, limiting production or collusive tendering (fixing bids) are prohibited by competition law. You must not engage in any of these activities.



You should take advice from your Legal, Regulatory and Compliance team before taking part in any meeting at which our competitors are present. Sharing information (whether directly between competitors or indirectly through a third party) can also be a problem under competition law and you should always get specific advice about this type of activity before it takes place. In this area, not only can the organisation as a whole be punished for illegal conduct, you can be held individually responsible for non-compliance and fined or sent to prison.

### Contracting on fair terms

We must assess the effect of our behaviour on the market, competitors and customers, ensuring that we always act fairly. This particularly relates to pricing, marketing and sales activity (in other words, the terms on which we deal with our

customers). You should not carry out anything in these areas without first seeking approval from your Legal, Regulatory and Compliance teams.

### Conflicts of interest

We expect you to act in Centrica's best interests at all times and to avoid any activities which conflict, or appear to conflict, with the interests of the company. Employees must not use their position, company information, assets or resources in a way that benefits them personally or improperly benefits others.

You must report actual or potential conflicts of interest in a manner and format dictated by your relevant Legal, Regulatory or Compliance teams. A conflict of interest can arise at any time during the course of a business relationship so disclosure should be made on an ongoing basis.

The following examples highlight situations in which conflicts may arise:

#### **i. Additional employment**

We recognise that some employees may have a second job. You must get authorisation from your line manager before you accept any additional employment. You must also make sure that the other job does not conflict in any way with your role at Centrica.

#### **ii. Use of your position within Centrica for improper gain**

You must never use the Centrica name, or your position within the company, to improperly influence: customers, business parties or other third parties in a way that benefits Centrica or you personally. You must not knowingly compete with Centrica in the buying or selling of any kind of tangible or intangible property.

### Further information

Competition Law Compliance Programme

In addition, you must not divert for your own direct or indirect benefit a business opportunity in which Centrica has, or is likely to have, an interest.

**iii. Financial interests**

We encourage you to invest in the organisation through our employee share schemes but you must take care to ensure that your other financial interests do not create a conflict of interest. A conflict would arise if you or any member of your family holds a substantial financial interest or a controlling share in any enterprise that competes with Centrica or has, or is seeking, business dealings with Centrica. A holding of less than 3% of a publicly traded company and any investment arrangement where the investment manager has sole discretion over the investments made are considered exempt. Employees should seek advice from the Legal team before assuming they have fallen within the exemption.

**iv. Personal relationships at work and conflicts of interest**

A personal relationship within the workplace could lead to a conflict of interest. Further guidance can be found on page 20.

**Fraud and dishonesty**

We are committed to the prevention, detection and investigation of fraudulent or dishonest behaviour and will not tolerate it in our business or in those we do business with.

Fraudulent conduct can include any intentional deception or misrepresentation, the suppression or falsification of information, or the abuse of a position of trust. These actions generally create a gain for the party committing the fraud, which naturally causes a loss to Centrica or another party. Dishonest behaviour has a much wider definition and covers any act or activity

that a reasonable person would consider to be dishonest. Fraud can occur internally or externally and may be carried out by employees, consultants, suppliers, contractors, customers or development partners, individually or in collusion with others.

All forms of fraudulent conduct or dishonest behaviour at Centrica are strictly prohibited and we will report any breaches to the appropriate authorities. If you are in any doubt about whether you would be breaking the law if you took a certain action, please speak to both your line manager and Group Financial Crime Risk.

**Examples of fraud and dishonesty**

- falsifying accounts, possibly to hide poor performance or to qualify for a bonus
- forging someone's signature on a document or other authorisation
- submitting false or exaggerated invoices or other costs
- falsifying or exaggerating your expenses, overtime, timesheet or performance documents
- theft of company property

**Bribery and corruption**

You must never engage in bribery or any form of improper inducement or payment. This includes the offer or acceptance of 'kickbacks' and facilitation payments in order to gain or retain business for Centrica or to provide improper benefits to government officials, customers, agents, business partners or

employees of any of these. Such behaviour is unethical and illegal and could result in substantial fines for the company, damage to our reputation and penalties for the individual including fines and imprisonment.

Facilitation payments are illegal in most countries. They usually involve paying someone to secure or speed up a routine action or service to which a person or company is entitled. This normally involves a person abusing their official position, for example by extorting money or another form of benefit in exchange for speeding up a business transaction.

It is our policy not to offer or accept facilitation payments even if this would result in Centrica losing a business opportunity. However, payments in relation to direct or indirect immediate threats for your personal safety may be made if they are reported to the Group Anti-Bribery & Corruption Officer at the first opportunity after the incident.

The UK Bribery Act 2010 forms the basis of Centrica's Anti-Bribery & Corruption Programme, however if a more stringent law prevails in an area where you are doing business then this Rule or Standard must be adopted.

You must report any indication that a person intends to violate Centrica's Group Anti-Bribery and Corruption Policy to the Group Anti-Bribery & Corruption Officer, Group Financial Crime Risk or using the Speak Up helpline.

The following are all examples of bribery:

**i. Reciprocal agreement**

If you are negotiating a contract with a supplier and the supplier offers to become a customer in exchange for the contract, this is a reciprocal agreement.

**ii. Kickback**

If a supplier offers to share commission with you in exchange for securing a contract, this is a kickback.

**What is corruption?**

Corruption is dishonest or fraudulent conduct by those in positions of responsibility, typically involving bribery

**What is a bribe?**

A bribe is requesting, receiving, offering or giving any gift, loan, fee, reward or other advantage to persuade someone to perform their function or activity improperly while carrying out the company's business. This includes facilitation payments and 'kickbacks'. A bribe can be requested or given directly or through a third party such as a broker

**Further information**

- Managing Integrity Risk: Group Financial Crime Policy

**iii. Facilitation payment**

If a contract is being held up by official bureaucracy and you offer money to an official in order to move the contract to the top of his priorities, this would be a facilitation payment.

## Giving and receiving gifts and hospitality

While you are working for us, it is possible that a customer or business partner will offer you a gift or hospitality. Equally, in some cases, you may want to offer a gift or hospitality to a customer or business partner on behalf of the company.

All gifts and hospitality given or received must be in line with the Centrica Group Gifts and Hospitality Policy, your Business Unit Policy and or local law. Where a conflict between these occurs then the stricter Policy, Rule or Standard will apply.

