

Governance

59	Directors' and Corporate Governance Report
61	Governance framework
62	Biographies
65	Board of Directors
67	Board activities
70	The Board's duties under Section 172
72	Audit and Risk Committee
81	Nominations Committee
84	Safety, Environment and Sustainability Committee
86	Remuneration Report
108	Remuneration Policy
116	Other statutory information

Directors' and Corporate Governance Report

Building on the priorities set out in my Chair's statement on pages 4 to 6 – supporting customers, creating the best environment for colleagues, disciplined capital allocation and progress towards a fair energy transition – this Governance section sets out how the Board's oversight and the work undertaken by our Committees has underpinned those outcomes in 2025. Strong governance remains the foundation for sustainable value and stakeholder trust. Our Purpose and values continue to guide the Board's decisions and behaviours, ensuring integrity and accountability across the Group. This section also highlights the Board's engagement activities, including site visits, the Annual General Meeting, dialogue with colleagues, leadership teams and shareholders, and explains how the Board discharged its duties in relation to our strategic investments in Sizewell C and Isle of Grain, which represent significant and positive steps for the Group's long-term growth and resilience.

Governance activities and effectiveness

We are committed to applying the principles of the 2024 UK Corporate Governance Code, with our full compliance statement and supporting disclosures available on page 60.

The Board delegates certain responsibilities to its Committees to support effective governance and oversight, with each Committee operating within a clearly defined remit; further detail on our Board and Committee framework is provided on page 61.

Central to our governance approach is maintaining a strong and effective system of risk management and internal controls, which is overseen on behalf of the Board by the Audit and Risk Committee. The Board also sets clear expectations for the ethical and responsible use of Artificial Intelligence (AI) across the Group, with detailed oversight of AI-related risks and controls delegated to the Audit and Risk Committee.

A summary of Board activities and priorities in 2025, including strategic resilience, operational performance and stakeholder engagement, is provided on pages 67 to 71.

The annual Board performance review, overseen by the Nominations Committee, was conducted internally using a structured questionnaire and follow-up discussions with each Director. The review focused on Board dynamics, quality of debate, clarity of strategic oversight and Committee effectiveness. It also assessed progress against actions identified in the previous year, including strengthening succession planning and enhancing ESG oversight. Feedback confirmed that the Board operates effectively, with strong engagement and constructive challenge, and continues to evolve to meet future challenges. Further information on the Board performance review, including developments identified for 2026, is provided in the Nominations Committee Report.

Culture

Centrica's values, Care, Delivery, Agility, Courage and Collaboration, continue to underpin the way we work and shape the culture we aspire to. These values are reinforced through

Our Code, which sets out the standards expected of everyone at Centrica and supports consistent, responsible decision-making across the Group. All colleagues, including the Board, complete mandatory Our Code training on joining and annually thereafter. Further information is available at centrica.com/ourcode.

Throughout the year, the Board has continued to focus on understanding and nurturing the Company's culture. The Board considered specific decisions and actions that directly influenced or reflected cultural priorities, including initiatives that support modern ways of working, enhance colleague wellbeing, reinforce leadership expectations and progress our digital capabilities. These discussions enabled the Board to form a clearer view of how cultural ambitions are being translated into behaviours, systems and processes across the organisation, and how effectively these are embedded.

The Group Chief Executive and Chief People Officer provide regular updates on colleague sentiment, with insights from the quarterly Our Voice survey forming an important part of the Board's visibility of the workforce experience. These insights are complemented by a range of other engagement channels, including dedicated colleague engagement sessions, which my fellow Directors and I continue to find constructive and informative. Additional details on Our Voice and our wider workforce engagement approach can be found on pages 12, 46, and 67.

The Board remains committed to supporting a culture that enables colleagues to thrive and equips the organisation for the future. This includes an ongoing focus on colleague development, modern ways of working and progressing our digital capabilities to strengthen Centrica's long-term readiness.

Board composition and succession

Our Board comprises diverse and experienced individuals who bring a breadth of skills and perspectives. Biographies, including details of Committee membership, and roles and responsibilities are set out in the Governance Report on pages 62 to 65.

Effective succession planning has been a key focus, with the changes to the Board's composition during the year – including appointments and Committee Chair transitions – demonstrating the strength of our forward-looking approach to ensuring continuity and capability.

In 2025 we welcomed two new Non-Executive Directors to the Board, Alessandra Pasini and Frank Mastiaux. We announced that Nathan Bostock will step down from the Board no later than the end of July 2026, to take up the role of Chair in another FTSE listed business. A further update on Nathan's successor will be provided in due course. Heidi Mottram stepped down from the Board with effect from 31 December 2025, with Amber Rudd becoming Chair of the Safety, Environment and Sustainability Committee with effect from 1 January 2026.

Carol Arrowsmith has informed the Board of her intention to step down at the conclusion of the Company's 2026 Annual General Meeting, at which point Sue Whalley will become Chair of the Remuneration Committee.

Nathan has served on the Board for over three years, providing valuable insight and leadership, particularly in his role as Chair of the Audit and Risk Committee. Heidi, who joined the Board in January 2020, brought meaningful oversight, including as Chair of the Safety, Environment and Sustainability Committee, and Carol, who joined in June 2020, has contributed extensively, including as Chair of the Remuneration Committee.

Further information on succession planning is set out in the Nominations Committee Report on pages 81 to 82.

I am confident that the refreshed Board is well-positioned to deliver on our strategic priorities and uphold the highest standards of governance.

Diversity, equity, and inclusion remain priorities, and we continue to meet the targets set out in the UK Listing Rules, the FTSE Women Leaders Review, and the Parker Review. Female representation on the Board at the date of signing this report stands at 42%, with ethnic minority representation at 8%, and Jo Harlow holding the position of Senior Independent Director. Further details are provided on page 82.

Performance & future outlook

The Group's performance in 2025 reflects the effectiveness of our governance framework in enabling disciplined execution and strategic decision-making. Through robust oversight and clear accountability, we delivered against our strategy and purpose, achieving outcomes such as strengthened organisational resilience (see pages 32 to 39 and 72 to 75), enhanced stakeholder trust (see pages 70 to 71), and progress on our sustainability commitments (see pages 42 to 57).

Directors discharged their duties under S172 Companies Act 2006 through targeted engagement with investors, colleagues, customers and communities. Further information is set out in the Stakeholder Engagement section on pages 12 to 13 and detailed in the Board's duties under S172 on pages 70 to 71.

Looking ahead to 2026, the Board will continue to focus on sustainable growth, the energy transition and building organisational resilience in a dynamic market environment, while enhancing stakeholder engagement to support long-term value creation.

Conclusion

On behalf of the Board, I would like to thank our colleagues for their dedication and our shareholders for their continued support. We look forward to welcoming you to the Annual General Meeting and to updating you on our progress in the year ahead.

Kevin O'Byrne
Chair
18 February 2026

2024 UK Corporate Governance Code compliance

The Board is committed to high standards of corporate governance (CG) and Centrica is pleased to confirm that throughout the year ended 31 December 2025, the Company complied with all relevant provisions of the 2024 UK Corporate Governance Code (UK Code). Our application of the UK Code is set out below.

The UK Code and associated guidance are available on the Financial Reporting Council's website at [frc.org.uk](https://www.frc.org.uk). The index on page 116 sets out where to find each of the required disclosures in respect of Listing Rule 6.6.4 and Disclosure Guidance and Transparency Rules 4.1.5R and 7.2.

Section 1	Board Leadership and Company Purpose
Principles A, B, C, D, E	• Corporate Governance Statement (CG Statement) (pp. 59 to 119): Compliance with principles on Board Leadership and Company Purpose • Purpose: Group statement of purpose (p. 11) • Strategy (pp. 14 to 17) • Resources (pp. 24 to 29) • Performance indicators (pp. 30 to 31) • Stakeholder engagement and Section 172(1) Statement (pp. 12 to 13; 46 to 47; and 70 to 71) • Workforce matters (pp. 38 and 46 to 47) and within this CG Statement (p. 67) • Framework of controls: Audit and Risk Committee Report within the CG Statement (pp. 72 to 75) and Principal Risk and Viability Disclosure (pp. 32 to 41)
Section 2	Division of Responsibilities
Principles F, G, H, I	• Board structure and operation: described in the CG Statement (pp. 61 to 65) • Supporting policies and standards: available at centrica.com/board
Section 3	Composition, Succession and Evaluation
J, K, L	• Directors' skills and experience: Board biographies (pp. 62 to 64) • Appointments and succession planning: Nominations Committee Report (pp. 81 to 82) • Board performance review process: (pp. 81 to 82)
Section 4	Audit, Risk and Internal Control
Principles M, N, O	• Audit and assurance oversight (pp. 72 to 75) • Risk management and internal controls (pp. 32 to 39) • Approach to risk management: Principal Risks and Viability Disclosure (pp. 32 to 41)
Section 5	Remuneration
Principles P, Q, R	• Directors' remuneration approach (p.90) • Directors' Remuneration Policy (p. 108)

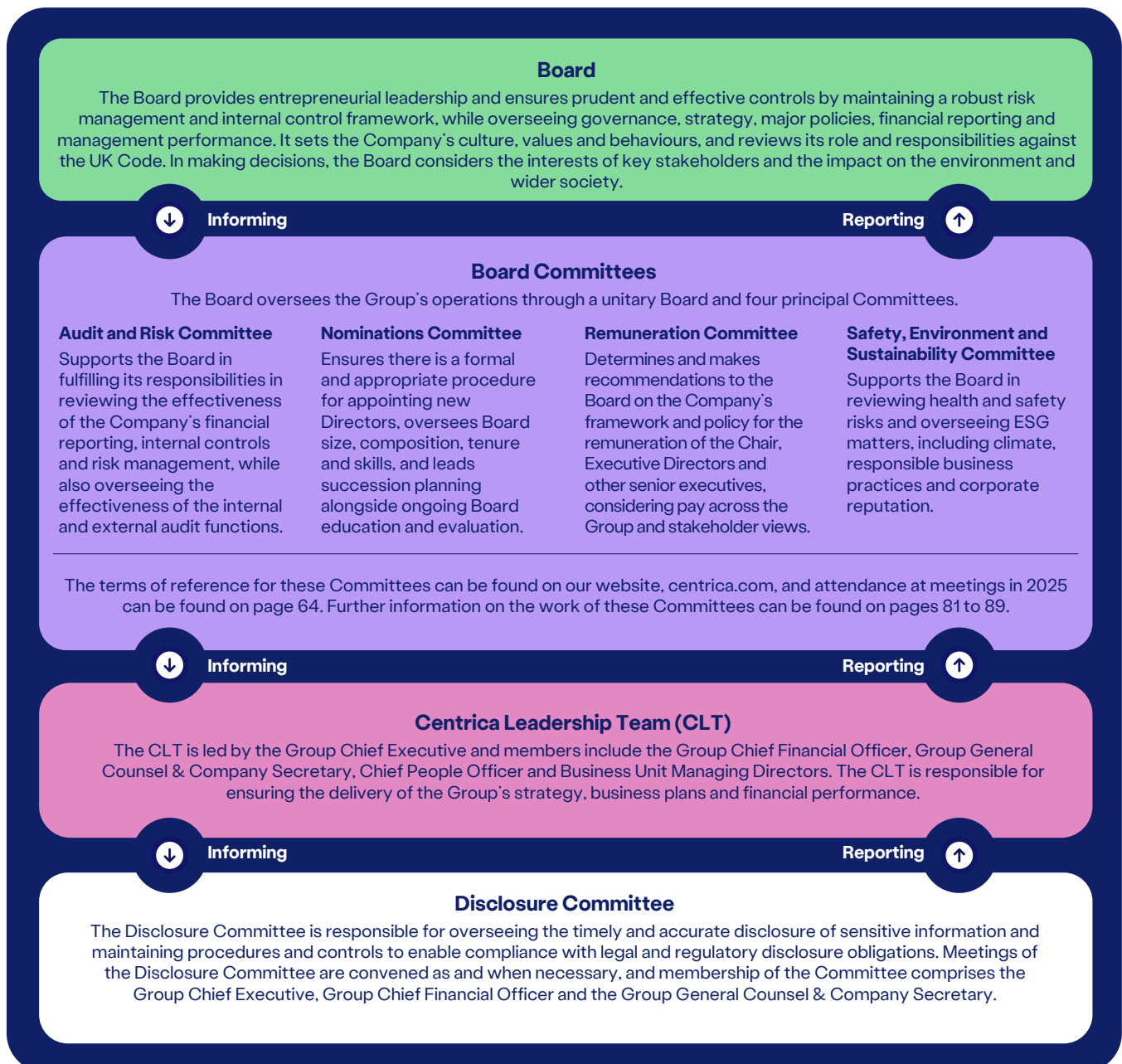
Governance framework

The Board is responsible for leading the Group, establishing the Group's Purpose, values and strategy, which drive the Group's culture, and for ensuring long-term sustainable value creation for stakeholders.

