

## The Board's duties under Section 172(1)

The Directors are required under Section 172(1) (a)-(f) of the UK Companies Act 2006 to promote the long-term success of the Company for the benefit of its members and to consider the interests of other stakeholders in their decision-making.

The diverse set of skills, knowledge and experience (see pages 62 to 64), our Purpose, values and strategy (see pages 11 and 14 to 17), stakeholder engagement (see pages 12 to 13, 67 and 71), and Board activities and discussions (see pages 68-69 and 71) all support the Directors in fulfilling their responsibilities.

Alongside the principal decisions described on these pages, the table below provides examples of other activities which also support the Directors in meeting their obligations under S172(1).

Section 172 factors	Examples of supporting activities	Supporting information
<b>(a) Decision for the long term</b>	<ul style="list-style-type: none"> <li>• Purpose and values;</li> <li>• Strategy meetings discussing strategic priorities;</li> <li>• Regular deep dive reviews of business performance, and aligned risks and control reviews to monitor strategy;</li> <li>• Agree annual plan, review the allocation of capital and monitor performance;</li> <li>• Regular review of sustainability performance ambitions;</li> <li>• Review risks and opportunities relating to Board reserved matters; and</li> <li>• Regular Board report on activities supporting the Directors' Section 172 activities.</li> </ul>	<p>Page 11 Pages 68 to 69 Pages 71</p> <p>Pages 18 to 22</p> <p>Pages 55 to 56 Page 71</p> <p>Pages 68 to 69</p>
<b>(b) Employee interests</b>	<ul style="list-style-type: none"> <li>• Engaging with our colleagues through a structured engagement plan;</li> <li>• Established Shadow Board;</li> <li>• Regular review of the outcomes of the 'Our Voice' survey;</li> <li>• Board focus on executive succession planning; and</li> <li>• Monitor health and safety performance through the Safety, Environment and Sustainability Committee (SESC).</li> </ul>	<p>Pages 12, 31, 43 to 47 and 67 Pages 12 and 67 Page 59 Pages 43, 69 and 81 to 82 Page 84</p>
<b>(c) Relationships with suppliers, customers and others</b>	<ul style="list-style-type: none"> <li>• Regular shareholder engagement, targeted for review of Remuneration Policy and Climate Transition Plan; and</li> <li>• SESC activities monitor outcomes in relation to multiple stakeholders.</li> </ul>	<p>Page 67</p> <p>Pages 84 to 85</p>
<b>(d) Community and the environment impact</b>	<ul style="list-style-type: none"> <li>• SESC remit supports activities on community and climate;</li> <li>• People &amp; Planet scorecard regularly reviewed;</li> <li>• Climate Transition Plan and targets; and</li> <li>• Board review of sponsorship and community contribution.</li> </ul>	<p>Pages 84 to 85 Pages 84 to 85 Pages 43 to 45 Pages 71 and 85</p>
<b>(e) Reputation for high standards of business conduct</b>	<ul style="list-style-type: none"> <li>• SESC monitors performance against various stakeholder measures;</li> <li>• Annual deep dive reputational survey on stakeholder perceptions to inform activities in relation to stakeholder groups;</li> <li>• Adoption of 'Our Code' reinforcing conduct expectations; and</li> <li>• Review of Principal Risks impacting the business.</li> </ul>	<p>Pages 84 to 85 Pages 84</p> <p>Page 47 Pages 32 to 39</p>
<b>(f) Fairness between shareholders</b>	<ul style="list-style-type: none"> <li>• Regular engagement, trading updates and publication of information available to investors on our website;</li> <li>• The Disclosure Committee protects the integrity of price-sensitive information; and</li> <li>• Hybrid Annual General Meeting to enable broader shareholder participation.</li> </ul>	<p>Pages 67, 90</p> <p>Pages 37, 61</p> <p>Page 67</p>

## Principal decisions made by the Board in 2025

In line with our Purpose to energise a greener, fairer future, the Board gives careful consideration to the potential impacts of decisions on stakeholders. Examples of principal decisions made by the Board are set out below.