In all circumstances, gifts should be declined unless they are low value items worth not more than £50 (US\$75).

If someone makes an offer that could influence your judgement, for example by encouraging you to overlook normal tendering or purchasing processes, or lead to a conflict of interest, you must not accept it.

Any hospitality you offer or receive must be appropriate to the circumstances. It should be judged on a like-for-like basis. In other words, the type of the hospitality you receive should be similar to what you would offer as a host. Hospitality includes a reasonably-priced meal (less than £50 (US\$75 per head) – breakfast, lunch, dinner – with a business contact (paid for by the contact), attendance at a sporting

### Acceptable gifts

You can generally accept low value gifts such as pens, coffee mugs, T-shirts, flowers, diaries, calendars or a bottle of wine.

### Know your limits

The offer and acceptance of any hospitality valued at more than £100 (US\$150) must be approved by your line manager. You should not accept gifts unless they are low value items worth no more than £50 (US\$75).

or arts event, or activities involving people who are not employees of either Centrica or the host company, such as spouses or partners. The offer or acceptance of any hospitality valued at more than £50 (US\$75) must be recorded in the Group Gifts & Hospitality Register. Any hospitality, whether or not it is accepted, with a value of more than £100 (US\$150) must be pre-approved by your line manager.

Governments in some countries have significantly stricter conditions relating to offering and accepting gifts and hospitality. Breaking these rules can be a serious offence. If you deal with governments, make sure you are familiar with the rules that apply. If you are in any doubt, consult your line manager or Group Financial Crime Risk for further information.

You must not pay for the travel, accommodation or daily expenses of a government delegation without first getting approval from the managing director of your business unit. All travel and overnight accommodation needs to be approved by your line manager beforehand. In some business units or departments, more restrictive guidelines or rules may apply. Your line manager will be able to provide advice.

If hospitality is provided for genuine business reasons, it is not taxed. In all other cases, it will be



treated as a gift, and will be taxed. You should be aware that reciprocal entertaining arrangements (where you might take turns with a supplier in entertaining each other) are taxed.

You must record all gifts or hospitality (given, received or requested by any party) – whether you accept them or not – in the Group Gifts and Hospitality Register located online. This does not apply to items of a very low value such as promotional material or hospitality involving meals of less than £50 per head.

You can accept a gift that is worth more than the limit if it would be insulting to refuse it. However, you must report the gift to your line manager, who will decide whether:

- the company keeps the gift
- to donate the gift to a registered charity
- the gift is acceptable and can be retained

When considering whether to offer or accept a gift or hospitality make sure that it does not:

- negatively affect our activities
- break the law in your country or in the country

*of the person or organisation who would receive or provided it (legal advice should always be obtained if you are in any doubt)*

- influence a business decision or transaction
- give you an unwelcome duty to do something or put you in a difficult position
- involve regular offers from any one organisation or individual
- involve receiving something which you could not offer in return
- create a negative perception of the company

### Doubts

If you are in any doubt about offering or accepting a gift or hospitality, it is important that you discuss the situation with your line manager.

### Further information

Group Gifts and Hospitality Policy





### Political contributions and involvement

Public policy decisions can affect all aspects of our operations including investment decisions, consumer protection and employment relations. We do not favour any one political party and work closely with political stakeholders to inform policies on important issues such as energy, environment, consumers and employment relations. We have specific employees who undertake lobbying activity on our behalf.

Apart from specific permissible use of the Direct

#### What is a political contribution?

This refers to any contribution made in cash or in kind to support a political cause. Contributions in kind can include gifts of property or services, advertising or promotional activities endorsing a political party, buying tickets to fundraising events and contributions to research organisations with close associations to political parties.

Energy Employee Political Action Committee in the United States, you must not make direct or indirect contributions or offer any form of inducement to political parties, individual politicians or government employees while representing the company. If you are involved in political activity outside work, you must make sure that your involvement does not, in any way, represent the views of the company, or create a conflict of interest with your role at Centrica (as defined in the Conflicts of interest section).

If your job involves engaging with political parties or public officials and you are not sure about a particular issue, please contact your line manager or a member of the Public Affairs department.

#### Conduct outside the workplace

During your day-to-day employment with the

#### Further information

Group Political Involvement Policy

company you are representing Centrica and our business brands such as British Gas or Direct Energy. You should be aware that, in many ways, you continue to represent the company outside your contracted hours of employment – particularly if you drive a company-branded vehicle or wear a branded uniform, but equally if you discuss the company with friends or family or via social media channels. Your actions and behaviour both inside and outside the workplace have a clear impact on our reputation.

#### Contact with the media and the financial community

To protect our reputation, you must not talk to the media or financial community regarding matters which are in any way connected to your employment at Centrica. Where there is any doubt as to whether a communication relates to your employment at Centrica, you must seek advice from your Legal team before making the communication. All journalists and analysts' enquiries must be referred to the Media / Public

Relations department (see directory of key contacts on page 30). Remember that posts you make on social media channels may be visible to journalists.

#### Social Media

Social media is now a part of our everyday lives. We recognise the benefits social media can bring us as a company, from sharing ideas and information with our stakeholders to supporting great customer service. We are committed to taking part in social media, to exploring what it has to offer and to making sure that we all do so in a responsible way.

Social media brings great opportunities but also responsibilities. To support our employees, a social media policy has been developed that provides guidance on how to communicate online as a Centrica employee, whether you're using social media in a personal capacity or if you're one of a small number of employees using social media in a professional capacity on behalf of the company.



#### Further information

- Group Delegation of Authority and Decision Making Policy
- Group UK Good Repute Policy
- Group Social Media Policy

## Email, internet and systems

You must use electronic resources very carefully. Our day-to-day business activities rely heavily on effective and fully functioning systems. Viruses can spread quickly and it is easy to infringe licence agreements inadvertently. You must never download personal software to your work computer unless you have been given specific authorisation.

We check, monitor and sometimes block emails and internet traffic, as well as messages and documents entering and leaving the company, particularly those containing explicit language or pictures. In certain cases, we may monitor and record your phone conversations for quality and content or for training purposes. You will be notified if this affects you.

Accessing pornographic or other inappropriate websites or misusing company email and other computer systems could seriously damage our reputation. If you do this, we will treat it as a disciplinary matter. You may also be breaking the law and could face criminal prosecution.

If you have any concerns, please speak to your line manager or the Information Systems department.