In order to enable the Board to focus on its priorities, a number of its oversight responsibilities have been delegated to four principal Committees. These responsibilities are set out in the terms of reference for each Committee. The Board regularly reviews the remit, authority, composition and terms of reference of each Committee.

The governance framework to enable this is set out below.

There are certain key responsibilities that the Board does not delegate, and which are reserved for its consideration. The matters reserved exclusively for the Board include: the development of strategy; approval of material acquisitions and divestments; the approval of major capital expenditure; the Group's capital structure; the approval of financial reports; and oversight and independent assurance of policies and procedures. The full schedule of matters reserved for the Board is available on the Governance page of our website at centrica.com.



Biographies⁽¹⁾



Kevin O'Byrne
Chair



Kevin joined the Board on 13 May 2019 and became Chair on 16 December 2024. He was previously Senior Independent Director from 1 June 2022 and is Chair of the Nominations Committee.

Relevant skills and experience

Kevin brings extensive board, retail, commercial and finance experience, having occupied senior roles in a number of leading UK and international retailers. The Board considers that Kevin possesses current and pertinent experience in financial matters.

Previous experience

Kevin was chief financial officer of J Sainsbury plc from January 2017 to March 2023. Prior to that, he was chief executive officer of Poundland Group plc, and previously held executive roles at Kingfisher plc, including divisional director UK, China and Turkey, chief executive officer of B&Q UK & Ireland and group finance director. Prior to that he was finance director of Dixons Retail plc. From 2008 to 2017 he was a non-executive director and chairman of the audit committee of Land Securities Group PLC where he was also senior independent director from 2012 to 2016. Kevin was chair of Centrica plc's Audit and Risk Committee from 2019 to 2023.

External appointments

Chair of International Flavors & Fragrances Inc. (NYSE listed).



Chris O'Shea
Group Chief Executive



Chris joined Centrica in September 2018 as Group Chief Financial Officer and was appointed as Group Chief Executive in 2020. Chris is also Chair of the Disclosure Committee and was appointed Chair of Spirit Energy (joint venture) on 2 February 2022.

Relevant skills and experience

Chris has wide-ranging experience across the entire energy value chain, together with recognised experience in transforming business and financial performance. He has considerable knowledge of working in highly regulated industries and in complex, multinational organisations, not only in the energy sector but also in technology-led engineering and services industries.

Previous experience

Prior to joining Centrica, Chris was group chief financial officer of UK listed Smiths Group plc and Vesuvius plc, and a non-executive director of Foseco India Ltd (NSE listed). From 2006 to 2012 Chris held various senior finance roles with BG Group plc, including chief financial officer of Africa Middle East & Asia and Europe & Central Asia, prior to which he held a number of senior roles with Shell (living and working in the UK, the US and Nigeria), and with Ernst & Young.

Chris studied Accounting and Finance at the University of Glasgow and is a Chartered Accountant. He also holds an MBA from the Fuqua School of Business at Duke University and is a Fellow of the Energy Institute.

External appointments

Non-executive Director of ITT Inc. (NYSE listed).



Russell O'Brien
Group Chief Financial Officer



Russell joined the Centrica plc Board on 1 March 2023 and is also on the Board of Spirit Energy (joint venture).

Relevant skills and experience

Russell has broad experience from across the energy value chain having spent more than 25 years with Shell plc. He developed his financial management experience through work in various business models from Retail through to upstream development. Russell has extensive knowledge of financial management, capital markets, commercial finance, and mergers and acquisitions activities.

Previous experience

Prior to joining Centrica, Russell worked for Shell plc from 1995 to 2021. From 2006 to 2009 Russell was financial controller for Shell's upstream operations in the Americas. Russell was then CFO for Shell's global retail business from 2009 to 2013. Following this, he was CFO for Shell's Integrated Gas division. In 2015 he was appointed group treasurer. During his time as treasurer Russell was also a board member of Shell Trading and chairman of Shell Asset Management Co. Russell has lived and worked in the USA, Singapore, the Netherlands and the UK. He was a board and advisory council member of the FICC Market Standards Board from 2015 to 2021. Russell is a Fellow of the Chartered Institute of Management Accountants and the Association of Corporate Treasurers. Russell studied Economics and Management and graduated from St Andrews University in 1995.

External appointments

None.



Jo Harlow
Senior Independent Non-Executive Director



Jo joined the Board on 1 December 2023 and became Senior Independent Director on 16 December 2024.

Relevant skills and experience

Jo has more than 25 years' experience working in various senior roles, predominantly in the branded and technology sectors.

Previous experience

Prior to her non-executive career, Jo held the position of corporate vice president of the phones business unit at Microsoft. She previously spent 11 years at Nokia Corporation in a number of senior management roles, including executive vice president of smart devices. Jo was also non-executive director at InterContinental Hotels Group PLC from 2014 to 2023 (including as remuneration committee chair from 2017 to 2023) and was a non-executive director of Ceconomy AG from 2017 to 2021. Jo attended Duke University in North Carolina and has a BSc in Psychology.

External appointments

Non-executive director and chair of remuneration committee at J Sainsbury plc. Senior independent director and remuneration committee chair at Halma plc, and non-executive director at Chapter Zero Ltd.



Carol Arrowsmith
Independent Non-Executive Director



Carol joined the Board on 11 June 2020 and is Chair of the Remuneration Committee.

Relevant skills and experience

Carol brings extensive advisory experience, especially of advising boards on executive remuneration across a range of sectors, and is a Fellow of the Chartered Institute of Personnel and Development.

Previous experience

Carol is a former deputy chair and senior partner of Deloitte LLP. She was a member of the Advisory Group for Spencer Stuart, Global Partner of Arthur Andersen, managing director of New Bridge Street Consultants and non-executive director of Compass Group PLC and Vivo Energy plc. She was also a Director and Trustee of Northern Ballet Limited.

External appointments

Member of INSEAD's Corporate Governance Board Council.

(1) As at 18 February 2026.

Committee membership key

Denotes Committee Chair	Chair of the Board	Audit and Risk Committee	Nominations Committee
Disclosure Committee	Remuneration Committee	Safety, Environment and Sustainability Committee	



Philippe Boisseau
Independent
Non-Executive
Director



Philippe joined the Board on 1 September 2023.

Relevant skills and experience

Philippe brings broad experience of the energy industry, particularly of energy assets, energy infrastructure, energy trading and the renewable energy transition.

Previous experience

Philippe was the chief executive officer of CEPESA (Compañía Española de Petróleos SA), the Spanish multinational oil and gas, chemicals and renewable energy business, from 2019 to 2021. Before joining CEPESA, he worked at TotalEnergies SA for over two decades. During his tenure there, Philippe held president and senior executive roles across various business divisions and was instrumental in establishing and leading Total's New Energies division from 2007 to 2016. Philippe was a senior advisor to Carlyle International Energy Partners between 2017 and 2019 and was a board member at I-Pulse Inc. from 2017 to 2021.

Philippe graduated from Ecole Polytechnique and has an MSc in Theoretical Physics.

External appointments

Non-executive Director of Sibanye-Stillwater Limited, Beamen BV and Exolum SA. Senior advisor to OMERS Infrastructure and Ondra Partners.



Nathan Bostock
Independent
Non-Executive
Director



Nathan joined the Board on 9 May 2022 and is Chair of the Audit and Risk Committee.

Relevant skills and experience

Nathan has worked in financial services since the mid-1980s and brings a wealth of financial, commercial, risk and compliance expertise, particularly in large-scale customer-facing businesses. Nathan possesses current and pertinent experience in financial matters. The Board considers that Nathan has recent and relevant financial experience.

Previous experience

Nathan was chief executive officer of Santander UK from 2014 until early 2022, as well as global head of investment platforms of Banco Santander before leaving in late 2023. He joined Santander from the Royal Bank of Scotland plc (RBS), where he was an executive director and group finance director. He previously held the post of group chief risk officer and head of restructuring having joined RBS in 2009. Nathan served on the board of Abbey National plc (now Santander UK) as an executive director and chief financial officer from 2005 until 2009. Prior to this he held a number of senior positions with Abbey National, 2001 to 2004, RBS, 1992 to 2001 and Chase Manhattan Bank, 1985 to 1992.

Nathan is a chartered accountant and holds a BSc (Hons) in Mathematics.

External appointments

Non-Executive Director of Lloyds Banking Group plc, Chair of Lloyds Bank Corporate Markets plc, Chair of Lloyds Bank GmbH and Senior Adviser to McKinsey. Chair designate of Jupiter Fund Management plc (effective from 1 March 2026).



**Chandpreet (CP)
Duggal**
Independent
Non-Executive
Director



CP joined the Board on 16 December 2022.

Relevant skills and experience

CP brings valuable expertise of digital technology and the use of data and analytics in large customer-facing businesses.

Previous experience

CP worked for 20 years at American Express in various senior roles, the last of which was leading the company-wide digital and analytics organisation to enable growth, efficiency and innovation globally. His experience includes managing digital/mobile channels and technology platforms across the customer lifecycle, applications of AI and Data Science across wide-ranging business applications, operational excellence and managing fraud risk.

CP was the chief digital and analytics officer for Burberry plc and a member of its executive committee. He was responsible for transforming e-commerce and omni-channel strategy globally, accelerating customer relationship management focus and leveraging analytics across the company.

External appointments

Chief Business Officer, NEXT – WNS, part of Capgemini.



Frank Mastiaux
Independent
Non-Executive
Director



Frank joined the Board on 22 September 2025.

Relevant skills and experience

Frank is an experienced executive and board member with over three decades in the energy industry.

He brings extensive leadership experience in the energy sector, with expertise in strategic transformation, sustainability and renewable energy. His background includes overseeing major organisational change and innovation in clean technology and guiding companies through complex regulatory and market environments.

Previous experience

Frank served as CEO of Energie Baden-Württemberg AG (EnBW) from 2012 to 2022, where he led a strategic transformation that significantly increased the company's market capitalisation and positioned it as a leader in renewable energy. Prior to that, he held senior roles at BP and E.ON, including CEO of E.ON Climate & Renewables and CEO of BP's global LPG business.

Frank currently serves as Chair of Sunfire SE, a hydrogen technology company, and is an advisory board member at Boehringer Ingelheim. He was previously a Supervisory Board member at Alstom Group. He holds a PhD in Analytical Chemistry from the University of Duisburg.

