

United Nations Global Compact

The United Nations Global Compact (UNGC) challenges business to uphold universally accepted principles on human rights, anti-corruption, labour and the environment. As a signatory to the UNGC, we are committed to continue to take action to support and uphold the principles, and to communicate progress on these actions annually.

Our progress over the past year in these areas is communicated through our website on issue pages, in the data centre and in our [2011 CR Performance Review](#).

Sam Laidlaw
Chief Executive

[Visit the United Nations Global Compact website](#)

Centrica 'Communication on progress' – 2011

1. Businesses should support and respect the protection of internationally proclaimed human rights

Our Business Principles establish our full support for all aspects of human rights consistent with the [Universal Declaration of Human Rights](#). In 2011, we conducted our second annual process for all Centrica management-level employees (more than 3,000) to complete an online declaration in support of the Business Principles. We achieved a very high response rate with 98.6% of managers successfully completing the declaration, surpassing our target of 95%. Additionally, we introduced an onboarding process which was initiated in 2011 and from March 2012 requires all new employees to complete an e-learning module on the Business Principles.

- [Values and behaviours](#)
- [Business Principles](#)
- [Human rights](#)
- [Stakeholder matrix](#)
- [People](#)
- [Supply chain](#)
- [Supply chain update](#)
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- [CR Performance Review](#) – pages 37-42

2. Businesses should make sure that they are not complicit in human rights abuses

Our Group Human rights policy outlines our commitment to upholding human rights and the mechanisms we have to facilitate feedback. In 2011, we developed a human rights e-learning module and training materials in collaboration with the Institute of Business Ethics (IBE) to provide teams operating in countries with more significant human rights risks, a best practice approach in ensuring our Business Principle of 'respect for human rights' is embedded throughout our operations. From March 2012, all new employees are required to complete an e-learning module on the Business Principles as part of their onboarding process, with human rights forming a portion of this training. Through our responsible procurement programme, we continue to encourage our suppliers to respect human rights throughout the supply chain. We do this by incorporating social, ethical and environmental requirements into supplier contracts that contain separate commitments on human rights.

- [Group human rights policy](#)
- [Group security policy](#)

- Supply chain
 - [Background](#)
 - [Supply chain metrics](#)
- [Safety](#)
- [Health and wellbeing](#)
- [Customer trust and fairness](#)
- [Communities](#)
- [Energy supply](#)
- [CR Performance Review](#) – pages 7-18, 30-36 and 40-42

3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

We recognise collective relationships with trade unions that help us support our business goals. We work closely with trade unions to manage change efficiently, and achieved successful engagements in 2011 on restructuring programmes, pay review and pension schemes which were among the issues raised at consultation throughout the year. We are also continuing to roll out responsible procurement clauses, to our strategic suppliers, which includes requirements to respect the rights of employees' freedom of association.

- [People](#)
- [Stakeholder matrix](#)
- Supply chain
 - [Background](#)
 - [Supply chain metrics](#)
- [CR Performance Review](#) –pages 37-42

4. Businesses should uphold the elimination of all forms of forced and compulsory labour

Our commitment in meeting the core conventions of the [International Labour Organisation \(ILO\)](#), which includes the Abolition of Forced Labour Convention (Convention 105,1957). Online training on human rights for teams operating in countries with higher human rights risks have been implemented across the business and as part of the onboarding process for new employees, completion of an e-learning module on the Business Principles has been introduced with human rights forming a portion of the training. Our responsible procurement clauses in supplier contracts also require our suppliers to respect and uphold human rights to the same high standards as we do and contain specific requirements against the use of forced labour.

- [Values and behaviours](#)
- [Business Principles](#)
- [Human rights](#)
- [Group human rights policy](#)
- Supply chain
 - [Background](#)
 - [Supply chain metrics](#)
- [Group responsible procurement and supplier management policy](#)

5. Business should uphold the effective abolition of child labour

We support the abolition of human rights abuses, including the use of child labour. Through our Business Principles, we extend our commitment to respecting human rights across both Centrica and our supply chain. Online training on human rights for teams operating in countries with higher human rights risks have been implemented across the business and as part of the onboarding process for new employees, completion of an e-learning module on the Business Principles has been introduced with human rights forming a portion of the training. We continue to roll out our responsible procurement clauses to strategic suppliers which include specific requirements to refrain from the use of child labour.

- [Values and behaviours](#)
- [Business Principles](#)
- [Human rights](#)
- [Group human rights policy](#)
- Supply chain,
 - [Background](#)
 - [Supply chain metrics](#)
- [Group responsible procurement and supplier management policy](#)

6. Businesses should uphold the elimination of discrimination in respect of employment and occupation

We aim to create a diverse and inclusive working environment that is welcoming and engaging for our people. Our efforts in this area secured two awards in the Top Employers for Working Families awards for Best for Fathers and Best for flexible working as well as being finalists in the Best for Carers section. For the fourth year in a row, we also won the AARP International Innovative Employer Award, which recognises employers around the world that have demonstrated innovative ways of tackling issues relevant to older workers.

- People
 - [Background](#)
 - [People metrics](#)
- [Diversity](#)
- [Our awards](#)
- [CR Performance Review](#) – pages 37-42

7. Business should support a precautionary approach to environmental challenges

Climate change is one of the biggest global challenges, and we play a pivotal role in helping to tackle it by changing the way energy is generated and how consumers use it. We are leading the transition to low carbon homes and businesses, enabling customers to reduce their carbon footprint by investing in lower carbon power and energy efficiency products to reduce emissions and lower consumption. We are also working hard to cut our internal carbon footprint in our property, fleet and travel.

- [Carbon and climate change](#)
- [Energy supply](#)
- [Environment metrics](#)
- [Environmental practices](#)
- [CR Performance Review](#) –pages 19-29 and 30-36

8. Business should undertake initiatives to promote greater environmental responsibility

We support the move to a lower carbon future by sourcing, generating and storing energy in a responsible and sustainable way. We provide leadership on climate change, as well as aiming to minimise our impact on the environment through innovation, technology and cultural change to tackle issues such as air emissions, waste, water use and biodiversity. Our CR Performance Review outlines our initiatives and forthcoming actions to promote environmental responsibility among employees, customers and other key stakeholders.

- [Carbon and climate change](#)
- [Environment metrics](#)
- [Energy supply](#)
- [Environmental practices](#)
- [Environment policy](#)

- [CR Performance Review](#) –pages 19-29 and 30-36

9. Business should encourage the development and diffusion of environmentally friendly technologies

We continue to invest in low carbon technologies to lead the consumer market in providing energy efficient and low carbon products and services to homes and businesses. Our Green Skills Centre is dedicated in providing training and the skills needed to roll out environmentally friendly technologies. Our wind generation and nuclear offtake, provide a low carbon energy supply to customers.

- [Carbon and climate change](#)
- [Customer carbon](#)
- [CR Performance Review](#) –pages 20-29

10. Businesses should work against all forms of corruption including extortion and bribery

In support of the UK Bribery Act 2010, the Anti-Bribery Working Group has worked diligently to review our anti-bribery processes and procedures and in 2011, implemented an Anti-bribery and Corruption online declaration for management-level employees which saw 99.8% completion. We have also introduced an e-learning module on anti-bribery and corruption for all new employees joining the business. Our Business Principles and group policy on anti-bribery and anti-corruption are communicated and enforced across the company.

- [Values and behaviours](#)
- [Group anti-bribery and corruption policy](#)
- [Group security policy](#)
- [Group human rights policy](#)
- [Human rights](#)
- [Business Principles](#)