### Further information

Group Acceptable Use Policy

## Protecting information and intellectual property

While you are employed with us, you may have access to confidential information about the company's business, finances or affairs. You may also have access to information that we have a

duty to keep confidential (for example, information about our customers).

You must not use or disclose that information other than for the purposes of your work during your employment with us. Once you have left the company, you are still obliged to keep information confidential. If you break this duty, we could take legal action against you.

If you are involved in making or creating any invention, design, discovery or database (in other words, intellectual property) during your employment, the company owns all rights, title and interests. You must not copy or use any intellectual property without permission.

### Further information

Group Handling of Confidential and Price Sensitive Information Policy

## Using company property

We provide you with equipment to do your job, for example, workstations, phones and IT equipment. In return, we ask that you use it carefully and responsibly. Unless it has been explicitly authorised, you must not use company equipment for your own purposes. If you are not sure, please discuss the situation with your line manager.

### Using our systems

The misuse of company email and other systems could seriously damage our reputation. You must ensure that you are familiar with and uphold our policy.



BUSINESS PRINCIPLES NO.

# 2

## Ensuring openness and transparency

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- ▼ 12
- ▼ 12
- ▼ 12
- ▼ 12
- ▼ 12

## Our commitment

Open and transparent communications with our stakeholders – customers, employees, regulators, investors, local communities and society – are important to us, but we also respect commercial confidentiality and the privacy of our employees and customers.

We will provide meaningful and timely communications to stakeholders of our social, ethical and environmental performance, which form part of our Business Principles, through the annual reporting process and online progress reports.

It is important that we communicate honestly and openly at all times. Besides showing our colleagues and stakeholders that we are acting with honesty and integrity, there are particular requirements relating to financial information.

### Accounting and internal controls

Our accounting records must be produced with accuracy and honesty. They must be supported by appropriate documents to provide an accurate and auditable record of the transactions they describe.

Whether you are directly involved in producing financial accounts or contribute to them, for example, by making an expense claim on time, we are all responsible for observing the company's accounting policies and procedures at all times.

### Confidential information and data protection

We respect the confidentiality of information relating to identified or identifiable individuals and businesses. Confidential information includes almost any type of information which is commercially sensitive, including, for instance, financial information, business models, processes, statistical information, customer lists, plans, sketches and computer programs.

You must never share confidential information about the company or our customers, employees, shareholders or business partners with others outside Centrica or use it for your own benefit. If you are in doubt, please speak to your line manager or the Privacy Unit or Legal department.

#### Examples of confidential information

- Business plans
- Marketing strategies
- Customer data
- Legal actions
- Price changes
- Financial results
- Acquisitions data
- Employee data
- Management changes

### Insider dealing

If you are a director or employee and you have access to unpublished, share price-sensitive information about the company and the parties with which we do business, you are prohibited from using this confidential information for your own personal benefit.

You are bound by the Centrica Code for Share Dealing by Directors and Employees and must sign a declaration saying that you will abide by it. You

must observe the rules relating to the buying and selling of Centrica shares. You must not give your personal opinion if you are asked a question about the company's financial position or future plans. If you use inside information (or pass it to someone else who then uses it), you may be breaking the law and we will treat this as a disciplinary matter. You may also be prosecuted in a criminal court.

#### Further information

Rough Undertakings – Code of Conduct  
Group 'Speak-Up' Policy – Public Interest Disclosure

Centrica Code for Share Dealing by Directors and Employees

### Branding and corporate identity

The reputation of the Centrica brands is fundamental to the success of our business. You must never use the company's logos or corporate identity for your own benefit or to carry out private transactions.

You must ensure that all company-branded internal and external communications comply with the Centrica and business unit brand guidelines. If you need to use logos or any other element of our corporate identity for business activities, please contact [centricabrand@centrica.com](mailto:centricabrand@centrica.com).

The guidelines apply to all Centrica branded business units, including Centrica Energy and Centrica Storage, and can be downloaded from [www.centricabrand.com](http://www.centricabrand.com).



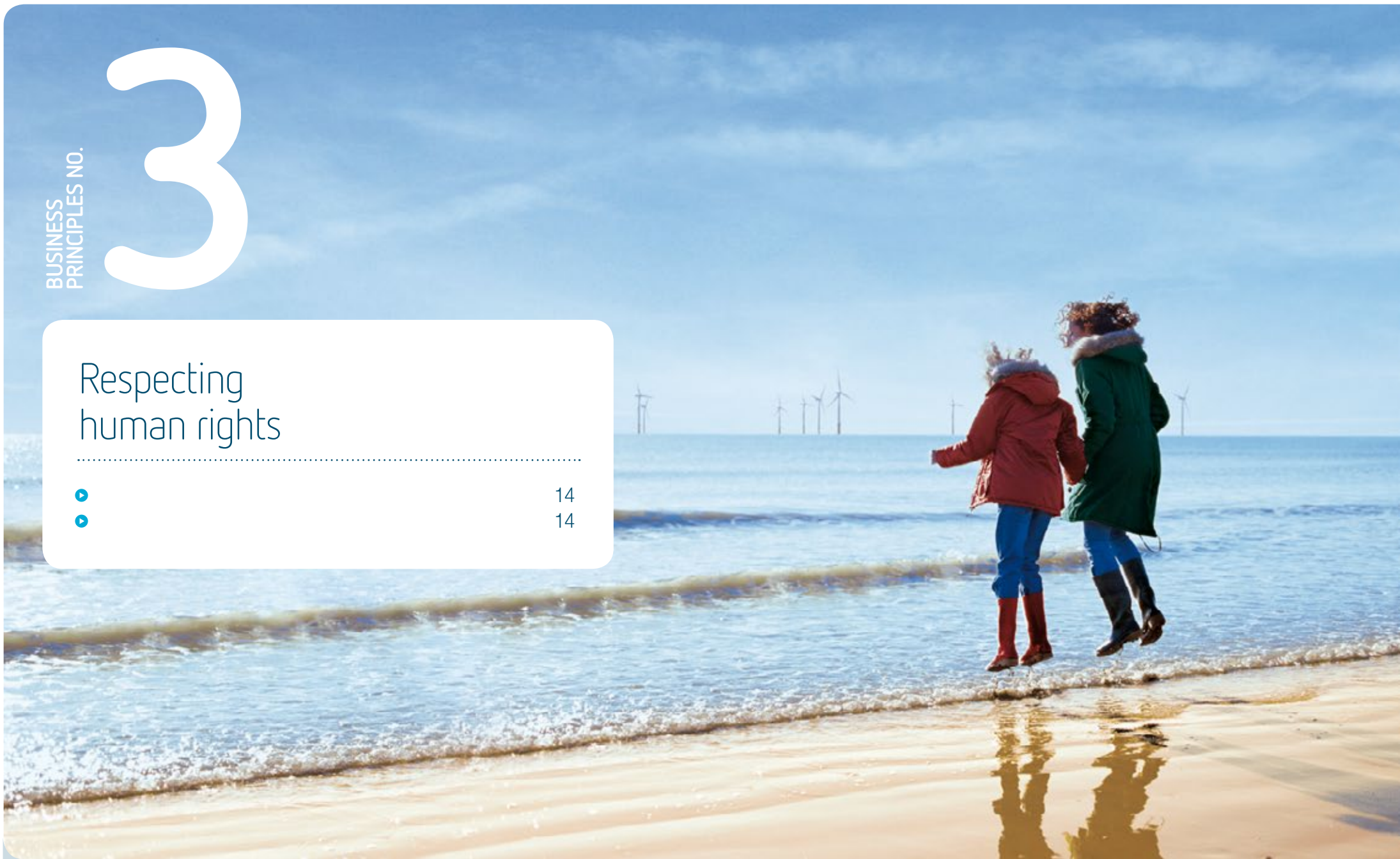
BUSINESS  
PRINCIPLES NO.