External appointments

Chair of Sunfire SE. Advisory board member at Boehringer Ingelheim.



Alessandra Pasini
Independent
Non-Executive
Director



Alessandra joined the Board on 8 July 2025.

Relevant skills and experience

Alessandra brings deep expertise in corporate finance, strategic planning and ESG-driven investment. Her international perspective and entrepreneurial background complement Centrica's strategic focus on sustainability and innovation.

Previous experience

Alessandra is a co-founder and executive at Zhero, a company focused on accelerating the energy transition through large-scale renewable, battery storage and clean energy infrastructures. She previously held senior leadership roles at Snam S.p.A., including Chief Financial Officer and Chief International and Business Development Officer, where she played a pivotal role in the company's strategic transformation and international expansion.

External appointments

Group President Zhero and Chief Executive Officer, Zhero Europe.



Rt Hon. Amber Rudd
Independent
Non-Executive
Director



Amber joined the Board on 10 January 2022 and is the Chair of the Safety, Environment and Sustainability Committee.

Relevant skills and experience

Amber brings a wealth of real-world experience in energy, policy and business.

Previous experience

After around 20 years working in business, Amber served as a Member of Parliament between 2010 and 2019. In addition to holding the roles of Home Secretary, Secretary of State for Work and Pensions, and Minister for Women and Equalities, Amber served as Secretary of State for Energy and Climate Change from 2015 to 2016, having been Parliamentary Under Secretary of State at the Department of Energy and Climate Change from July 2014 until May 2015. Amber led the UK team to the successful completion of the Paris Climate Change Agreement. This UN sponsored 2015 Conference of the Parties (COP21) achieved a landmark global commitment to reduce national carbon emissions.

External appointments

Non-executive director of Ryanair Holdings plc and Pinwheel, advisor to businesses including Equinor, FGS Global and Centerview Partners, and a trustee of RUSI.



Sue Whalley
Independent
Non-Executive
Director

RC

Sue joined the Board on 1 December 2023.

Relevant skills and experience

Sue brings a blend of experience in people and cultural transformation, and strategic, technological and operational evolution in large, complex organisations, championing the use of innovation to improve customer service.

Previous experience

Prior to joining Associated British Foods plc where she has accountability for Reward, Talent, Procurement, Health, Safety and Environment and Security agendas, Sue spent 12 years at Royal Mail where she held several executive roles. She was chief executive officer of the UK post and parcels business where she led complex organisation and digital transformation to support e-commerce growth in the logistics and delivery business. Sue has extensive experience working with complex stakeholder landscapes including unions and regulators. She also has experience leading Health and Safety agendas and environmental initiatives within operations. Sue spent nearly 18 years in management consultancy working in a range of industries including retail and utilities.

Sue is a graduate of the University of Cambridge and holds an MBA from Harvard Business School.

External appointments

Chief people and performance officer at Associated British Foods plc.



Raj Roy
Group General Counsel
& Company Secretary

DC

Raj was appointed Group General Counsel & Company Secretary on 1 October 2020.

Relevant skills and experience

Raj has overall responsibility for legal, regulatory, ethics, compliance and secretariat activities across the Group, the effective operating of Centrica plc's Board and advising on key issues of corporate governance and compliance. Raj joined Centrica in 2014 as the Legal Director for Residential Energy, before becoming General Counsel for the UK and Ireland region in 2017. He has led legal, regulatory and compliance teams at Centrica in various formations across the UK and Ireland region and the Consumer division.

Previous experience

Prior to joining Centrica, Raj spent nine years at Vodafone, holding a number of senior in-house legal roles in the Group and UK legal functions. Raj started his career in private practice, qualifying as a solicitor at Slaughter and May in London and subsequently working for Freshfields in Brussels.

Raj is a graduate of Exeter University, holds a Masters in History from the College of William and Mary and a PhD in Political Science from the London School of Economics and Political Science.

External appointments

Member of the Board of Energy UK (representing Centrica) and the Board of General Counsel for Diversity and Inclusion (GCD&I).

Board and Committee meeting attendance 2025 ⁽¹⁾

Name	Role	Board	AC	NC ⁽⁶⁾	RC	SC
Kevin O'Byrne	Chair and Non-Executive Director	8/8	4/4	3/3		
Chris O'Shea	Group Chief Executive	8/8				
Russell O'Brien	Group Chief Financial Officer	8/8				
Jo Harlow	Senior Independent Non-Executive Director	8/8		3/3	4/4	
Carol Arrowsmith	Independent Non-Executive Director	8/8	4/4	3/3	4/4	
Philippe Boisseau ⁽²⁾	Independent Non-Executive Director	8/8	4/4	1/2		3/3
Nathan Bostock	Independent Non-Executive Director	8/8	4/4	3/3		3/3
CP Duggal	Independent Non-Executive Director	8/8	4/4	2/2	4/4	
Heidi Mottram ⁽³⁾	Independent Non-Executive Director	8/8		3/3	3/4	3/3
Amber Rudd	Independent Non-Executive Director	8/8		2/2	4/4	3/3
Sue Whalley	Independent Non-Executive Director	8/8		2/2	4/4	
Alessandra Pasini ⁽⁴⁾	Independent Non-Executive Director	4/4		1/1	2/2	
Frank Mastiaux ⁽⁵⁾	Independent Non-Executive Director	3/3				1/1

(1) Attendance reflects meetings available during each Director's tenure; absences due to illness or other agreed reasons are noted separately.

(2) Philippe Boisseau was unable to attend the Nominations Committee meeting in February due to a diary conflict.

(3) Heidi Mottram was unable to attend the Remuneration Committee meeting in January due to other commitments.

(4) Alessandra Pasini was appointed to the Board on 8 July 2025. From that point, four Board meetings remained in the year, and all were attended.

(5) Frank Mastiaux was appointed to the Board on 22 September 2025. From that point, three Board meetings remained in the year, and all were attended.

(6) In September 2025, the Nominations Committee membership was revised to comprise only the Committee Chairs, the Senior Independent Director and the Board Chair. Attendance from all other Independent Non-Executive Directors is no longer required. Alessandra Pasini attended a Nominations Committee meeting prior to this revision.

Committee membership key

Denotes Committee Chair	Chair of the Board	Audit and Risk Committee	Nominations Committee
Disclosure Committee	Remuneration Committee	Safety, Environment and Sustainability Committee	

Board of Directors

Division of responsibilities

The Board comprises a Non-Executive Chair (independent on appointment), two Executive Directors (Group Chief Executive and Group Chief Financial Officer), and ten Independent Non-Executive Directors⁽¹⁾. There is a clear division of responsibilities between the Chair and the Group Chief Executive, reflected in the schedule of matters reserved for the Board.

(1) Including Heidi Mottram as at 31 December 2025.

Director effectiveness

The Board considers that each of the Directors contributes effectively to the work and deliberations of the Board.

- Reasons for the election and re-election of each of our Directors at the forthcoming Annual General Meeting can be found within the Centrica plc Notice of Annual General Meeting 2026 which will be made available on our website at centrica.com/agm26
- Biographies can be found on pages 62 to 64 and at centrica.com/board
- **Read more** about the Board performance review on pages 81 to 82

Non-Executive Directors

Chair

The Chair is responsible for the leadership of the Board. In doing so, the Chair is responsible for promoting high ethical standards, ensuring the effective contribution of all Directors and, with support from the Group General Counsel & Company Secretary, ensuring best practice in corporate governance and the timely distribution of accurate and clear information to Directors to facilitate decision-making.

Senior Independent Director

The Senior Independent Director acts as a sounding board for the Chair and serves as a trusted intermediary for the other Directors, as well as shareholders, as required.

Independent Non-Executive Directors

The Independent Non-Executive Directors are responsible for contributing sound judgement and objectivity to the Board's deliberations and overall decision-making process, providing constructive challenge, and monitoring the Executive Directors' delivery of the strategy within the Board's risk and governance structure. All of the Non-Executive Directors are considered to be independent.

Executive Directors

Group Chief Executive

The Group Chief Executive is responsible for the executive leadership and day-to-day management of the Company to ensure the delivery of the strategy agreed by the Board.

Group Chief Financial Officer

The Group Chief Financial Officer is responsible for providing strategic financial leadership to the Company and for the day-to-day management of the finance and risk management functions.

Group General Counsel & Company Secretary

The Group General Counsel & Company Secretary advises the Chair and Board on governance, together with updates on regulatory and compliance matters; supports the Board agenda with clear information flow; and acts as a link between the Board and its Committees, and between Independent Non-Executive Directors and senior management.

Board appointments

During the year, the Board was pleased to welcome two new Directors. Alessandra Pasini in July 2025, followed by Frank Mastiaux in September 2025. Both bring extensive experience and valuable perspectives and strengthen our collective expertise in areas such as renewable energy and energy transition, financing, and industry operation which will enhance the Board's ability to support the Company's strategy.

Further details on the work undertaken by the Nominations Committee in relation to Board appointments can be found on pages 81 to 82. Relevant Directors are subject to an annual election or re-election by shareholders. The Board sets out in the Notice of Annual General Meeting the specific reasons why each Director's skills and continued contribution are valuable to the Company's long-term sustainable success.

The Company's Articles of Association, available on our website, provide information on how Directors are appointed, retire and are succeeded.

Oversight of Director external appointments

To ensure that Directors continue to have sufficient time to commit to their Centrica responsibilities, any additional external appointments taken up require advance consultation with the Chair and, where appropriate, approval by the full Board.

Tenure

Board tenure distribution⁽²⁾ as at 31 December 2025.

0 – 3 years	Russell O'Brien, Group Chief Financial Officer
	Jo Harlow, Senior Independent Non-Executive Director
	Philippe Boisseau, Non-Executive Director
	Frank Mastiaux, Non-Executive Director
	Alessandra Pasini, Non-Executive Director
	Sue Whalley, Non-Executive Director
>3 – 6 years	Carol Arrowsmith, Non-Executive Director
	Nathan Bostock, Non-Executive Director
	CP Duggal, Non-Executive Director
	Amber Rudd, Non-Executive Director
>6 – 9 years	Kevin O'Byrne, Chair
	Chris O'Shea, Group Chief Executive

(2) Tenure distribution excludes Heidi Mottram.

Directors' induction

The induction programme is led by the Chair and supported by the Group General Counsel & Company Secretary. Inductions are tailored to the individual needs of the Director and the information, training and support required to optimise their effectiveness in role.

The induction programme includes a combination of sessions with both internal functions and external advisors with the opportunity for periodic subsequent review of progress with the Chair. Briefings provide opportunities for Directors to meet with senior leaders and to participate in site visits, where relevant, to better understand the different businesses and working environments.

Induction programmes for Alessandra Pasini and Frank Mastiaux are underway. Both have participated in tailored sessions with senior leaders and site visits, with further meetings and external briefings scheduled over the coming months to deepen their understanding of the Group and support their contribution to Board discussions.

Directors' independence and conflicts

All our Non-Executive Directors are considered to be independent against the criteria in the 2024 UK Corporate Governance Code, and free from any business interest which could materially interfere with the exercise of their independent judgement. In addition, the Board is satisfied that each Non-Executive Director is able to dedicate the necessary amount of time to the Company's affairs.

The Non-Executive Directors' Letters of Appointment state that they must inform the Company of any other businesses, directorships, appointments, advisory roles or other relevant commitments, including any relevant changes and a broad indication of the time involved.

Directors also confirm that they will inform the Board of any subsequent changes to their circumstances which may affect the time they can commit to their duties. The agreement of the Board must be obtained before accepting additional commitments that might affect the time Non-Executive Directors are able to devote to their appointment.

