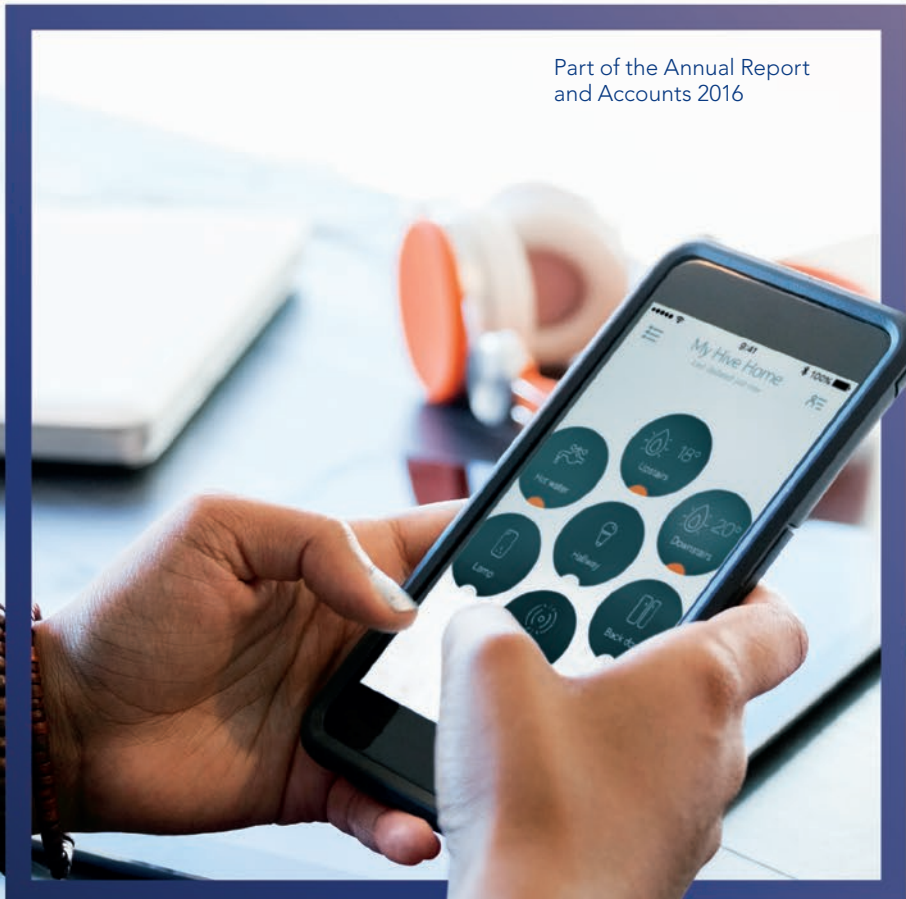


Performance Measures 2016

Part of the Annual Report and Accounts 2016

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Energy Supply & Services – UK & Ireland

UK Home			
Year ended 31 December	2016	2015	Change
Total recordable injury frequency rate (per 200,000 hours worked)	1.32	1.46	(10%)
Brand NPS	3	(7)	10pt
Complaints (per 100,000 customers) ¹			
Energy supply	6,491	9,354	(31%)
Services	1,664	2,007	(17%)
Customer account holdings ('000s)			
Energy supply	14,250	14,659	(3%)
Services ²	7,526	7,745	(3%)
Total customer account holdings ('000s)	21,776	22,404	(3%)
Installs and on demand jobs ('000s)	338	357	(5%)
Total customer energy consumption			
Gas (mmth)	3,549	3,531	1%
Electricity (GWh)	22,080	22,642	(2%)
Energy use per residential energy customer account (kWh)	8,764	8,544	3%
Annualised cost per Home customer (£) ³	98	99	(1%)
Adjusted operating costs as a % of gross margin	52%	53%	(1ppt)
Adjusted operating cash flow (£m)	1,053	724	45%
Adjusted operating profit (£m)	810	880	(8%)
UK Business			
Year ended 31 December	2016	2015	Change
Total recordable injury frequency rate (per 200,000 hours worked)	0.18	0.21	(14%)
Brand NPS	(16)	(19)	3pt
Complaints (per 100,000 customers) ¹	19,659	25,830	(24%)
Customer account holdings ('000s)	717	763	(6%)
Total customer energy consumption			
Gas (mmth)	533	620	(14%)
Electricity (GWh)	12,562	14,205	(12%)
Adjusted operating costs as a % of gross margin	78%	101%	(23ppt)
Adjusted operating cash flow (£m)	418	(132)	nm
Adjusted operating profit (£m)	50	(19)	nm
Ireland			
Year ended 31 December	2016	2015	Change
Total recordable injury frequency rate (per 200,000 hours worked)	0.72	0.66	9%
Brand NPS	20	(7)	27pt
Complaints (per 100,000 customers) ¹	11	17	(35%)
Customer account holdings ('000s)	692	665	4%
Total customer energy consumption			
Gas (mmth)	335	294	14%
Electricity (GWh)	3,017	2,634	15%
Energy use per residential energy customer account (kWh)	7,998	7,877	2%
Annualised cost per Home customer (£) ³	118	106	11%
Adjusted operating costs as a % of gross margin	59%	68%	(9ppt)
Adjusted operating cash flow (£m)	84	31	171%
Adjusted operating profit (£m)	46	30	53%