# 3

## Respecting human rights

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- ▶ 14
- ▶ 14



## Our commitment

We support all aspects of human rights set out in the Universal Declaration of Human Rights (UDHR), which forms the basis of our respect for the communities and societies in which we operate. Human rights considerations affect many aspects of our business activities, including our employment processes and investment strategies, the health, safety and security of our people and assets and our goal to contribute positively to communities in which we operate.

## Human rights

Human rights are fundamental principles and standards which state that individuals are entitled to lead dignified lives, free of abuse and with the freedom to express independent beliefs. Human rights are based on rules of human behaviour common across different cultures and help achieve stable, peaceful and equitable societies.

Today, the UDHR agreed by the United Nations General Assembly in 1948, sets out what we understand as human rights. The UDHR gives every individual and every section of society – including businesses – a duty to promote respect for the human rights defined within it.

As a signatory to the United Nations Global Compact, we are committed to supporting and enacting its two principles concerning human rights within our sphere of influence. We will:

- support and respect the protection of internationally proclaimed human rights



- make sure that we are not complicit in human rights abuses

Our sphere of influence as a company includes our employees, customers, business partners, regulators and the communities within which we operate. For example:

- we are committed to meeting the core conventions of the International Labour Organisation (ILO)
- we aim to make sure that our suppliers and contractors meet the requirements of the ILO Core Conventions and also commit to supporting and respecting human rights
- we take particular care to ensure that our most vulnerable customers receive the support they need and we do not discriminate against anyone when we provide products and services

- we assess the impact of our operations on the human rights of surrounding communities

When we operate in countries in which there is conflict, or where people's human rights are frequently ignored, we must take steps to avoid being complicit. We must not be in any way involved in human rights abuses or associated with those who are. In particular, where we employ security protection (whether private or provided by the state) we will observe the Voluntary Principles on Security and Human Rights.

We all recognise the special relationship that exists between regional natural areas and the indigenous communities that live and work there. We must consider the impacts of our operations on affected communities and respect the rights of indigenous peoples

including historical links to their land.

We all have a responsibility to be aware of human rights, the commitment we have made to protect them and the possible effects of our operations on them.

Senior managers, in particular, should make sure that they are familiar with the Universal Declaration of Human Rights (see page 29) and the main issues in the countries where they are operating. This will allow us to take human rights considerations into account when making decisions.

### Further information

Group Human Rights Policy

BUSINESS PRINCIPLES NO.

# 4

## Enhancing customer experiences and business partnerships

- 16
- 16
- 16
- 16
- 17
- 17

## Our commitment

We will treat our customers fairly and professionally to deliver good quality customer service based on trust and credibility. We will also work with our customers to ensure they understand how to use our products and services safely and responsibly.

We will maintain dialogue with regulators, consumer and industry organisations and relevant not-for-profit organisations to inform our decision-making and ensure that we provide innovative products and services that are relevant to the markets in which we operate.

We will disseminate these principles to our business partners – including sub-contractors, suppliers and joint venture partners – and will seek to promote their application throughout our supply chain.

## Delivering excellent service

In our highly competitive markets, an important factor that differentiates one company from another is customer service. We all have a responsibility to:

- *understand the individual needs of our customers and be helpful, friendly and polite*
- *try to resolve queries and complaints in a way that satisfies our customers*
- *complete anything we promise to do for a customer within the agreed time frame.*

Not only do we aim to provide excellent customer service, but also to deliver it profitably, recognising our commitment to our shareholders. We must strive to anticipate our customers' needs and promptly correct any mistakes we make. We aim to give value for money and provide efficient and effective products and services.

## Advertising, sales and promotional activities

Demonstrating fairness and integrity allows us to protect and enhance our reputation with customers, business partners and wider stakeholders. We must not include any false or misleading information in our advertising to promote and sell our products and services. All advertising, sales and promotional communications to customers and potential customers must be accurate and truthful.

We seek to comply with all relevant laws and regulations in relation to our advertising, sales and promotional activities. All advertising, sales and promotional material must be formally approved by the Legal department before it is published. For further details, please contact your Legal department.

## Customer privacy and data protection

As part of your role, you may have access to confidential information about customers or business partners. It is very important that you keep information secure and any information that you have must be used carefully and passed on only to those colleagues who are entitled to receive the information for a genuine business purpose.



If you have any questions about customer privacy or data protection, please contact the Privacy Unit (Privacy Officer in North America), go to the Data Protection Community or your business unit privacy pages on the intranet.

### Customer privacy

It is very important we keep information secure. You must make sure that you protect all confidential information.





### Working with suppliers and other business partners

Our Business Principles and guidelines apply to all our majority-owned business dealings and transactions in all countries in which we or our subsidiaries and associates operate. Where we only have a minority interest we will encourage our business partners including contractors, suppliers and joint venture partners to respect our Business Principles.

We aim to uphold our Business Principles in our supply chain through our responsible procurement programme. This includes a Responsible Procurement and Supplier Management Policy that details our commitments as a company, a set of corporate responsibility clauses that are included in supplier contracts and a Procurement and Corporate Responsibility Policy to which suppliers must adhere.