In accordance with the Companies Act 2006 and the Company's Articles of Association, Directors are required to report actual or potential conflicts of interest to the Board for consideration and, if required, authorisation. If such conflicts exist, Directors recuse themselves from consideration of the relevant subject matter. The Company maintains a schedule of authorised conflicts of interest which is regularly reviewed by the Board.

Training and development for Directors

The Board places strong emphasis on maintaining an appropriate balance of skills, experience and knowledge, supported by a structured approach to ongoing development. In addition to tailored induction programmes on appointment, Directors receive regular updates to ensure they remain informed about the evolving business, regulatory and geopolitical landscape. The Chair, supported by the Nominations Committee and the Group General Counsel & Company Secretary, oversees the continued professional development of each Director. This is delivered through an annual programme of briefings, management engagement, topic-specific training sessions and site visits, supplemented by individual development discussions.

During 2025, the Board's programme included:

- Offshore safety: Jo Harlow and Sue Whalley completed Basic Offshore Safety Induction and Emergency Training (BOSIET) enhancing the Board's practical understanding of offshore operational safety.
- Artificial intelligence: A dedicated session exploring AI fundamentals, strategic applications, emerging regulatory considerations and implications for the workforce.
- Irish energy market: A briefing providing insight into market structure, policy developments, key stakeholders and investment dynamics relevant to Centrica's operations.
- Nuclear energy: Updates on Small Modular and Advanced Modular Reactor technologies, alongside briefings on Centrica's partnership with X-energy.

Directors have full access to advice from the Group General Counsel & Company Secretary and may seek independent professional advice at the Company's expense where required.

Board activities

Board meetings

The Board remains committed to upholding high standards of corporate governance and compliance, recognising their importance for the Company's enduring performance and value generation. These standards guide the Board's oversight of strategy, financial discipline and risk management, particularly in a year of evolving market conditions.

The Board held eight formal meetings in 2025, which primarily occurred face to face, and one additional Board call. If Directors are unable to attend a meeting, they have the opportunity beforehand to discuss any agenda items with the Chair. The agendas for Board meetings are established at the beginning of the year, and then, subject to changing priorities, are agreed in advance of each meeting by the Chair, Group Chief Executive and Group General Counsel & Company Secretary. The agenda typically consists of regular standing items, such as reports on financial performance, and review of a particular topic or business area.

During the year, the independent Non-Executive Directors, including the Chair, met regularly without management present, in line with good governance practice.

Site visits

The Board recognises the importance of direct engagement with the Group's operations, and Directors undertake site visits each year to broaden their insight into operational activities, culture and safety practices.

In April 2025, Amber Rudd and Sue Whalley visited Centrica Energy sites at Humberside, Morecambe and the Barrow Terminal, with a focus on reviewing Rough gas storage and processing operations and associated safety measures. In September 2025, the Board visited the Whitegate Power Asset in Cork and the Profile Park Power Asset in Dublin, followed by a 'show and tell' session at the Dublin office and a townhall, providing an opportunity for open dialogue with colleagues.

Board engagement

In line with Provision 5 of the UK Corporate Governance Code, the Board ensures meaningful engagement with the Company's key stakeholders and demonstrates how their views inform decision-making, as evidenced throughout this Annual Report (further information can be found at Our Stakeholders, pages 12 to 13, Board Focus, page 68, and Section 172 Principal Decisions, page 71).

Board engagement with colleagues

The Board maintained a collective approach to workforce engagement in 2025, reflecting its commitment to meaningful, two-way dialogue with colleagues across the Group. These interactions support informed decision-making and contribute to the Board's understanding of organisational culture.

Engagement during the year included four breakfast sessions which explored the expansion of the Centrica Pathways programme, the creation of the Chief Customer Office to drive customer-experience improvements across our Retail Business Units and the transformation agenda at Bord Gáis Energy.

As part of the Board's commitment to engaging directly with colleagues, Kevin O'Byrne visited our Aalborg office to deepen his understanding of Centrica Energy's operations and meet teams across trading and asset functions. His visit included a hybrid townhall and open Q&A, where colleagues asked questions on strategy, market dynamics and potential geographic expansion.

Additional insight was gained through quarterly surveys, Shadow Board feedback, townhalls, leadership meetings, listening sessions and colleague-led network events. These channels provided valuable perspectives that helped shape leadership discussions throughout the year.

Board engagement with shareholders

The Board is committed to transparent and effective communication with shareholders, ensuring they have a clear understanding of the Company's strategy, performance and long-term priorities. Engagement is maintained through regular reporting, investor relations activity and direct dialogue with major shareholders.

Throughout 2025, the Group Chief Executive and Group Chief Financial Officer led an extensive programme of investor meetings, roadshows and conference participation, with the Chair also engaging with shareholders during the year. Discussions typically focused on strategy, capital allocation, major investments, regulatory developments, climate transition and wider ESG matters. Investor teach-ins, including a dedicated session on the Sizewell C investment in July 2025, provided further opportunities for detailed engagement.

General meetings remain a key forum for shareholder interaction. The 2025 Annual General Meeting, held as a hybrid event in Manchester, enabled participation either in person or virtually. Ahead of the meeting, the Company conducted targeted engagement with major shareholders and proxy advisors on key proposals, with feedback informing the Company's approach to the Directors' Remuneration Policy and Climate Transition Plan. Voting outcomes were closely monitored, and follow-up engagement was undertaken where concerns were raised.

Information about future meetings and shareholder materials is available on centrica.com.

Board focus during the year

Throughout the year, the Board's activities have included evaluating regular operational and financial reports, setting and monitoring strategy, approving various business and governance matters, and detailed presentations on topics.

Stakeholder key



Customers



Colleagues



Investors



Suppliers



Government and regulators



Communities and NGOs

	Link to stakeholders	Link to Principal Risks and Uncertainties
Strategy and business plan The Board sets the delivery of the strategic direction of the Group and oversaw the delivery of that strategy for the benefit of relevant stakeholders. - Regular business updates from the Group Chief Executive and business unit leaders - Group Annual Plan and Strategic Financial Plan - Deep dives on Group, Retail and Business Unit strategies - Major transformation programmes and operating model changes - Investment and M&A opportunities and portfolio reviews (e.g. Sizewell C) - Technology transformation and digital roadmap (e.g. ENSEK Ignition) - Progress against strategic objectives and effectiveness reviews Board outcomes/decisions During the year, the Board made a series of decisions to set and oversee delivery of the Group's strategic direction, ensuring alignment with long-term priorities and stakeholder interests. It approved the Group Annual Plan and Strategic Financial Plan, providing the framework for delivery and performance management across the Group. To inform strategic choices, the Board received regular updates from the Group Chief Executive and business unit leaders and held deep dives into the Group and Business Unit strategies. Following these sessions, it agreed priorities and actions to support execution and monitor progress. The Board also reviewed progress on major transformation programmes, including restructuring and operating model changes, and endorsed the technology transformation roadmap, including ENSEK Ignition, to support delivery capability. It considered investment opportunities and M&A activity and portfolio decisions, including Sizewell C, and approved related decisions to ensure capital deployment remained consistent with strategic objectives and risk appetite. The Board continued to ensure disciplined and transparent capital deployment aligned to strategy, risk appetite and long-term shareholder value.		- Climate change - Strategic resource allocation and deployment - External, regulatory, geopolitical and conduct - Customer - People culture and workforce
Performance and risk Financial performance and risks, as well as risk controls and processes, are regularly reported to the Board, to the Audit and Risk Committee, and the Safety, Environment and Sustainability Committee. Risks are also brought to the attention of the Board through reports from the Group Chief Executive, Group Chief Financial Officer, business unit leaders and functional subject matter experts. - Group financial performance updates and results reporting (including Interims and Prelims) - Dividend recommendations and financial statements - Performance deep dives by business unit and function - Risk appetite statements and Principal Risks - Audit and Risk Committee reports and annual risk reviews - Litigation, treasury, tax and insurance updates - Oversight of capital programme funding - Cyber security and regulatory compliance updates Board outcomes/decisions During the year, the Board maintained effective oversight of financial performance and the Group's risk management framework by reviewing regular reports from the Group Chief Executive, Chief Financial Officer and relevant subject matter experts, and agreeing actions to address variances and emerging risks. The Board reviewed and approved the interim and preliminary results, the financial statements and the related dividend recommendations. It also considered business unit performance deep dives and agreed areas of management focus to support delivery of strategic priorities. Following review by the Audit and Risk Committee, the Board endorsed updated risk appetite statements and approved the refreshed Principal Risks. It reviewed the outcomes of the annual risk assessment and considered updates on litigation, treasury, tax and insurance, agreeing any required mitigations and oversight priorities. The Board also approved funding decisions in respect of capital programmes, ensuring capital allocation remained aligned with strategy and value creation. In addition, the Board agreed actions where necessary to reinforce resilience and maintain robust governance.		- Strategic resource allocation and deployment - Credit and Liquidity Risk - Market risk - External, regulatory, geopolitical and conduct - Customer - People culture and workforce - Third-party and supply chain resilience

	Link to stakeholders	Link to Principal Risks and Uncertainties
Culture and stakeholders Understanding the views and interests of the Company's diverse community of stakeholders, including customers, is important to the Board. To enable a culture that drives our Values, the views and interests of stakeholders are considered in the development, delivery and oversight of the Group's business model and strategy. • Talent pipeline, succession planning and leadership development • Board effectiveness reviews and private sessions on succession • Training and development for Board members (e.g. artificial intelligence) • Diversity, equity and inclusion (DEI) and S172 stakeholder duties • Customer and brand strategy sessions, including communications and cultural change • Board objectives and stakeholder engagement activities • Regulatory and customer updates Board outcomes/decisions The Board took a number of decisions to strengthen stakeholder engagement and support a culture aligned with the Group's values. It considered stakeholder feedback and agreed priorities for how these perspectives would be reflected in strategic oversight and decision-making. The Board reviewed the strength of the talent pipeline and approved actions to enhance succession planning and leadership development, including holding sessions to assess CEO and executive succession. The Directors also completed the formal Board effectiveness review and, as a Board, agreed improvement actions, alongside approving targeted training for Directors, including on Artificial Intelligence. In addition, the Board reviewed progress against DEI initiatives and monitored compliance with its Section 172 stakeholder duties, agreeing areas of continued focus. It held customer and brand strategy sessions and endorsed initiatives intended to support cultural change. The Board also considered regulatory and customer matters, including approach to related stakeholder engagement to ensure alignment with strategic objectives and governance standards.		• People culture and workforce • Customer • External, regulatory, geopolitical and conduct
Political and regulatory environment During the year, the Board considered a range of political and regulatory matters relevant to the Group's activities and strategy. • Updates on regulatory discussions and processes • General Counsel reports on policy and compliance matters • Approval of Modern Slavery Statement and other statutory disclosures • Monitoring of external governance developments and AGM insights • Consideration of regulatory impacts on investment and strategy (e.g., CSRD) • Engagement with government and regulatory stakeholders Board outcomes/decisions The Board made a number of decisions to respond to political and regulatory developments affecting the Group's strategy and operations. It considered regular updates on regulatory discussions and processes, together with reports from the Group General Counsel & Company Secretary, and agreed the actions required to manage emerging policy, legal and compliance risks. The Board approved key statutory disclosures, including the Modern Slavery Act statement, and took account of external governance developments and AGM insights in shaping its governance approach. It also assessed the regulatory implications of strategic initiatives, including the Group's preparations for the Corporate Sustainability Reporting Directive (CSRD), and endorsed the Group's engagement plan with government and regulatory stakeholders to support compliance, alignment with evolving requirements and constructive external relationships.		• External, regulatory, geopolitical and conduct • Climate change
Governance The Board receives regular reports from the Group General Counsel & Company Secretary on governance and regulatory matters, as well as regular updates and insights on market trends from the Investor Relations function. During the year, the Board took time to consider or oversee key governance activities. • Annual Report and Accounts • Annual General Meeting • Board performance review • Board objectives and training Board outcomes/decisions The Board maintained strong governance oversight and took a number of decisions to support compliance, transparency and the integrity of corporate reporting. It reviewed and approved the Annual Report and Accounts, confirming that disclosures were fair, balanced and understandable, and addressed the information needs of stakeholders. The Board approved the approach to the Annual General Meeting, including the programme of shareholder engagement and governance updates to be communicated. It also completed a formal performance review of Board effectiveness, as described on page 81, and agreed a set of actions and objectives to strengthen performance, oversight and accountability. In addition, the Board endorsed targeted training for Directors to enhance skills and knowledge, supporting continuous improvement in governance practices.		• External, regulatory, geopolitical and conduct