1 Complaints per 100,000 customers as reported to Ofgem for UK energy supply, the FCA for UK Home services and CER for Ireland. 2015 services complaints updated to reflect change in services account holdings as per footnote 2 below.

2 UK Home services customer account holdings now include Home Insurance holdings that were not previously reported. 2015 holdings have been restated accordingly.

3 Annualised cost per Home customer calculates adjusted operating costs and controllable cost of goods sold as a proportion of holdings, installs and on demand jobs. 2015 adjusted for 2016 FX rates.

Energy Supply & Services – North America

North America Home			
Year ended 31 December	2016	2015	Change
Total recordable injury frequency rate (per 200,000 hours worked)	1.43	2.23	(36%)
Brand NPS	32	n/a	nm
Energy supply complaints (per 100,000 customers) ¹	109	206	(47%)
Customer account holdings ('000s)			
Energy supply	2,897	3,033	(4%)
Services	872	1,003	(13%)
Total customer account holdings ('000s)	3,769	4,036	(7%)
Installs and on demand jobs ('000s)	605	683	(11%)
Total customer energy consumption			
Gas (mmth)	1,778	1,930	(8%)
Electricity (GWh)	16,616	18,114	(8%)
Energy use per residential energy customer account (kWh)	23,056	23,800	(3%)
Annualised cost per Home customer (£) ²	198	192	3%
Adjusted operating costs as a % of gross margin	69%	70%	(1ppt)
Adjusted operating cash flow (£m)	146	158	(8%)
Adjusted operating profit (£m)	93	77	21%

North America Business			
Year ended 31 December	2016	2015	Change
Total recordable injury frequency rate (per 200,000 hours worked)	0.00	0.00	nm
Brand NPS	31	20	11pt
Complaints (per 100,000 customers) ¹	34	43	(21%)
Customer account holdings ('000s)	590	597	(1%)
Total customer energy consumption			
Gas (mmth)	5,827	5,802	0%
Electricity (GWh)	90,535	94,000	(4%)
Adjusted operating costs as a % of gross margin	51%	47%	4ppt
Adjusted operating cash flow (£m)	285	338	(16%)
Adjusted operating profit (£m)	221	246	(10%)

1 Complaints per 100,000 customers as reported by various regulatory bodies.

2 Annualised cost per Home customer calculates adjusted operating costs and controllable cost of goods sold as a proportion of holdings, installs and on demand jobs. 2015 adjusted for 2016 FX rates.

Connected Home

Connected Home			
Year ended 31 December	2016	2015	Change
Total recordable injury frequency rate (per 200,000 hours worked)	0.00	0.00	nm
Brand NPS	45	45	0pt
Cumulative hubs installed ('000s)	527	292	80%
New products launched	5	1	400%
Active subscriptions ('000s)	34	0	nm
Adjusted operating costs as a % of gross margin	703%	1,256%	(553ppt)
Gross revenue (£m)	33	19	74%
Adjusted operating cash flow (£m)	(58)	(46)	(26%)
Adjusted operating (loss) (£m)	(50)	(49)	(2%)

Distributed Energy & Power

Distributed Energy & Power			
Year ended 31 December	2016	2015	Change
Total recordable injury frequency rate (per 200,000 hours worked) ¹	1.36	1.33	2%
Process safety incident rate – tier 1 & 2 (per 200,000 hours worked) ¹	0.0	0.0	nm
NPS ²	n/a	n/a	nm
Flexible distributed energy capacity under management (MW)	543	559	(3%)
Active customer sites	3,924	2,536	55%
Secured revenue (order book) (£m)	321	103	212%
Adjusted operating costs as a % of gross margin ³	369%	nm	nm
Gross revenue (£m)	161	95	69%
Adjusted operating cash flow (£m)	(15)	(14)	(7%)
Adjusted operating (loss) (£m)	(26)	(32)	19%

1 Total recordable injury frequency rate and process safety incident rate relate to both the Distributed Energy & Power and Central Power Generation segments due to shared employees across both business units.