We encourage suppliers and business partners to work with us to embed responsible business practices. If you are involved in selecting suppliers and business partners, you should use our Business Principles and the Responsible Procurement and Supplier Management Policy as the basis for due diligence research and analysis.

If you manage relationships with suppliers or business partners, please make sure that they are aware of our Business Principles, the Responsible Procurement and Supplier Management Policy and the operating standards we expect. You should also monitor your supply chain relationships in line with our principles and take appropriate action if you find any cases where our business partners or suppliers are failing to meet our standards.

If you have any concerns about ethical issues in our supply chain, please contact your line manager or the Group Procurement and Supplier Management department.

### Contracting and procurement

Our policy is to formalise all agreements in writing. You may enter into agreements in line with the level of authorisation given in accordance with the Group Delegation of Authority and Decision Making Policy. You should get the support of your Legal department or Group Procurement and Supplier Management department to make sure you have prepared the necessary documents in accordance with Group guidelines. If you do not have an authorisation level, you must not enter into any agreement on the company's behalf.

#### Further information

- Group Procurement Policy
- Group Responsible Procurement and Supplier Management Policy



BUSINESS PRINCIPLES NO.

# 5

## Valuing our people

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•	19
•	19
•	20
•	20
•	20

## Our commitment

We value our people and are committed to creating a culture of mutual trust and respect. We will recruit people based on the qualifications and abilities needed to do the job, while promoting diversity and development throughout our business.

We will work with our employees to ensure fair consultation and representation in decision-making, and respect employees' rights to freedom of association and collective bargaining. We will not tolerate any form of discrimination, harassment or bullying by and towards our employees.

We want you to use your talents and make a valuable contribution to both your team and the company. We want you to be a positive team player, and to work with your colleagues in an environment where employment practices are based on respect, equality and fairness. We will help you develop your skills and experience so that together we can deliver the company's strategy.

## Diversity and inclusion

We all have the right to a workplace where we feel comfortable coming to work. We are committed to creating a working environment in which all employees are able to fulfil their potential and maximise their contribution. We recognise and value the creative potential that individuals of different backgrounds and abilities bring to their work.

Our employment policies and practices reflect a culture where decisions are made based on



individual ability and potential in relation to the needs of the business. Employees must not be treated less favourably because of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race (including ethnic origins, nationality and colour), religion or belief, sex and sexual orientation or part-time and fixed term status.

We do not tolerate any form of discrimination, bullying or harassment, whether it is carried out deliberately or not. We expect everyone with whom we work, including vendors, suppliers

and other business partners, to uphold this commitment.

We are all responsible for promoting diversity and inclusion in the workplace and in our relationships with customers, colleagues and business partners. It is your responsibility to make management aware of any cases where employees are not respecting our diversity and inclusion policies, whether it affects you personally or someone around you. The matter may then be addressed through the appropriate disciplinary and grievance procedures.

## What is diversity?

Diversity is about recognising the value of the contributions from a diverse group of people while treating each person as an individual irrespective of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race (including ethnic origins, nationality, and colour), religion or belief, sex and sexual orientation and other human differences.

### Harassment and bullying

Harassment and bullying can take many forms, from openly bullying someone to behaving threateningly towards them. It can also involve victimising someone by putting them under unnecessary pressure or stress. It is essential to consider how your behaviour can make others feel, as someone may feel harassed even when that is not your intention. For example, you may call a colleague by a nickname, which you find amusing, but which they find offensive or hurtful. We do not tolerate bullying and harassment at Centrica and if you find that it is happening, you should report it to your line manager or your human resources manager.

#### Further information

- Centrica UK Avoidance of Harassment and Bullying in the Workplace Policy
- Group Diversity & Inclusion Policy

### Personal relationships at work and conflicts of interest

If you form a personal relationship with someone at work which could lead to a conflict of interest or loyalty, you must declare it. An example may be where you have authority over another employee in terms of their appraisal, salary or promotion. You should also declare any personal relationships you have with people who work with our suppliers or other business partners if that relationship could lead to a conflict of interest.

You must declare any relationships of this kind to an appropriate manager, who has a duty to treat the information as confidential.



### Misusing drugs or alcohol

As part of our commitment to provide a safe and healthy working environment, we have developed a clear policy on misusing drugs or alcohol.

Misusing drugs or alcohol affects your performance and also puts you and other people's health and safety at risk. Under health and safety legislation, we have a general duty to protect the health, safety and welfare of our

employees. As a result, if you are found to be 'under the influence' of alcohol or drugs, you will not be allowed to continue working. You could be liable for criminal proceedings if you consume alcohol or drugs and put others' safety at risk. We all have a responsibility to comply with this policy.

We also recognise that misusing alcohol or drugs may be considered a medical condition. The company is committed to helping you if

you are addicted to alcohol or drugs. If we feel you have this kind of addiction, we will encourage you to get confidential help from our Occupational Health team or to contact the Employee Assistance Programme.

#### Further information

Group Substance Misuse Policy

BUSINESS PRINCIPLES NO.

# 6

Focusing on health, safety and security

- ▼ 22
- ▼ 22
- ▼ 22

## Our commitment

The health, safety and security of our employees, customers and others who may be affected by our activities are a top priority. We believe that all work-related fatalities, injuries and illnesses can be prevented and we are committed to ensuring that all employees work in a safe and healthy way.

### Health and safety

We each have a responsibility to comply with the law and company procedures, and to take precautions to avoid injury or illness to ourselves, our colleagues, our contractors, our customers and other members of communities that may be affected by our activities.

We are working with our suppliers, customers and business partners to achieve our goals, placing particular emphasis on minimising the risk of a major accident in our upstream businesses and safeguarding customer safety in our downstream businesses.

Our comprehensive business management

#### Advice?

If you need specific advice on health or wellbeing at work, please contact the occupational health advisor for your business unit or contact our impartial and confidential **Employee Assistance Programme (EAP)**. For contact details see page 30.



system aims to ensure that we comply with all relevant legislation; continually improve our performance; and are able to meet externally verifiable standards, as well as the internal standards we set ourselves.

Each of us has a responsibility to learn from our successes and from incidents and to share what we learn with others. We will lead by example and hold each other and our business partners accountable for working together in a safe and healthy way.