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 
(a) Decision for the long term	• Purpose and values; • Strategy meetings discussing strategic priorities; • Regular deep dive reviews of business performance, and aligned risks and control reviews to monitor strategy; • Agree annual plan, review the allocation of capital and monitor performance; • Regular review of sustainability performance ambitions; • Review risks and opportunities relating to Board reserved matters; and • Regular Board report on activities supporting the Directors' Section 172 activities.	Page 11 Pages 68 to 69 Pages 71 Pages 18 to 22 Pages 55 to 56 Page 71 Pages 68 to 69
(b) Employee interests	• Engaging with our colleagues through a structured engagement plan; • Established Shadow Board; • Regular review of the outcomes of the 'Our Voice' survey; • Board focus on executive succession planning; and • Monitor health and safety performance through the Safety, Environment and Sustainability Committee (SESC).	Pages 12, 31, 43 to 47 and 67 Pages 12 and 67 Page 59 Pages 43, 69 and 81 to 82 Page 84
(c) Relationships with suppliers, customers and others	• Regular shareholder engagement, targeted for review of Remuneration Policy and Climate Transition Plan; and • SESC activities monitor outcomes in relation to multiple stakeholders.	Page 67 Pages 84 to 85
(d) Community and the environment impact	• SESC remit supports activities on community and climate; • People & Planet scorecard regularly reviewed; • Climate Transition Plan and targets; and • Board review of sponsorship and community contribution.	Pages 84 to 85 Pages 84 to 85 Pages 43 to 45 Pages 71 and 85
(e) Reputation for high standards of business conduct	• SESC monitors performance against various stakeholder measures; • Annual deep dive reputational survey on stakeholder perceptions to inform activities in relation to stakeholder groups; • Adoption of 'Our Code' reinforcing conduct expectations; and • Review of Principal Risks impacting the business.	Pages 84 to 85 Pages 84 Page 47 Pages 32 to 39
(f) Fairness between shareholders	• Regular engagement, trading updates and publication of information available to investors on our website; • The Disclosure Committee protects the integrity of price-sensitive information; and • Hybrid Annual General Meeting to enable broader shareholder participation.	Pages 67, 90 Pages 37, 61 Page 67

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.

Audit and Risk Committee

As Chair of the Audit and Risk Committee, I am pleased to present this report for the year ended 31 December 2025. Readers may also wish to refer to the Principal Risks and Uncertainties section; the Viability Statement; and our application of the UK Corporate Governance Code, alongside this report.

Committee overview

Over the past year, the Committee has maintained robust oversight of the Group's financial reporting, risk management and internal control frameworks. Our work followed a comprehensive annual schedule with regular reviews of significant accounting judgements, updates on enterprise risks and deep dives into Internal Audit, compliance and evolving regulatory requirements.

During 2025, the Committee focused on readiness for the new material controls declaration, strengthening the Enterprise Risk Management (ERM) and Controls frameworks. In doing so, the Committee also enhanced oversight of the Company's Principal Risks through the ERM Framework, alongside continued focus on IT and data security and the effectiveness of the Internal Audit function.

Committee membership and meeting attendance

Membership and independence

All Committee members are independent Non-Executive Directors. The Committee Chair has recent and relevant financial experience and the Committee has sector-relevant competence for the purposes of the 2024 UK Corporate Governance Code.

Committee members

- Nathan Bostock (Chair)
- Carol Arrowsmith
- Philippe Boisseau
- CP Duggal
- Alessandra Pasini (with effect from 8 July 2025)

Biographical details of the Committee Chair and members can be found on pages 62 to 64. Meeting attendance can be found on page 64.

Meeting attendees by invitation:

Regular meeting attendees include, the Chair of the Board, Group Chief Executive, Group Chief Financial Officer, Group General Counsel & Company Secretary, Group Finance Director, Group Head of Accounting and Reporting, Group Head of Treasury, Pensions and Insurance, Group Chief Risk Officer, Group Head of Internal Audit and the external auditors.

Committee governance and main activities during 2025

How the Committee operates

Committee meetings normally take place the day before Board meetings. The Chair reports to the Board on Committee activity as a standing agenda item and the Board has access to Committee papers and minutes. The Committee also holds separate meetings with the Group Chief Financial Officer, the Group Head of Internal Audit and the Group Chief Risk Officer.

The Chair also meets the external lead audit partner outside the formal meeting cycle.

The Committee operates an annual agenda aligned to the financial reporting calendar, with flexibility to allocate time to priority areas. Its responsibilities cover financial reporting and controls, risk, compliance and audit. The Committee assesses whether the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable. It also oversees information systems security and the Group's compliance with legal, regulatory and ethical requirements, including Our Code and the Speak Up arrangements.

The Committee oversees the Internal Audit function, including the appointment and dismissal of the Group Head of Internal Audit and manages the relationship with the external auditors, covering their appointment, independence, effectiveness and remuneration.

The Committee also monitors exposure to key markets and financial risks.

Summary of main activities during 2025

During the year, the Committee considered a wide range of matters across financial reporting, risk, controls, compliance, external audit, Internal Audit and other assurance activity. Key areas of focus included:

- Financial reporting oversight, including review of annual and interim results, significant accounting judgements and key balance sheet valuations.
- Enterprise risk management, including updates on Principal and Emerging Risks and business deep dives into key operational, financial, credit, market and compliance-related risks and controls.
- Internal controls oversight, including monitoring of the Group's control environment, remediation progress and preparations for the material controls declaration.
- External audit oversight, covering audit planning, independence, audit quality, audit tender and related governance matters.
- Compliance oversight, including updates on legal, regulatory and ethical matters, second-line assurance reviews and the operation of the Code of Conduct and Speak Up arrangements.
- Information systems and cyber security, including oversight of data security, cyber-risk management and enhancements to IT controls.
- Governance and regulatory developments, including UK Corporate Governance Code changes, CSRD readiness and other evolving reporting requirements.

The Committee had regular engagements between Non-Executive Directors and key management, as well as meetings with the external auditors and Internal Audit without management present.

Risk management, internal controls and Internal Audit

Internal Audit

The Committee maintained oversight of the Group's Internal Audit function, focusing on its independence, effectiveness and alignment with Centrica's strategic objectives and the revised Global Institute of Internal Audit (IIA) standards.

During the year, the Committee approved the annual Internal Audit Plan, which is closely aligned to the Group's evolving Principal Risks, and received updates on delivery, audit outcomes and key thematic findings. Focus areas included governance clarity, clear ownership of controls and strengthening the control environment through reduced reliance on manual processes. The Committee also monitored the timely completion of Internal Audit actions and management's response to audit findings.

The Group Head of Internal Audit maintained direct access to both the Board Chair and the Committee Chair, supporting open communication, transparency and accountability. The Committee reviewed and confirmed the ongoing adequacy of the Internal Audit Charter, the function's compliance with professional standards and the sufficiency of resources, quality assurance and independent evaluation arrangements.

Review of the system of risk management and internal controls

The Committee supported the Board in its review of the effectiveness of the Group's risk management system and internal control framework through a structured programme of reporting and assurance. This included the annual self-certification process, the Entity-Level Controls assessment programme, regular updates on Principal and Emerging Risks, and second-line assurance activities, including remediation programmes.

The Committee considered perspectives from Internal Audit and the external auditors on the control environment, with particular attention on opportunities to increase automation in key business processes (including Ensek and Spirit). The Committee continued to monitor management's remediation of control weaknesses and progress in strengthening the overall control framework, supporting effective oversight of the adequacy and resilience of internal controls across the Group.

In addition, it also maintained focused oversight of enhancements to the Group's IT control environment, including ongoing work to strengthen identity and access management controls and embed a more standardised framework. The Committee noted that, notwithstanding progress to date, IT issues continued to persist in certain areas, and that further upgrade will be required in FY2026.

Oversight of Artificial Intelligence (AI) remained an integral part of the Committee's remit.

Corporate governance

In anticipation of developments under the UK Corporate Governance Code relating to Board assurances on internal controls, the Committee reviewed the work underway to support future readiness.

The new requirement for the Board to provide a declaration on the effectiveness of the Company's material controls (Provision 29) applies to accounting periods beginning on or after 1 January 2026, with the first such declaration required to be included in Centrica's 2026 Annual Report.

To oversee the preparatory activities relating to the controls declaration, the Committee reviewed Centrica's material risk areas, the associated material controls and the assurance framework supporting those controls. This focused on the activities and frameworks that most significantly mitigate the Group's principal risks. The Committee held a deep-dive session on the approach and progress made which had been complemented by regular updates at each meeting from management. Preparations for compliance are progressing in line with expectations.

The Committee also considered management's revised plans to comply with the EU Corporate Sustainability Reporting Directive (CSRD), following the postponement to the timeline for mandatory reporting. CSRD will require Centrica to disclose the impacts, risks and opportunities arising from its activities on the environment and people, and how these sustainability matters affect the Group's financial performance. Notwithstanding the delay, additional governance and control enhancements continue to be implemented to support robust assessments and ensure the availability of high-quality sustainability information.

Speak Up (the Group's whistleblowing service)

The Committee received reports from management on the Group's whistleblowing arrangements. It satisfied itself that colleagues have access to well-publicised channels to raise concerns in confidence and without fear of retaliation, including concerns about inappropriate or unacceptable practices. The Committee also ensured that such concerns are subject to proportionate and independent investigation with appropriate follow-up action. The Committee reported its assessment of the whistleblowing arrangements to the Board.

External audit and audit tender process

External auditors' effectiveness, independence and quality

The Committee assessed the external audit scope, fees, Audit Plan, performance, objectivity and independence. Key team rotation and post-employment hiring restrictions safeguard independence. Jane Boardman has served as lead audit partner since completion of the 2021 audit; Deloitte has been Group auditor since 2017. Our formal assessment, drawing on questionnaires from Committee members, senior management and Deloitte's internal management questionnaire, concluded that the audit process was effective, objective and independence was maintained, professional scepticism was evident and audit quality was strong. Deloitte provided its independence confirmation in line with ISA (UK & Ireland) 260 and the Ethical Standard 2019. On the basis of Deloitte's confirmation and report on their approach to audit quality and transparency, the Committee concluded that: Deloitte possesses the appropriate qualifications and expertise; Deloitte remains independent of the Group; and, coupled with effective management engagement, the audit process was effective.

Deloitte's re-appointment was approved at the Annual General Meeting (AGM) in May 2025 and the Committee recommends Deloitte's re-appointment at the AGM in May 2026. The Committee confirms that this recommendation is free from influence by any third party and no contractual term of the kind mentioned in Article 16(6) of the Audit Regulation has been imposed on the Company.