2 NPS methodology for Distributed Energy & Power is under development.

3 2015 adjusted operating costs as a % of gross margin not reported due to negligible gross margin resulting in a spurious calculation.

Energy Marketing & Trading

Energy Marketing & Trading			
Year ended 31 December	2016	2015	Change
Total recordable injury frequency rate (per 200,000 hours worked)	0.00	0.00	0%
Adjusted operating cash flow (£m)	198	248	(20%)
Adjusted operating profit (£m)	161	66	144%

Exploration & Production

Exploration & Production			
Year ended 31 December	2016	2015	Change
Total recordable injury frequency rate (per 200,000 hours worked)	0.55	0.60	(8%)
Process safety incident rate – tier 1 & 2 (per 200,000 hours worked)	0.30	0.22	36%
Gas production volumes (mmth)			
Europe	1,929	2,137	(10%)
Americas ¹	1,358	1,527	(11%)
Total gas production volumes (mmth) ¹	3,287	3,664	(10%)
Liquids production volumes (mmboe)			
Europe	15.4	15.8	(3%)
Americas ¹	2.1	2.7	(22%)
Total liquids production volumes (mmboe) ¹	17.5	18.5	(5%)
Total production volumes (mmboe)	71.2	78.6	(9%)
Average achieved gas sales prices (p/therm)			
Europe	35.5	45.7	(22%)
Americas	12.1	14.2	(15%)
Average achieved liquid sales prices (£/boe)			
Europe	32.0	36.2	(12%)
Americas	23.0	27.8	(17%)
Lifting and other cash production costs (£/boe) ²			
Europe	12.9	15.2	(15%)
Americas	4.7	7.7	(39%)
Adjusted operating cash flow (£m)	655	787	(17%)
Free cash flow (£m) ³	166	86	93%
Adjusted operating profit (£m)	187	95	97%
Adjusted operating profit after tax (£m)	50	(2)	nm
Net investment (£m) ³			
Capital expenditure (including small acquisitions)	518	715	(28%)
Net disposals	(29)	(14)	107%
Net investment (£m)	489	701	(30%)

1 Includes 100% share of Canadian assets owned in partnership with Qatar Petroleum.

2 Lifting and other cash production costs are total operating costs and cost of sales excluding depreciation, dilapidation and amortisation, dry hole costs, exploration costs and profit on disposal.

3 See pages 71 to 72 for an explanation of the use of adjusted performance measures.

Central Power Generation

Central Power Generation			
Year ended 31 December	2016	2015	Change
Total recordable injury frequency rate (per 200,000 hours worked) ¹	1.36	1.33	2%
Process safety incident rate – tier 1 & 2 (per 200,000 hours worked) ¹	0.00	0.00	nm
CCGT reliability	89%	85%	4ppt
Power generated (GWh)			
Gas-fired	10,092	6,109	65%
Renewables	539	878	(39%)
Nuclear	13,030	12,126	7%
Total power generated (GWh)	23,661	19,113	24%
Achieved clean spark spread (£/MWh)	9.2	10.3	(11%)
Achieved power price – renewables (including ROCs) (£/MWh)	116.1	114.7	1%
Achieved power price – nuclear (£/MWh)	44.2	49.2	(10%)
Adjusted operating cash flow (£m)	(1)	130	nm
Adjusted operating profit (£m)	75	128	(41%)

1 Total recordable injury frequency rate and process safety incident rate relate to both the Distributed Energy & Power and Central Power Generation (CPG) segments due to shared employees across both business units.

Centrica Storage

Centrica Storage			
Year ended 31 December	2016	2015	Change
Total recordable injury frequency rate (per 200,000 hours worked)	1.72	1.30	32%
Process safety incident rate – tier 1 & 2 (per 200,000 hours worked)	0.68	0.37	84%
Reservoir capacity (bcf) ¹	nm	110	nm
Average SBU price (in period) (pence)	18.9	20.7	(9%)
Gross revenue (£m)			
Standard SBUs	43	94	(54%)
Additional space/cushion gas/other	50	62	(19%)
Total gross revenue (£m)	93	156	(40%)
Adjusted operating cash flow (£m)	(49)	112	nm
Adjusted operating profit (£m)	(52)	37	nm

1 2016 reservoir capacity not reported due to the ongoing testing and verification works.