The Group Crisis Management Procedure provides arrangements to deal with an event that could undermine confidence, damage our ability to work successfully and have long-lasting negative effects. A crisis could occur as a consequence of a major health, safety, security or environmental incident or out of circumstances, issues or perceptions surrounding, for example, the discovery of inadequate products or services, financial mismanagement, fraud, a terrorist threat, global health pandemic, or poor community or customer relations.

If you have any concerns about health and safety, speak to your line manager or contact the health and safety representative for your business unit. For further information on health, safety and security please contact the Group Director of Health, Safety, Environment and Security.

#### Personal authority

You must intervene if you see anything unsafe or people acting unsafely. You have the authority to stop any work activity if someone could get hurt or harmed.



### Security

Our aim is to create a safe and secure environment that enables us to go about our business without hindrance from criminal activity, physical danger or disruption to our operations. Our Group Health, Safety, Environment and Security Directorate identifies security risks to our people, assets, operations and reputation and strives to ensure effective measures are in place to address them.

We all have a personal responsibility for security by being vigilant to potential risks, looking after our assets and information, reporting incidents and / or suspicious activity, complying with procedures, and behaving responsibly.

Where we operate in high risk areas, we ensure that

we and our contractors work in accordance with the UN guidelines of Basic Principles on the Use of Force and Firearms by Law Enforcement Officials and the Universal Declaration of Human Rights.

Advice on all security issues is available through the Group Security Emergency helpline open 24 hours a day, seven days a week. Within the UK 0800 316 4601 and outside the UK +44 1494 400 402.

#### Further information

- Group Health and Safety Policy
- Group Security Policy
- Group Standard on HSE Management



BUSINESS  
PRINCIPLES NO.

# 7

## Protecting the environment

- ▼ 24
- ▼ 24
- ▼ 24



## Our commitment

We are committed to understanding, managing and reducing the environmental impact of our activities. In particular we are committed to playing our part in the transition to low carbon energy, while ensuring the security of present and future energy supplies. We aim to achieve this by sourcing and producing energy from cleaner sources, reducing wasted energy and developing and deploying new technology.

We aim to reduce the carbon intensity of our power generation by developing lower carbon energy sources. We are also committed to leading the consumer market for low carbon energy products and services, helping customers to reduce their energy usage.

We recognise that our operations, together with the way we deliver products and services, can have a major impact on the environment – for example, in the way we produce and use energy, manage our local environment and its biodiversity, operate our fleet of vehicles and manage the waste we create. We will work with our employees and suppliers to reduce these impacts through innovation, technology and cultural change. In addition we will quantify, measure and communicate our environmental performance in a rigorous and clear manner.

## Environment

We assess and manage our impact by putting in place policies, management systems and targets to improve our performance. We also take responsibility for helping our customers make informed decisions about the use of our products and services by providing information and advice.

If you are responsible for business activities that could have an impact on the environment it is important that you take appropriate steps to assess and manage those impacts in line with group and business standards as well as external standards such as ISO 14001.

## Responsibility

Each of us has a responsibility to limit Centrica's impact on the environment and we need your support and engagement to achieve our environmental goals.

Our workplace programmes provide the opportunity for employees to become directly involved in taking action to reduce our collective and individual environmental impact. Managers and directors must ensure that environmental impacts and opportunities are assessed as part of our strategic decision-making process.

You can find information on our environmental policy, targets and responsibilities on our website at [www.centrica.com/safeguarding](http://www.centrica.com/safeguarding).

### Further information

Group Environment Policy





BUSINESS  
PRINCIPLES NO.

8

## Investing in communities



26

26

## Our commitment

We recognise that strong relationships and long-term partnerships with local communities are fundamental to our sustained success. Wherever we operate, we seek to develop enduring relationships with our neighbours based on mutual trust, respect and an understanding of our impact.

We are committed to providing additional targeted support for our more vulnerable customers and the promotion of social inclusion. We also promote education, skills development and employability in the communities we serve.



## Communities

Centrica and our employees have much to offer and a great deal to gain through active engagement with local communities. It is important that we assess and fully understand how our business activities affect the communities of which we are a part. For example:

- how our presence as an employer affects the local economy
- how our operations affect natural habitats
- how we can contribute positively to local society

By understanding our impact we can maintain our strong reputation for developing successful partnerships that bring benefits to both the communities and our business.

Our community investment programme allows us

### Assessing our impact

We must engage with local communities to understand how our business activities affect them. Maintaining dialogue with our neighbours will build trust and respect, providing us with a licence to operate.



to make a positive and sustainable contribution in the diverse communities we serve and from which we recruit.

We also believe we have a responsibility to help address relevant issues of social concern. As a result, we focus our resources where we can best make an effective contribution. We are also committed to supporting our employees in their own fundraising and volunteering activities.

As we engage and contribute to our local communities we must ensure our involvement is handled in an appropriate and professional way. We must also base our support with the long-term sustainability and needs of the community in mind. This will help us avoid any legacy issues, which can have a negative impact on our reputation.

If you are involved in managing community projects on behalf of Centrica or fundraising at work, you must also be sure that charitable contributions and sponsorships are not being used as bribes and are being directed to reputable and registered charities or community organisations only. You must also declare any conflicts of interest and make sure that you keep and submit accurate records of donations and sponsorship for the company's annual disclosure of all charitable contributions or sponsorships.

Details on how to do this are available from [community@centrica.com](mailto:community@centrica.com).

You can get more information from the Corporate Responsibility department or at [www.centrica.com/communities](http://www.centrica.com/communities)

### Charitable contributions

We have a responsibility to help address relevant issues of social concern and to ensure that our charitable contributions, both cash and in kind, are made to best effect.



### Further information

Group Community and Local Impact Policy

Centrica Norway Limited  
**Centrica Overseas**

## Useful information

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▶	28
▶	28
▶	28
▶	29
▶	29
▶	29
▶	29
▶	29
▶	30
▶	30
▶	31

### Raising concerns

If you are concerned about any possible improper, unethical or illegal practice within the organisation, you have a responsibility to speak up. We encourage you to raise the matter with your line manager first or alternatively your human resources manager. If this is not possible, you can call the confidential and independent 'Speak Up' helpline which is run by an external organisation called Expolink, except in North America where the service is provided by EthicsPoint.

We are committed to dealing responsibly, openly and professionally with any genuine concerns and if you raise them in the correct way, you will be legally protected.