Auditor independence and non-audit services

The Committee monitored compliance with the Non-Audit Services Policy, which sets out permitted services and pre-approved thresholds; other services require Committee approval. The policy includes an annual £2m cap for ordinary course non-audit work (kept under review). 2025 non-audit fees (for services not required by regulation) were well below the legal 70% cap (approx. 10%) and related to assurance services. Consistent with the policy, Committee approval was obtained in advance where Deloitte was best placed to deliver these services on a timely and cost-efficient basis given their role as external auditors. The Committee also complied with the CMA Order (2014).

Details of fees paid to the auditor for audit and non-audit services in 2025 are provided in note S9 to the financial statements on page 225. In November 2025, the Committee reviewed the Non-Audit Services Policy and confirmed that no substantive changes were required. The policy is available on our website at centrica.com.

In normal circumstances, all significant non-audit engagements are subject to tender, and Deloitte is appointed only where its expertise and knowledge make it the most appropriate provider and where appointing another firm could adversely impact the business. For further information, see note S9 to the financial statements on page 225.

Audit tender process

During the year in review, the Committee conducted a comprehensive, competitive tender for the audit from the year ending 31 December 2027 onwards. The process was led by a steering group comprising the Committee Chair, the Group Chief Financial Officer, the Group Finance Director, an additional Committee member and senior finance personnel, with the full Committee providing approval at each key stage. The tender concluded with the Committee selecting Deloitte and intending to recommend their appointment as the Group's external auditors for the financial year ending 31 December 2027, subject to shareholder approval at the 2027 AGM. This proactive approach supports effective long-term planning for audit quality and continuity.

Six firms were initially invited to tender, including four top-tier (the Big Four) and two mid-tier firms with existing knowledge of the business. Three firms accepted the invitation. Following an assessment of their submissions and further discussions, two firms, Deloitte (the incumbent) and one challenger firm, progressed to the full tender.

Prospective audit partners from both firms met the steering group, after which formal Requests for Proposal were issued. To support the challenger firm, targeted business learning sessions were provided. A virtual data room was established, and management met each firm, with managers asked to provide feedback.

Both firms demonstrated their technology and data analytics capabilities to the steering group and subsequently submitted tender documents, which were reviewed by the steering group, the wider Committee and senior finance leaders. The Chair of the Board and the Chief Executive Officer also met each prospective partner. Final presentations were then made to the steering group and the full Committee.

Management conducted a final grading of both firms and provided a preferred recommendation. The Committee considered this alongside its own assessment and, after debating the merits of each firm, recommended both firms to the Board, expressing a preference for Deloitte. The Board approved this recommendation in July 2025.

Corporate reporting integrity and key financial judgements

Corporate reporting review

The Audit and Risk Committee assists the Board in fulfilling its oversight responsibilities by reviewing and monitoring the integrity of the financial information provided to shareholders and other stakeholders.

The Company has complied with the Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014 for the financial year under review. The Committee and the Board confirm that they have taken all the necessary steps to become aware of any relevant audit information and to pass that information on to Deloitte.

During the year, the Committee also complied with the FRC's Audit Committees and the External Audit: Minimum Standard. In line with the Standard, the Committee oversaw the external audit process, ensured appropriate challenge between management and the auditor, monitored auditor independence, conducted and oversaw a full competitive audit tender during the year (including setting the scope of the tender, meeting prospective firms, evaluating proposals, and making a formal recommendation to the Board) and engaged with shareholders on material audit matters where appropriate.

Going concern basis of accounting and viability

Throughout the year, the Committee undertook a thorough review of the Group's going concern basis of accounting and viability. The Committee assessed management's analysis, including stress testing and scenario planning, to ensure the Group's ability to continue as a going concern for the foreseeable future. This included reviewing liquidity forecasts, key risks and mitigating actions under severe but plausible scenarios, as the Committee recognises the need to clearly articulate how the Board has assessed these prospects, the period considered and the rationale for deeming that period appropriate.

The Committee also considered the Viability Statement, evaluating the Group's long-term prospects and resilience over the assessment period. Regular updates from management and external auditors were received, and the Committee was satisfied that the disclosures in the Annual Report and Accounts were appropriate and that the going concern and viability assessments remained robust and well supported.

Fair, balanced and understandable

In line with the UK Corporate Governance Code, the Committee carefully reviewed the Annual Report and Accounts on behalf of the Board to ensure it is in compliance with all relevant laws and regulations, and that shareholders and stakeholders receive clear and comprehensive information about the Company's position, performance, culture, business model and strategy.

The Committee also oversaw the processes and controls involved in preparing the Annual Report and Accounts, supported by a robust governance framework. This includes

rigorous review and verification by key teams across the business, and final sign-off by the Fair, Balanced and Understandable Committee, which brings together senior leaders from Finance, Corporate Communications, Investor Relations, Internal Audit, People, Strategy and Secretariat.

Committee effectiveness and focus areas for 2026

Committee effectiveness

The Committee reviews its terms of reference annually to ensure they remain appropriate in light of legal, regulatory and best practice developments. Minor changes were made during the year, and the terms of reference are available on our website at centrica.com.

The effectiveness and performance of the Committee were assessed as part of the internal Board performance review. The Committee considers that it has continued to discharge its oversight responsibilities effectively amid a rapidly evolving macroeconomic environment and shifting stakeholder expectations, supported by regular and constructive engagement with management. The findings of the review will be used to support continuous improvement. The Committee was found to be operating effectively.

Further information on Board effectiveness can be found on pages 81 to 82.

Focus areas in 2026:

In addition to the Committee's usual areas of work (consistent with 2025), the Committee will be focusing on:

- Material controls in light of Provision 29 and readiness for the annual controls declaration;
- Further emphasis on IT controls, including emerging considerations relating to Responsible AI; and
- Increased attention to CSRD readiness and the developing approach to sustainability assurance.

Nathan Bostock

Chair of the Audit and Risk Committee

18 February 2026

Key judgements and financial reporting matters in 2025

Electricity Generator Levy

The Electricity Generator Levy (EGL) applies a tax rate of 45% on revenues from sales exceeding a benchmark price of £75/MWh (as adjusted for inflation) on electricity generated from nuclear sources. It applies from 1 January 2023 to 31 March 2028. Because EGL is a tax on revenue and not profits, it falls under IFRIC 21 'Levies' and is not in the scope of IAS 12 'Income Taxes'. This means that EGL is not recognised in the tax line but instead reduces the Group's adjusted operating profit.

EGL is chargeable within the Group's associate accounted 20% Nuclear investment for its sale of electricity, as well as on offtake arrangements with significant minority shareholders in such generators.

During the year, the Group's share of its Nuclear associate's EGL payments amounted to £9m (2024: £86m) (recorded within the share of profit after tax from associates). The Group has also made payments on account to HMRC of £10m (2024: £80m) in relation to its estimated EGL liabilities for its minority shareholder Nuclear offtake arrangements during the year and this expense has been recorded within cost of sales.

The interpretation and application of the EGL legislation is unclear in respect of the Group's minority shareholder Nuclear offtake arrangements. As such, the extent of the levy that will ultimately be due in this regard is not yet certain, and a different amount (up to £155m lower than the amounts paid to date in 2023 to 2025) may ultimately be determined. If this were the case, a tax deposit asset would be recorded on the Group Balance Sheet, and as a credit within cost of sales, in the Group Income Statement, when it became probable that the asset would be recoverable, in accordance with the 2019 IFRIC Agenda decision on Deposits relating to taxes other than income taxes. Given the current stage of discussions there is not yet sufficient evidence to support the probability of recovery and therefore no asset has been recorded at the balance sheet date.

Audit and Risk Committee reviews and conclusions

The Committee discussed the complexity around the interpretation of the Electricity Generator Levy legislation and understood the process the Group had been through to gain clarity on the matter and the external advice sought.

It also held discussions with the external auditors to confirm their view and the appropriateness of the accounting treatment adopted.

The Committee concluded that the judgement reached was appropriate and concurred with the accounting approach.

The Committee also noted the disclosures included in the financial statements to highlight the key source of estimation uncertainty in this area.

Further detail is provided in note 3 on pages 142 to 148.

Key judgements and financial reporting matters in 2025

Determination of forecast commodity prices and their use in valuing long-lived assets and derivative contracts

Commodity price forecasts are a key assumption in the valuation of the Group's long-lived assets and derivative contracts.

For short-term commodity prices over the next four years, observable liquid market prices (as at 31 December 2025) continue to be taken as the best view of expected price. For the longer-term period thereafter, median third-party price curves are used which most closely align to Centrica's view of long-term prices. This approach remains broadly unchanged from the prior year.

The year-end price assumptions for NBP gas and Baseload power were benchmarked back to those that would have been calculated under a 'P50' average of a number of third-party comparator median curves and were not significantly different.

The Group has also obtained commodity price forecasts which are intended to be consistent with net zero by 2050. These are higher than the curves the Group has adopted for baseload power but vary for other commodities and markets. The Group has shown the impact of such net zero price forecasts on the Nuclear and other Power assets in note 7 of the financial statements. Note that following the Group's announced gas field asset disposals (including held for sale classification – see note 12), the gas asset portfolio valuation is no longer materially sensitive to future NBP gas price movements.

Audit and Risk Committee reviews and conclusions

The Committee noted the consistent year-on-year approach for deriving future commodity price assumptions. It reviewed and acknowledged that the long-term NBP and Baseload forecasts were broadly aligned with the 'P50' comparator averages.

The Committee noted the decrease in short-term NBP gas and Baseload power prices during 2025 and that the longer-term price forecasts were fairly consistent when compared with prior year for both commodities. The Committee understood that these outputs impact many of the other judgements listed below.

Sensitivities of the asset impairment tests to changes in price forecasts are provided in note 7 on pages 155 to 159.

The Committee noted the use of a price curve intended to be consistent with net zero by 2050 in the impairment sensitivities and believed the output provided useful information to readers of the accounts.

The Committee also noted the continued inclusion of a Climate Change accounting considerations section in note 3.

Key judgements and financial reporting matters in 2025

Energy derivatives – classification and valuation

The Group enters into numerous commodity contracts in its ordinary course of business. This can be to procure load for its Retail business, sell output from its Infrastructure assets, to trade around its other Optimisation commodity exposures or to make money from proprietary activities. On entering into these contracts, the business assesses each of the individual trades and classifies them as either:

(i) Out of scope of IFRS 9:

For 'own use' contracts (i.e. customer contracts, contracts to take delivery and meet customer demand or sell upstream/ infrastructure output) and contracts that cannot be net settled.

(ii) In scope of IFRS 9:

Contracts for commodities which have the ability to be and practice of being net settled.

Energy contracts outside the scope of IFRS 9 are accruals accounted. Those contracts considered to be within the scope of IFRS 9 are treated as derivatives and are marked-to-market (fair valued). If the derivatives are for proprietary energy trading, they are recorded in the business performance column of the Group Income Statement. If they are entered into to protect and optimise the value of underlying assets/contracts or to meet the future downstream retail demand needs, they are recorded as certain re-measurements.

The fair value of derivatives is estimated by reference to published liquid price quotations for the relevant commodity. Where the derivative extends into illiquid periods, the valuation typically uses the new Centrica long-term view price curves (see 'Determination of forecast commodity prices and their use in valuing long-lived assets and derivative contracts').

Judgement is required in all aspects of both the classifications and valuations.

One of the Group's critical accounting judgements is that its LNG contracts are outside the scope of IFRS 9 because they are entered into for its own purchase and sale requirements ('own use').