Responsible Business

Selected non-financial key performance measures have been assured by Deloitte LLP using the International Standard on Assurance Engagements ISAE 3000 (Revised). View Deloitte's 2016 assurance statement and Basis of Reporting at centrica.com/assurance.

For further performance, explore over 100 metrics in our data centre at centrica.com/datacentre.

Safety					
Metric	Unit	2016 target	2016	2015	What's next
Lost time injury frequency rate	Per 200,000 hours worked	Measure only	0.30 ¹ (high performance zone) ²	0.34 ³ (high performance zone) ²	Continue to learn from safety incidents and evolve leadership behaviours to secure a stronger safety culture, delivering our goal of an incident free workplace
Total recordable injury frequency rate	Per 200,000 hours worked	Measure only	0.98 ¹	1.10 ³	
Significant process safety event	Number	0	2 ¹ (high performance zone) ²	1 ³ (high performance zone) ²	Continue to implement our three-year improvement plan (2016–18), focused on strengthening leadership and capability alongside enhancing asset management and assurance processes
Road safety incident frequency rate ⁴	Per one million kilometres driven ⁵	Measure only	0.76	0.58	Reduce road safety incidents through proactive driver safety programmes
Fatalities	Number	Measure only	1 ^{1,6}	0 ³	Maintain safety as our highest priority

1 Assured by Deloitte LLP for the 2016 Annual Report. See centrica.com/assurance to view Deloitte's assurance statement and Basis of Reporting.

2 Zone rating relates to long-term incentives for Executive Director remuneration.

3 Assured by Deloitte LLP for the 2015 Annual Report. See centrica.com/responsibilitydownloads to view Deloitte's assurance statement and Basis of Reporting.

4 Metric introduced to align with best practice reporting used by the UK Government's Department for Transport. The metric replaces our previously disclosed low severity incident rate and the number of high severity incidents.

5 Where actual distance travelled is not available, distance is calculated using fuel consumption and business expense claims data.

6 A contractor engineer was involved in a road accident that resulted in their death.

Ethics					
Metric	Unit	2016 target	2016	2015	What's next
Average sustainability risk rating of assessed suppliers	Risk score out of 100 ¹	Measure only	57 (low risk)	54 (low risk)	Continue to assess sustainability risks among our strategic and higher risk suppliers

1 A score near 100 is low risk. High risk companies have limited engagements or tangible actions on sustainability, medium risk companies have a structured sustainability approach with policies and action on major issues while low risk companies have strong sustainability credentials embedded across their business.

Responsible Business

continued

Customers					
Metric	Unit	2016 target	2016	2015	What's next
Home net promoter score (NPS)¹ UK & Ireland North America	Number	Measure only	+4 ² +32 ³	-7 n/a	Continue to deliver new products and services that satisfy the changing needs of our customers while delivering a great customer service
Business NPS¹ UK & Ireland ⁴ North America	Number	Measure only	-16 ² +31 ³	-19 +20	
Vulnerable households helped by British Gas initiatives	Number (million)	Measure only	2.1	1.9 ⁵	Work to ensure customers in vulnerable circumstances receive the help they need to stay warm, safe and debt-free
Smart meter installations (UK Home and UK Business)	Number (cumulative since 2009)	Measure only	3,851,990 ⁶	2,509,398 ^{6,7}	Maintain industry leadership in smart meter installations to ensure delivery of the mandated roll-out by 2020

- 1 Brand NPS has been implemented consistently in the UK, Ireland and North America from 2016. Prior period comparatives are presented where available.
- 2 The UK component of the metric has been assured by Deloitte LLP for the 2016 Annual Report.
- 3 Assured by Deloitte LLP for the 2016 Annual Report.
- 4 Brand NPS for Business energy supply in Ireland is not currently reported. Reflecting this, the stated metric represents UK Business only.
- 5 Assured by Deloitte LLP for the 2015 Annual Report.
- 6 Constitutes around 70% of all smart meters installed in the UK based on Department of Business, Energy and Industry Strategy (formerly known as the Department of Energy & Climate Change) quarterly statistics, September 2015 and 2016.
- 7 Only data representing 2,142,086 smart meter installations has been assured by Deloitte LLP for the 2015 Annual Report due to the historical nature of the data.