You can remain anonymous if you want to, although we encourage you to provide your name and contact details to make sure that we can investigate the matter effectively and update you on our progress.

#### Speak up

If you have concerns about improper or illegal practice within Centrica, you have a responsibility to speak up. Speak to your manager or call the confidential and independent helpline. See page 31 for contact details.



#### Further information

Group 'Speak-Up' Policy: Public Interest Disclosure

### Making the right decision

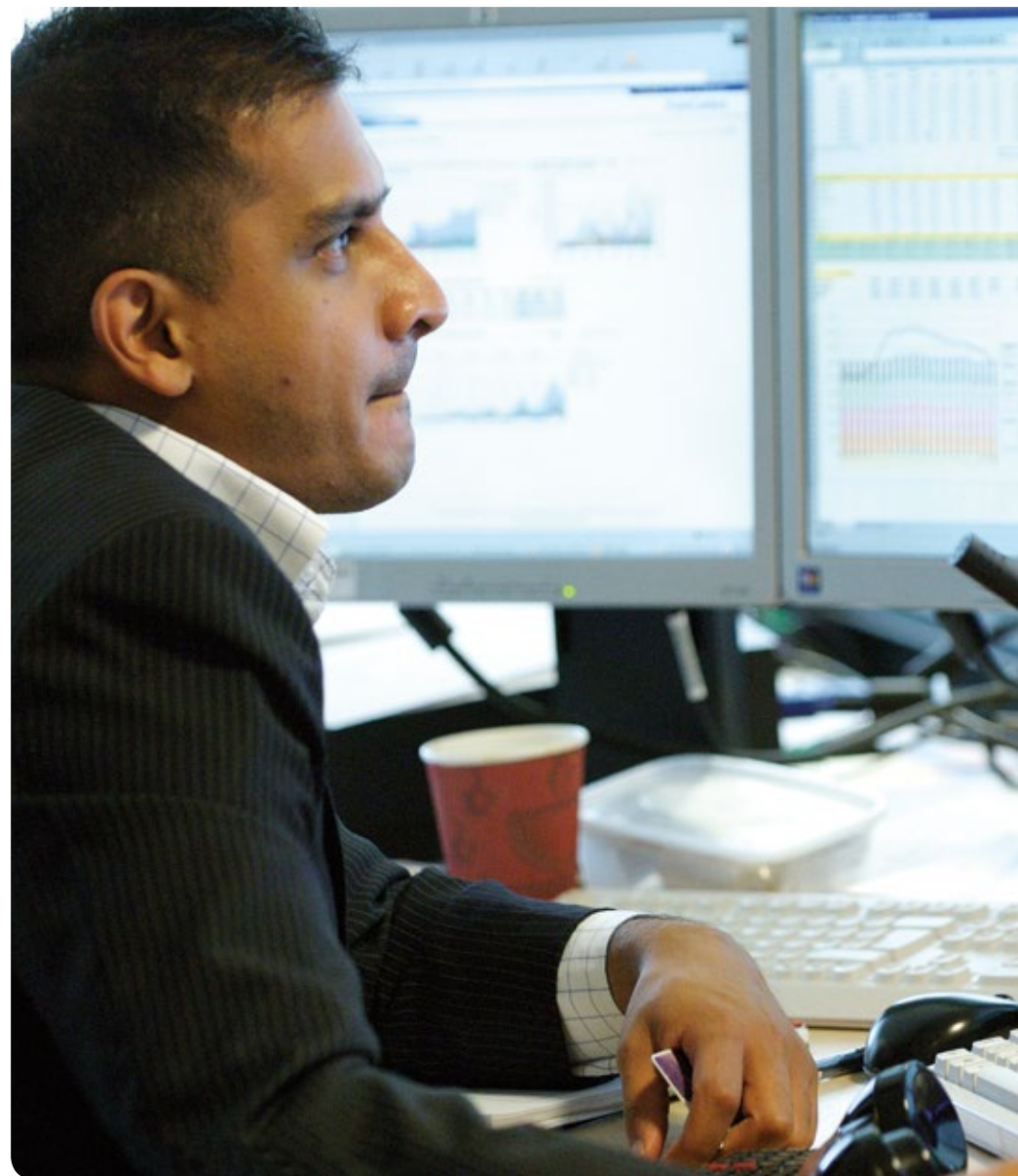
It can sometimes be difficult to know how to respond to certain situations. Making difficult choices is part of everyday life. The questions below have been designed to help you make the right decision when faced with a difficult choice. Ask yourself these questions so you can always act in accordance with the Business Principles.

Can you comfortably say 'yes' to the following:

- ✓ Is it legal, safe and right for the business?
- ✓ Is it good for customers and society?
- ✓ Would I be happy if this was done to me?
- ✓ Am I happy to say this was my decision?

### Getting advice

There are some cases where the right decision may still not be obvious or you may need more detailed advice and guidance. Your first point of contact should always be your line manager. If they are not sure, they will be able to direct you to someone else in the company who can offer further support. We refer to other sources of information and guidance throughout this guide.



## United Nations Global Compact

The Global Compact was launched at United Nations headquarters in New York on 26 July 2000. Today, many hundreds of companies from all regions of the world, international labour and civil society organisations are engaged in the Global Compact, working to advance 10 universal principles in the areas of human rights, labour, the environment and anti-corruption.

The Global Compact is a voluntary initiative that seeks to promote responsible corporate citizenship so that business can be part of the solution to the challenges of globalisation and help deliver a more sustainable and inclusive global economy.

The Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption.

Centrica is a signatory to the principles of the UN Global Compact.

Our Communication on Progress (COP) is available at:

[www.centrica.com/responsibility](http://www.centrica.com/responsibility)  
[www.unglobalcompact.org](http://www.unglobalcompact.org)

## UN Global Compact principles

1. Support and respect the protection of internationally proclaimed human rights
2. Ensure that they are not complicit in human rights abuses
3. Uphold the freedom of association and the effective recognition of the right to collective bargaining
4. Eliminate all forms of forced and compulsory labour
5. Abolish child labour
6. Eliminate discrimination in respect of employment and occupation
7. Support a precautionary approach to environmental challenges
8. Undertake initiatives to promote greater environmental responsibility
9. Encourage the development and diffusion of environmentally-friendly technologies
10. Work against all forms of corruption, including extortion and bribery

## International Labour Organisation Core Conventions

The ILO declared eight conventions as fundamental to workers' rights worldwide:

1. Convention 29 – Forced Labour Convention, 1930
2. Convention 87 – Freedom of Association and Protection of the Right to Organise Convention, 1948
3. Convention 98 – Right to Organise and Collective Bargaining Convention, 1949
4. Convention 100 – Equal Remuneration Convention, 1951
5. Convention 105 – Abolition of Forced Labour Convention, 1957
6. Convention 111 – Discrimination (Employment and Occupation) Convention, 1958
7. Convention 138 – Minimum Age Convention, 1973
8. Convention 182 – Worst Forms of Child Labour Convention, 1999

Centrica is committed to meeting the requirements of the ILO Core Conventions.