Audit and Risk Committee reviews and conclusions

The Committee noted that the Group's policy and methodologies in classifying and valuing energy derivatives were unchanged from previous periods.

The Committee also reviewed and understood the breakdown by business of the movement in IFRS 9 energy derivative valuations in the Group Income Statement.

They reflected on the fact certain re-measurement derivative net loss of £345m was predominantly as a result of the unwinding of prior year in-the-money positions and that the net movement on unrealised trades was small in comparison to the unwind.

Further detail is provided in notes 2 and 7 on pages 141 and 155 to 159.

The Committee noted and reaffirmed its agreement with the specific judgement regarding LNG contract own-use classifications.

Key judgements and financial reporting matters in 2025

Onerous energy supply and LNG contracts provision

The Group's residential and business energy supply contracts within Retail and its LNG procurement contracts within Optimisation are accruals accounted. The Group operates and manages a hedging strategy to ensure that the future costs of supplying the customer supply portfolios are appropriately managed and that the value of the LNG cargoes are protected.

These hedges are generally in the scope of IFRS 9 and are measured at fair value (see 'Energy derivatives – classification and valuation' above). They are recognised as certain re-measurements in the Group Income Statement separately and are subsequently reflected in business performance when realised, which is generally when the underlying supply transaction or LNG cargo impacts profit or loss.

At the end of 2025, the hedges associated with the LNG portfolio were in-the-money. Because of this hedge value recognition, the assessment of whether the LNG contracts were onerous had to be calculated based on the cost of taking delivery of these cargoes and the expected revenues, including the reversal of previous mark-to-market gains.

Accordingly, for certain contracts, the future costs to procure the LNG cargoes would exceed the revenues derived including mark-to-market reversals because the associated hedging gains had already been recorded in the Income Statement. The Group therefore recognised an onerous LNG contract provision of £32m at the year-end (2024: £82m).

Note that the LNG portfolio is hedged on a portfolio basis and is forecast to remain economically profitable in 2026 and beyond.

At the end of 2025, no onerous provision was required for the residential or business supply contracts within Retail because related hedges were out-of-the-money.

The movement in these onerous provisions have been reflected as a certain re-measurement in the Income Statement because these contracts are economically related to the fair value movements on the hedges. Cumulatively, over time, these postings will net to £nil, as the underlying contracts realise and are reflected in the business performance column.

Audit and Risk Committee reviews and conclusions

The Committee reviewed the change in the underlying derivative hedge values of the different books and considered the assessment of the onerous contract provisions.

The Committee noted the consistent year-on-year approach and the rationale for including the LNG cargo, and supply onerous contract provision movements within certain re-measurements.

The Committee noted that no onerous energy supply contract was required but observed that it may be required in 2026 if the

related derivative hedges moved further into the money but this is dependent on energy prices and the hedged position.

The Committee noted the disclosures included in the financial statements to highlight this area.

The Committee held discussions with the external auditors to confirm the appropriateness of the accounting treatment and to understand their views of the assumptions used.

Further detail is provided in notes 2, 3 and 7 on pages 141 to 148 and 155 to 159.

Key judgements and financial reporting matters in 2025

Impairment of long-lived assets

The Group makes judgements and estimates in considering whether the carrying amounts of its assets are recoverable:

Infrastructure (Power assets and gas field assets)

For retained Infrastructure assets, discounted cash flows are prepared from projected production profiles of each field or power asset, taking into account forecast future commodity prices, to assess their recoverable amount. When deriving forecast cash flows, market prices are used for the period when a commodity is liquid. For the longer-term illiquid period, the Centrica view of long-term prices is used (see 'Determination of forecast commodity prices and their use in valuing long-lived assets and derivative contracts', above). For gas field assets, the cash flows associated with decommissioning are included in the valuation models.

Judgement is also required around production volumes. For Nuclear (excluding Sizewell C), individual station information and recent availability data is factored in to the overall asset valuation. The expected operating life of Sizewell B has continued to be reflected to 2055 in the modelling, beyond the original design life. During 2025, the expected closure dates for Heysham 1 and Hartlepool stations were extended by one year to March 2028. For retained gas field assets, each field has specific reservoir characteristics and is modelled independently.

Consistent with previous years, taxes and levies are also included in the discounted cash flow modelling. For Nuclear, the Electricity Generator Levy (see 'Electricity Generator Levy' above) applies a tax rate of 45% on revenues exceeding a benchmark price of £75/MWh (adjusted for inflation) and applies from 1 January 2023 to 31 March 2028. For retained gas field assets, the Energy Profit Levy applies a rate of 38% (bringing the headline rate on gas field asset profits to 78%) and has a sunset date of 31 March 2030.

Predominantly as a result of the movement in both actual and forecast power prices together with an increase in operating and capital cost assumptions, partially offset by station life extensions, an exceptional impairment of £251m has been booked in relation to the Nuclear investment.

For Solar assets, an exceptional impairment of £13m was recorded, following a reduction in both the forecast commodity prices and the discount rate used in the valuation.

For gas assets, an impairment of £77m was booked in relation to fields being transferred to disposal groups held for sale, based on specific valuations from the disposal process. See note 12.

For retained gas assets, an impairment of £167m was recorded following the reduction in forecast NBP gas prices and a change to the discount rate used for decommissioning cash flows for end-of-life fields, to better reflect how a typical market participant would value these types of asset. See note 7.

Audit and Risk Committee reviews and conclusions

The Committee challenged management on the key inputs to the impairment models including price, outage rates, assumed lives, tax and discount rates, and discussed with the external auditors. They specifically noted the updated discount rate for decommissioning cash flows of end-of-life gas fields used in the impairment tests and observed this was now more consistent with the approach for recording the decommissioning provision. Ultimately, the Committee was comfortable with the conclusions reached.

The Committee reviewed the Nuclear investment impairment and noted that the decrease in commodity prices and cost assumption increases had more than offset the benefit of life extensions at Heysham 1 & Hartlepool.

The Committee noted that price sensitivity disclosures have been included in the financial statements.

Further detail on impairments and the assumptions used in determining the recoverable amounts is provided in notes 7 and S2 on pages 155 to 159 and 194 to 207.

Key judgements and financial reporting matters in 2025

Credit provisions for trade and other receivables

The IFRS 9 impairment model requires credit provisions ('bad debt') for trade and other receivables to be based on an expected credit loss model, as opposed to an incurred loss basis. Typical household energy costs have increased during 2025 due to high wholesale commodity costs and increased network and levy charges. Macroeconomic conditions are mixed with interest rates and inflation having fallen during the year, but unemployment figures rising. Accordingly, there is significant judgement around the levels of forecast bad debt and the provisioning required at the year-end.

The Group's residential and business energy supply customers within Retail account for the majority of the Group's credit exposure (with balances associated with our trading business generally received within 30 days). Expected default rates in these areas are calculated initially on a matrix basis by considering recent historical loss experience, the nature of the customer, payment method selected and, where relevant, the sector in which they operate.

This model does not always adequately capture scenarios where there is a delayed impact on customer payments, such as forward-looking macroeconomic challenges (e.g. higher interest rates).

Accordingly, management includes a macroeconomic provision adjustment to mitigate this issue. The delayed impact on customer payments is now broadly reflected in the underlying matrix output model used to record provision coverage, hence the reduction in

the additional macroeconomic provision to £11m (2024: £49m). For Retail, the bad debt charge as a percentage of revenue increased to 2.6% (2024: 2.2%). The closing bad debt provision moved to 38% (2024: 36%) of Retail gross receivables.

Due to the significant estimation uncertainty in this area, management continues to provide detailed analysis and sensitivities in note 17 to the financial statements.

Audit and Risk Committee reviews and conclusions

The Committee noted management's groupings of receivables by the key factors affecting recoverability (e.g. payment method, nature of customers) and considered the levels of provisions booked against each grouping, at the year-end.

The Committee discussed the approach with the external auditors.

The Committee was comfortable with the provisions booked, including the reduction in the macroeconomic provisions.

The Committee noted the significant estimation uncertainty in this area and the continued enhanced disclosures in notes 3 and 17, setting out the judgemental nature of the provisioning and the sensitivity analysis to allow users of the accounts to model different outcome scenarios.

Key judgements and financial reporting matters in 2025

Classification and presentation of exceptional items and certain re-measurements, disposal groups held for sale and discontinued operations

The Group reflects its underlying financial results in the business performance column of the Group Income Statement. To be able to provide this in a clear and consistent presentation, the effects of certain re-measurements of financial instruments and onerous supply/LNG contract provisions, and exceptional items are reported separately in a different column in the Group Income Statement.

The classification of items as exceptional and specific trades as certain re-measurements (see 'Onerous energy supply and LNG contracts provision' and 'Energy Derivatives – classification and valuation' sections above) are subject to defined Group policies. These policies are reviewed annually by management.

At the year-end, pre-tax exceptional items included the power asset and gas field asset impairments (noted above in 'Impairment of long-lived assets'). Also included are legacy contract costs reversals of £23m associated with business activity that ceased a number of years ago and a gain on disposal of an interest in the Cygnus gas field of £80m.

Certain re-measurements totalled an overall c.£300m loss on a pre-tax basis – £345m loss from derivatives and £42m gain from the onerous supply and LNG contracts provision movement.

During the year, the Group's disposal of an interest in the Cygnus gas field and the further intended disposal of other gas assets to Serica Energy plc led to their initial classification as disposal groups held for sale on signing of the sale and purchase agreements (see note 12). The Group judged that the disposal groups did not represent a separate major line of business or

geographical operation, because the Infrastructure segment retains other producing fields in the United Kingdom. Accordingly, they were not classified as a discontinued operation.

Audit and Risk Committee reviews and conclusions

The Committee noted that the policy on certain re-measurements and exceptional items remains unchanged from the prior year.

The Committee used the Group's approved policy on exceptional items to help inform the appropriateness of the proposed classifications. It challenged the items classified as exceptional items, considering their size, nature and incidence, and in the context of the Group policy. The Committee concluded that separate disclosure of these items as exceptional was appropriate in the financial statements.

The Committee ultimately agreed that presenting certain re-measurements and exceptional items separately continues to allow underlying performance to be reflected on a consistent and comparable basis through the use of the adjusted alternative performance measures (e.g. adjusted operating profit).

The Committee also considered the presentation of the gas field assets disposals as disposal groups held for sale. They noted and understood the rationale for not treating them as discontinued operations.

Further detail is provided in notes 2, 3 and 7 on pages 141 to 148 and 155 to 159.

Key judgements and financial reporting matters in 2025

Energy supply revenue recognition

The Group's revenue for energy supply activities includes an estimate of energy supplied to customers between the date of the last meter reading and full-year consumption. This is estimated through the billing systems, using historical consumption patterns, on a customer-by-customer basis, taking into account weather patterns, load forecasts and the differences between actual meter readings being returned and system estimates. An assessment is also made of any factors that are likely to materially affect the ultimate economic benefits which will flow to the Group, including bill cancellation and re-bill rates. To the extent that the economic benefits are not expected to flow to the Group, revenue is not recognised. At the year-end, unread energy income for the continuing supply businesses was £2.7bn (2024: £2.7bn).

Audit and Risk Committee reviews and conclusions

The Committee has reviewed the level of unread revenue and unbilled accrual made during the year and discussed with management and the external auditors.

More details on unread energy income are provided in note 3 on pages 142 to 148 and on unbilled energy income in note 17 on pages 172 to 177.

