

Our commitment to good business
Demonstrating integrity
in corporate conduct

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centrica

Version 1 July 2014



Group Political Involvement Policy

Our Business Principles

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- 2 Ensuring openness and transparency
- 3 Respecting human rights
- 4 Enhancing customer experiences and business partnerships
- 5 Valuing our people
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Our commitment to good business

Business Principles and Group Policies

Our purpose is helping people today and securing energy for tomorrow. Our Business Principles and Group Policies are the foundation for how we operate to achieve this purpose. More than a tick box for compliance, how we conduct business defines us in the eyes of our people, our customers and our wider stakeholders. We are committed to ethical and responsible practice, as one business, with one set of Business Principles and Group Policies. Together, our eight Business Principles, which set out the operating standards we expect, and our Group Policies, which support these Business Principles, are our commitment to good business. The standards our people expect of themselves and one another are very high, and reflect the nature of our business, and our place within it. Our Business Principles and Group Policies are here to help us make the right decisions and provide guidance when needed.

Your commitment

- We remain a principled business as a direct result of every single employee conducting themselves with integrity.
- Every decision you make impacts those around you. You also need to know that you can rely on responsible and ethical decisions made by others.
- You, along with everyone else involved in Centrica's business and operations, have a personal responsibility to adhere to these principles and policies and to conduct business legally, responsibly and ethically.
- You must be confident about those decisions. Adhering to these principles and policies will give you that confidence.

Your commitment regarding this policy

- You have a responsibility to uphold our Business Principle of "Demonstrating integrity in corporate conduct" in all dealings with political or public policy issues or similar or when you are involved in anything to do with this policy.





Introduction



Centrica operates in a highly regulated market. Public policy decisions can affect all aspects of our operations including investments, consumer protection and employment relations.

Lobbying is a normal, acceptable and important part of the legislative process, provided all legal requirements are complied with.

Laws and regulations governing the activities of public affairs practitioners or attempts to influence the policy environment vary around the world. Centrica will uphold the spirit and letter of all relevant laws relating to our political activities.

Scope

This policy applies to all Centrica employees (permanent or temporary staff, consultants and contractors) and extends to all our majority-owned businesses or business transactions in every country where our subsidiaries, our associates and we operate.

Where we have a minority interest we will encourage this policy to be applied among our business partners including contractors, suppliers and joint venture partners.

You should read this policy along with the guidance on political involvement in Building a Better Business: A Guide to Sound Business Practice.

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Purpose

This policy explains the responsibilities of Group functions and business units in observing and upholding our position on political involvement.

Policy

Centrica operates on a politically neutral basis and works closely with interested parties to inform policy on key issues including energy, environment, consumer policy and employment relations.

Centrica does not make political contributions and fully complies with the UK Political Parties, Elections and Referendum Act 2000 in the UK.



Responsibilities



The Group Chief Executive has primary responsibility for implementing this policy and for reporting to the Centrica Board of Directors. The business leader of each business unit will establish appropriate responsibilities and procedures within their operations. If any instance of bribery or corruption is identified, remedial steps will be taken immediately.

Specific employees in Group Corporate Affairs are given responsibility for engaging in and co-ordinating planned public affairs activity on Centrica's behalf.

No employee or director must make direct or indirect contributions or any form of inducement to political parties, individual politicians or government employees on behalf of the company.

This does not preclude you from being a member of, or making donations to, a political party in your personal capacity. However, if you are involved in political activity outside work, you must ensure your involvement does not, in any way, represent the views of Centrica or bring the company into disrepute.

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Actions – what happens next



If you have any concerns about any instance of malpractice or non-compliance you are encouraged to raise them at the earliest moment through our confidential 'Speak Up' helpline. See the Group 'Speak Up' Policy: Public Interest Disclosure.

Training and communications

We will communicate this policy and relevant guidance to you as an employee through our established internal communications channels. We will also keep our suppliers, contractors, business partners and other interested parties informed.

You will receive relevant training on how to implement this policy during your employment as a manager, employee or agent with the Group.



Actions – what happens next



Monitoring and review

The Centrica Executive Committee will review how this policy is used, especially its suitability, adequacy and effectiveness and improve it where appropriate.

Internal controls and audit

Centrica has or employs systems to feed back information so it can maintain accurate records, available for inspection, which properly and fairly document all financial transactions. Internal control systems are subject to regular audits to ensure they are effective in countering bribery and corruption.

Related policies and documents

*Building a Better Business:
A Guide to Sound Business Practice*
*Group Speak-Up Policy:
Public Interest Disclosure*

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