[www.ilo.org](http://www.ilo.org)

## Voluntary Principles on Security and Human Rights

Governments of the United States, the United Kingdom, the Netherlands and Norway, companies in the extractive and energy sectors and non-governmental organisations, all with an interest in human rights and corporate responsibility, have engaged in a dialogue on security and human rights.

The participants recognise the importance of the promotion and protection of human rights throughout the world and the constructive role business and civil society – including non-governmental organisations, labour/trade unions, and local communities – can play in advancing these goals.

Centrica observes the Voluntary Principles on Security and Human Rights

[www.voluntaryprinciples.org](http://www.voluntaryprinciples.org)

## Universal Declaration of Human Rights (UDHR)

On 10 December, 1948 the General Assembly of the United Nations adopted and proclaimed the Universal Declaration of Human Rights. The Assembly called upon all Member countries to publicise the text of the Declaration and "to cause it to be disseminated, displayed, read and expounded principally in schools and other educational institutions, without distinction based on the political status of countries or territories."

Centrica supports all aspects of human rights set out in the Universal Declaration of Human Rights.

[www.un.org](http://www.un.org)



## Emergency security helpline

The Group Security emergency helpline is open 24 hours a day, seven days a week for all employees who travel on Centrica business or who find themselves in difficulty at any location, even their own office or home.

### 24/7 Emergency Security helpline

Within the UK  
**0800 316 4601**

Outside the UK  
**+44 1494 400 402**

## Directory of key contacts

Department	Contact
Brand	centricabrand@centrica.com brand@directenergy.com
Community Investment	community@centrica.com directinthecommunity@directenergy.com
Compliance	ComplianceTeam@Centrica.com CECompliance@centrica.com compliance@centrica-sl.co.uk ethicsandcompliance@directenergy.com
Corporate Responsibility	responsibility@centrica.com responsibility@directenergy.com
Environment	GroupEnvironment@centrica.com
Financial Crime Risk	GroupFinancialCrimeRisk@centrica.com
Group Procurement and Supplier Management	group.procurement@centrica.com procurement@directenergy.com
Health and Safety	health&safety@centrica.com hse@directenergy.com
HR Services	centricapeopleservices@aonhewitt.com hrsupport@directenergy.com
Information Security	information.security@centrica.com infosec@directenergy.com
Legal	Legal&Regulatory@centrica.com
Media	media@centrica.com media@britishgas.co.uk media@directenergy.com
Privacy Unit	centricadataprotection@centrica.com privacy@directenergy.com
Public Affairs	publicaffairs@centrica.com publicaffairs-britishgas@centrica.com regulatoryaffairs@directenergy.com
Secretariat	secretariat@centrica.com

Our **Employee Assistance Programme (EAP)** is a confidential and impartial service for Centrica employees regarding health and wellbeing issues:

UK: **0800 970 9999**

(outside UK: +44 141 271 7186)

Canada (English): **1 800 268 5211**  
(TDD 1 800 363 6270)

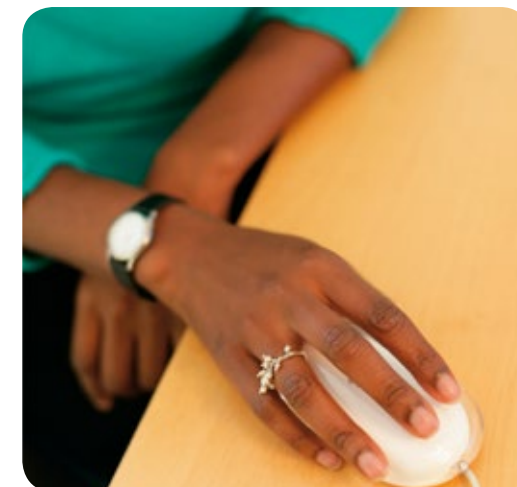
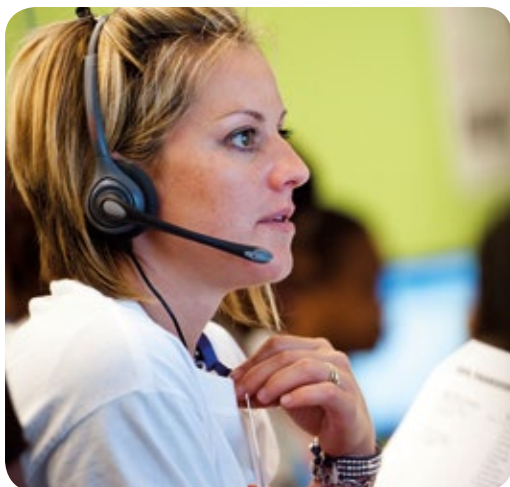
Canada (French): **1 800 363 3872**  
(ATS: 1 800 263 8035)

US: **1 888 371 1125**

### Further information

All Group Policies are available on the Group Policy Portal.

Further information is available on the Centrica intranet and the Responsibility pages of Centrica.com



## Speak Up helpline

This is an **independent** and **confidential** helpline for Centrica employees concerned about any practices which are inconsistent with any of our Centrica Business Principles.

<b>UK</b>	0800 374199
<b>India</b>	000 800 440 1286
<b>Netherlands</b>	0800 022 9026
<b>North America</b>	1-855-282-4792
<b>Norway</b>	800 14870
<b>South Africa</b>	0800 990520
<b>Qatar</b>	0044 1249 661 808 (collect call)
<b>Trinidad &amp; Tobago</b>	0044 1249 661 808 (collect call)

All numbers are **freephone**, except where indicated.

## Different formats

If you would like this Guide in a different format, such as large print, Braille or CD, you can request these in the following ways:

**Telephone** 0800 111 4371

**Text phone** 18001 0800 111 4371

Please note that these numbers should be used to order copies of alternative formats only.



**centrica**

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