### Sizewell C – Investing in Britain's Energy Future

The Board approved Centrica's £1.3bn investment in Sizewell C in line with its S 172 duty to promote the long-term success of the Company. In reaching its decision, the Board considered the long-term benefits of securing reliable, zero carbon generation, strengthening UK energy security, supporting net zero ambitions, and ensuring fairness for shareholders through a capped investment structure. The Board also recognised the wider economic benefits associated with creating thousands of high-quality jobs across the UK supply chain.

#### Key decisions and impact

Acquiring a 15% equity stake supports the delivery of affordable, low carbon power and aligns with the Group's Climate Transition Plan. The structure of the investment provides predictable, regulated returns that enhance long-term cash-flow stability for shareholders, including members of Centrica's pension schemes. The investment also reinforces Centrica's strategic positioning in the UK's future energy system.

#### Stakeholders identified and why

The Board considered the interests of a broad range of stakeholders, including:

- Government and regulators: to ensure alignment with energy security policy, nuclear regulation and funding model requirements.
- Local communities: to promote trust, support socio-economic development and ensure community benefits are appropriately considered.
- Financial partners: to maintain confidence in capital allocation, financing arrangements and the long-term viability of the project.
- People: to build capability and create career opportunities within the organisation.
- Environmental groups: to understand perspectives on climate impact and responsible development.

#### Engagement methods and outcomes

Engagement activities included regulatory consultations, investor updates, community forums and sustainability-focused communications, ensuring transparency and alignment with national energy objectives and stakeholder expectations. The feedback received informed the funding structure and timing of the investment, strengthened commitments to skills and community benefits, and resulted in enhanced environmental mitigation measures within project planning.

#### Board oversight

The Board received regular updates, reviewed risks, assessed compliance and ensured the investment remained aligned with strategic objectives, governance expectations and stakeholder needs.

### Grain LNG – Expanding Energy Security and Resilience

Grain LNG, located on the Isle of Grain in Kent, is the UK's largest LNG importation terminal, Europe's largest regasification facility, and one of the world's largest by storage capacity. It plays a central role in national energy security, enabling LNG import, storage and regasification for delivery into the National Transmission System.

The Board approved the acquisition of Grain LNG, in a 50/50 partnership with Energy Capital Partners LLP, for an enterprise value of £1.5bn. In doing so, it fulfilled its duty to promote long-term success, considering the need to strengthen UK energy resilience, maintain safety and develop skills, support the energy transition with future hydrogen and ammonia flexibility, safeguard Centrica's reputation as a critical infrastructure operator, support affordability through supply diversification and ensure equitable shareholder returns.

#### Key decisions and impact

The investment enhances UK energy resilience by diversifying supply sources and reducing reliance on single markets. Long-term capacity agreements provide stable, predictable revenues under multi-year contracts, supporting Centrica's strategic objectives and strengthening long-term cash flow stability for shareholders including members of Centrica's pension schemes.

#### Stakeholders identified and why

The Board considered the interests of a broad range of stakeholders, including:

- National Grid: to manage the transaction, transfer of ownership and ongoing commercial arrangements.
- Government and regulators: to ensure alignment with national energy security priorities, policy objectives and regulatory approvals.
- Industrial customers: to ensure supply continuity and meeting long-term contractual commitments.
- Local communities: to promote employment opportunities, skills development and responsible environmental stewardship.
- Investors and financial partners: to maintain confidence in capital allocation discipline, financial performance and risk management.

#### Engagement methods and outcomes

Engagement included regulatory consultations, customer and community discussions, and stakeholder workshops. Stakeholder insight strengthened the overall investment approach by refining timelines, reinforcing commitments to local employment and skills, and shaping environmental and biodiversity considerations within project planning expectations.

#### Board oversight

The Board maintained oversight through regular milestone reviews, stakeholder engagement reports and ESG compliance monitoring. This ensured the investment remained aligned with Centrica's strategic objectives, regulatory expectations and long-term sustainability commitments.