

Group anti-corruption policy

Introduction

Bribery and corruption is, unfortunately, a feature of corporate and public life in many countries across the world. Governments, businesses and non-governmental organisations such as Transparency International are working together to tackle the issue but despite our collective efforts eradicating all forms of bribery and corruption will take time. Centrica therefore has a clear policy and we support our employees to make decisions in line with our stated position.

Our corporate conduct is based on our commitment to acting professionally, fairly and with integrity. Centrica does not tolerate any form of bribery and corruption.

Purpose

The purpose of this policy is to set out the responsibilities of Group functions and business units in observing and upholding our position on bribery and corruption. In developing this policy we have made reference to the 'Business Principles for Countering Bribery' published by Transparency International.

Scope

This policy applies to Centrica employees (staff, contract and temporary) and extends to all our majority owned business dealings and transactions in all countries in which we or our subsidiaries and associates operate.

Where we have a minority interest we will encourage the application of this policy amongst our business partners including contractors, suppliers and joint venture partners.

This policy should be implemented in conjunction with the guidance on giving and accepting gifts and hospitality within the Group Guide to Sound Business Practice.

Policy

Our Group Business Principles set out our commitment to operate responsibly wherever we work in the world and to engage with our stakeholders to manage the social, environmental and ethical impact of our activities in the different markets in which we operate.

Our first principle, 'integrity in corporate conduct', states that Centrica does not engage in bribery or any form of unethical inducement or payment including facilitation payments and 'kickbacks.' All employees are required to avoid any activities that might lead to, or suggest, a conflict of interest with the business of the Company. Employees must declare and keep a record of hospitality or gifts accepted or offered, which will be subject to managerial review. We do not make direct or indirect contributions to political parties.

We will uphold laws relevant to countering bribery and corruption in all the jurisdictions in which we operate, particularly laws that are directly relevant to specific business practices. The following national and international laws and conventions underpin this policy:

- OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (1997)
- Foreign Corrupt Practices Act (US)
- OECD Guidelines for Multinational Enterprises – Combating Bribery
- UN Global Compact – Principle 10 (Anti-Corruption)
- Extractive Industry Transparency Initiative

Responsibilities

The Group Chief Executive is the main board director with primary responsibility for implementing this policy and for reporting annually to the Centrica Board of Directors. The Managing Director of each

business unit will establish appropriate responsibilities and procedures within their operations. If any instance of bribery or corruption is identified, we will take remedial steps immediately.

Training and communications

We will communicate this policy and relevant guidance to employees across the Group, through our established internal communication channels. We will also communicate this policy to our suppliers, contractors and business partners and wider stakeholders. Managers, employees and agents will receive relevant training on how to implement this policy in the scope of their employment with the Group.

Raising concerns and seeking guidance

Employees are encouraged to raise concerns about any instance of malpractice at the earliest possible stage through our confidential 'speak up' helpline. Please refer to the Group Speak Up Policy for further information.

Monitoring and review

The Centrica Executive Committee will review the implementation of this policy in respect of its suitability, adequacy and effectiveness and make improvements as appropriate. It will periodically report the results of this process to the Group Audit Committee, which will make an independent assessment of the adequacy of the policy and disclose any material non-compliance in the Annual Report to shareholders.

Internal controls and audit

Centrica will establish feedback mechanisms in order to maintain accurate records - available for inspection - which properly and fairly document all financial transactions. Internal control systems will be subject to regular audits to provide assurance that they are effective in countering bribery and corruption.