Communities					
Metric	Unit	2016 target	2016	2015	What's next
Total community contributions	£ million	Measure only	201.4 ¹	228.1 ²	Make a meaningful difference in the communities where we live and work
Total employee volunteering hours ³	Number of hours	Measure only	53,513	52,588	

- 1 Comprising of £188.2 million in mandatory and £7.4 million in voluntary contributions which largely support vulnerable customers, £5.0 million in charitable donations calculated using the London Benchmarking Group (LBG) methodology alongside £0.8 million in leverage which encompasses employee fundraising.
- 2 Comprising of £214.1 million in mandatory and £8.0 million in voluntary contributions which largely support vulnerable customers, £4.7 million in charitable donations calculated using the LBG methodology alongside £1.4 million in leverage which encompasses employee fundraising. Cumulative value of the breakdown is higher than actual total due to rounding.
- 3 Includes volunteering during and outside business hours when enabled by Centrica.

Responsible Business

continued

Our people					
Metric	Unit	2016 target	2016	2015	What's next
Employee engagement	Mean score out of 6	Strive towards top quartile performance, measured against an independent high performance benchmark	4.31 ¹ (low performance zone) ²	4.84 ³ (median performance zone) ⁴	Take action to improve engagement and strive towards top quartile performance, measured against an independent high performance benchmark
Diversity – female and male	Percentage	Measure only	29 female 71 male	29 female 71 male	Continue to improve gender balance in our talent pipeline, including leadership roles and wider recruitment
Retention	Percentage	Measure only	81.4	90.6 ³	Improve retention levels following the restructuring of our business through effective management and monitoring
Absence	Days per full time employee	Measure only	11.6	8.1 ³	Focus on driving down absence through good management practices, including proactive intervention and preventative action

1 Assured by Deloitte LLP for the 2016 Annual Report.

2 The survey coincided with a significant restructuring of our business and around 3,000 redundancies which inevitably created uncertainty and impacted morale. Zone rating relates to long-term incentives for Executive Director remuneration. Performance against the metric's independent high performance benchmark was in the lower quartile.

3 Assured by Deloitte LLP for the 2015 Annual Report.

4 Zone rating relates to long-term incentives for Executive Director remuneration. Performance against the metric's independent high performance benchmark was in the upper quartile; below top quartile performance.

Responsible Business

continued

Carbon emissions					
Metric	Unit	2016 target	2016	2015	What's next
Total carbon emissions ¹	tCO ₂ e	Measure only	5,119,709 ²	4,392,965 ³	Continue to adopt best practice in monitoring and reporting our global carbon, while analysing the impact of our strategy
Scope 1 emissions	tCO ₂ e	Measure only	5,032,493 ²	4,282,138 ³	Remain committed to taking proactive steps to reduce our carbon emissions through innovation, technology and cultural change
Scope 2 emissions	tCO ₂ e	Measure only	87,216 ²	110,827 ³	Maintain the reduction of emissions associated with our use of electricity, particularly as part of our internal carbon footprint target
Total carbon intensity by revenue	tCO ₂ e/£	Measure only	189	157	Continue to analyse developing trends as we deliver on our strategic plans
Internal carbon footprint (core property, fleet and travel)	tCO ₂ e	Reduce our core internal carbon footprint by 20% by end of 2025 (baseline: 2015)	91,399 (8% reduction against new target)	100,096 ³ (27% reduction against outgoing target) ⁴	Remain on track to reduce our core internal carbon footprint by 20% by end of 2025
Carbon intensity of centralised power generation	gCO ₂ /kWh	Reduce our centralised power generation carbon intensity by 55% to 200 by end of 2020 (baseline: 2008)	137 ²	117	Maintain momentum towards achieving a centralised power generation carbon intensity of 200 by end of 2020
Total customer carbon savings from measures installed by British Gas	tCO ₂ e (cumulative since 2008)	Measure only	26,786,285 ²	22,611,078 ⁵	Continue to provide innovative and energy efficient products through mandatory and voluntary initiatives Extend the metric globally and incorporate our newly acquired businesses

1 Comprises of Scope 1 and Scope 2 emissions as defined by the Greenhouse Gas Protocol.

2 Assured by Deloitte LLP for the 2016 Annual Report.

3 Restated due to availability of improved data. Values previously reported were assured by Deloitte LLP for the 2015 Annual Report – Total carbon emissions: 4,393,016tCO₂e, Scope 1 emissions: 4,272,477tCO₂e, Scope 2 emissions: 120,539tCO₂e and Internal carbon footprint: 79,096tCO₂e.

4 Target: 20% reduction by 2015 (baseline: 2007).

5 Restated following improvements in calculation methodology.