Key judgements and financial reporting matters in 2025

Pensions

The assets and liabilities, and the cost associated with providing benefits under defined benefit schemes is determined separately for each of the Group's schemes. Judgement is required in setting the key assumptions used for the actuarial valuation which determines the ultimate cost of providing post-employment benefits, especially given the length of the Group's expected liabilities. Judgement is also required in valuing the unquoted assets in the plan asset portfolio, including private equity and property interests that are typically subject to valuation uncertainty. The valuation of these assets is based on the latest asset manager views and other relevant benchmarks.

The net Group pension liability position was £295m (2024: £21m). The UK defined benefit schemes used a nominal discount rate of 5.5% (2024: 5.4%) and inflation of 2.8% (2024: 3.1%).

In February 2025, the full actuarial valuation of the UK defined benefit pension schemes, as at 31 March 2024, was agreed with the pension Trustees.

Audit and Risk Committee reviews and conclusions

The Committee noted the key pension assumptions and disclosures in the financial statements, including the IAS 19 experience loss following the finalisation of the triennial review.

It noted that these assumptions were derived on a consistent basis to previous periods.

The Committee recognised the role of the independent actuary, who is consulted on the appropriateness of the assumptions, and asset managers in the valuation of unquoted assets. Discussions were also held with the external auditors.

The Committee were pleased that the triennial review had been agreed with the Pension Trustees.

Further details on pensions are set out in note 22 on pages 181 to 185.

Key judgements and financial reporting matters in 2025

Accounting for the Sizewell C and Isle of Grain investments

During the year the Group acquired a 15% equity stake in the Sizewell C nuclear power station and committed to providing construction funding of £1.3 bn primarily through a shareholder loan agreement, funded over the construction phase of the project. The Group has determined it has significant influence over this investment, demonstrated by its ability to participate in the financial and operating policy decisions of the investee.

Accordingly, the investment is equity accounted as an associate and the loan receivable is presented within investments in joint ventures and associates on the Group's Statement of Financial Position, with the share of profit after tax presented within the results of joint ventures and associates line item in the Group's Income Statement.

The Group also acquired a 50% equity stake in the Isle of Grain Liquefied Natural Gas terminal, during the year. It has determined that this investment is jointly controlled by the Group and its co-investor, Energy Capital Partners LLP (ECP) on the basis decisions affecting the returns of the investment are taken on a unanimous basis and that both investors participate fully in the decisions affecting the operational decisions. Accordingly, this investment is equity accounted as a joint venture.

Audit and Risk Committee reviews and conclusions

The Committee understood the critical accounting judgements reached in relation to these investments.

They noted that Group holds a Board seat on Sizewell C and also possesses specialised industry knowledge, as well as benefitting from the right to enter an offtake agreement once the nuclear plant is operational; with these points supporting significant influence. They also noted the rationale for the joint control assessment over the Isle of Grain.

The Committee discussed the treatment with the auditors and ultimately concurred with the accounting conclusions reached.

Further details are set out in notes 3, 6 and 14 on pages 142 to 148, 154, and 168.

Key judgements and financial reporting matters in 2025

Regulatory Scheme Accounting

The Group is required to comply with all regulatory schemes mandated by Ofgem's gas and electricity supplier licence conditions. The Group incurs material costs under a number of active schemes, for example: Energy Company Obligation (ECO), Great British Insulation Scheme (GBIS), Energy Intensive Industries Support Levy (EII), Warm Home Discount (WHD), Feed-in Tariff (FIT), Fuel Mix Disclosure (FMD), Renewables Obligation (ROCS), Capacity Market Levy, Smart Metering Transition, Supplier of Last Resort (SOLR) and Contracts for Difference (CFD). Certain of the schemes above also include provisions for mutualisation charges which require separate accounting analysis. The accounting for regulatory schemes is an area of critical accounting judgement because determining whether there is a present obligation may be judgemental. The Group assesses a range of information when determining the point at which a present obligation exists and estimates costs using both external and internal data sources.

Costs incurred under industry regulatory schemes are typically calculated with reference to the Group's market share at a point in time and recovered in the future through the Ofgem price cap. Recovery is generally based on revenue earned through future energy supply, meaning a timing difference may arise between the recognition of costs incurred, and the future recovery through charges applied to end consumers. The Group does not have an entitlement to recover costs incurred at the point of recognition and consequently does not recognise an asset in relation to future recoveries.

Audit and Risk Committee reviews and conclusions

The Committee understood the complexity of assessing when a present obligation exists for a number of the regulatory schemes.

They discussed the accounting treatment for the schemes with the auditors and ultimately concurred with the conclusions.

Key judgements and financial reporting matters in 2025

Fair, balanced and understandable

The Board is required to confirm that the Annual Report and Financial Statements are fair, balanced and understandable. To enable the Board to make this declaration, there is a year-end review process to ensure that the Committee and the Board have access to all relevant information, including management's papers on significant issues.

Audit and Risk Committee reviews and conclusions

The Committee reviewed the key factors considered in determining whether the Annual Report is fair, balanced and understandable. The Committee and all Board members received a draft of the Annual Report and Financial Statements in sufficient time to review and challenge the disclosures therein, including the balance of narratives around performance. In addition, the Committee took into consideration the external auditors' reviews of the consistency between the reporting narrative of the Annual Report and the financial statements.

Nominations Committee

On behalf of the Board, I am pleased to present the Nominations Committee (the Committee) report for the year 2025. The report outlines the key activities and focus areas of the Committee during the year, reflecting the commitment to maintaining a robust and effective Board and governance framework and to ensure we are able to fulfil our strategic vision.

Committee overview

The Committee is responsible for oversight of skills composition and succession planning both at a Board and key executive management level, to ensure that the Company is able to deliver its objectives. To support ongoing improvements in Board effectiveness, the Committee's remit also includes oversight of Board induction, training and the effectiveness review process.

Committee membership and meeting attendance

Committee members:

At the beginning of the year, the Committee comprised the Chair and the rest of the Board. During the year, its composition evolved to consist of the Chair, the Senior Independent Director and the Committee Chairs in alignment with best practice.

- Kevin O'Byrne (Chair)
- Carol Arrowsmith
- Nathan Bostock
- Jo Harlow
- Heidi Mottram (until 31 December 2025)
- Amber Rudd (with effect from 1 January 2026)

Biographical details of the Committee Chair and members can be found on pages 62 to 64. Meeting attendance can be found on page 64.

Meeting attendees by invitation:

Group Chief Executive, Group General Counsel & Company Secretary and Group Chief People Officer.

Main activities during 2025

During the year, the Nominations Committee continued to focus on ensuring that the Board and Senior Leadership Team have the right balance of skills, experience and diversity to oversee Centrica's strategy and culture effectively. The Committee met three times, in February, July and November 2025, and considered a broad range of matters relating to Board composition, succession planning, Board effectiveness and governance. Key areas of activity during the year included:

Succession planning, composition and training

The Committee continued to oversee Board and non-executive succession, recognising its importance to Board effectiveness and ensuring well-timed transitions aligned to the Board's evolving capability needs, supported by a diverse and sustainable pipeline.

During 2025, the Committee identified an opportunity to strengthen expertise in energy infrastructure and finance and appointed Egon Zehnder to support targeted searches. Egon Zehnder has no existing or prior relationship with the Company that would compromise its independence. Following the search process, the Committee recommended the appointment of two

new Non-Executive directors: Alessandra Pasini (appointed 8 July 2025) and Frank Mastiaux (appointed 22 September 2025). Alessandra brings significant experience in international finance, energy transition and infrastructure investment, while Frank adds extensive operational leadership expertise across the European energy sector and large-scale transformation.

As the Board undergoes a period of refresh and evolution, the Committee focused on the resulting transitions in Committee Chair roles to reflect these changes and ensure continued robust oversight. On 19 November 2025, we announced that Nathan Bostock, who has served as Chair of the Audit and Risk Committee, will be stepping down from the Board no later than the end of July 2026 (subject to re-election at Centrica's 2026 Annual General Meeting). A further update on Nathan's successor will be announced in due course. We announced on 19 December 2025 that Heidi Mottram would step down from the Board on 31 December 2025. Amber Rudd became Chair of the Safety, Environment and Sustainability Committee with effect from 1 January 2026. Carol Arrowsmith will step down from the Board at the 2026 AGM and will not seek re-election, with Sue Whalley assuming the role of Chair of the Remuneration Committee.

The Committee is satisfied that the Board maintains an appropriate balance and diversity of skills and experience.

The Committee also maintained a strong focus on executive succession, including for the Group Chief Executive role, and continued to assess the depth of the Centrica Leadership Team (CLT) pipeline. High-potential individuals were identified and supported through development opportunities, including leadership training and mentorship programmes.

During the year, the Committee reviewed Board training and reinforced the importance of continuing to deepen Board knowledge in relevant areas, including through site visits to key infrastructure assets. Further information can be found on pages 66 to 67.

Board effectiveness and development

The Committee considered progress against actions arising from the 2024 external Board performance review (conducted by Independent Board Evaluation (IBE)). The review highlighted the need to further strengthen the Board's strategic focus and succession planning at both Board and senior executive levels, alongside maintaining strong Board visibility to reinforce tone from the top. The actions arising from the review have now been implemented.

The 2025 internal Board performance review was undertaken using BoardOutlook and was overseen by the Chair and drew on both quantitative and qualitative insights, incorporating feedback from all Directors, the Group General Counsel & Company Secretary and the Chief People Officer. As part of the review of the Chair, the Senior Independent Director, Jo Harlow, met individually with each Non-Executive Director to gather their views and provided consolidated feedback to the Chair.

The 2025 evaluation concluded that the Board continued to operate effectively, with strong governance and strategic

oversight, and remained focused on long-term value creation, robust risk management and the continued delivery of the Company's transformation agenda. The Committee considered the findings as part of its ongoing succession planning and Board development work, ensuring the Board remains equipped to support the execution of the Company's strategy.

Board dynamics and behaviour

The outcome from the evaluation noted that the Board benefits from a diversity of interpersonal styles, supporting rich discussion and thorough testing of issues. The Chair's role in guiding conversations and maintaining a constructive tone is key to sustaining effectiveness. The overall tone was reflective and measured, supporting calm, well-reasoned dialogue.

Key achievements and strengths

- Strategic Delivery against 2025 objectives
- Strengthened Risk Governance
- Energetic, responsive and collaborative Board Culture and Composition with high ethical standards and mutual respect
- Clear Remuneration framework

Looking ahead

The Board is committed to continuous improvement, with a focus on:

- Deepening succession planning and talent development.
- Enhancing strategic coherence and capital allocation.
- Strengthening risk management and oversight.
- Ensuring effective Board processes, education and support.

Director elections and re-elections

Having considered the performance, contribution and time commitment of each Director, the Committee recommended the election and re-election of all Directors at the 2026 AGM, with the exception of Carol Arrowsmith. The rationale for each individual recommendation will be set out in the 2026 Notice of Meeting.

Diversity, Equity and Inclusion

The Committee remains steadfast in its commitment to promoting Diversity, Equity and Inclusion (DE&I), both within the Board and across the organisation, as set out in Centrica's Board Diversity Policy, which can be found at centrica.com. Further initiatives on diversity and inclusion can be found on page 43.

Centrica's Board Diversity Policy applies to the Board and its Committees and defines diversity broadly to include skills and abilities, age, gender, ethnicity, sexual orientation, disability, and educational, professional and socio-economic backgrounds. The policy's objectives are to strengthen the effectiveness of the Board and its Committees by ensuring a fair, merit-based approach to appointments and committee membership, supported by inclusive recruitment practices that broaden perspectives, encourage constructive challenge and enhance decision-making. During the year, the Nominations Committee continued to embed the policy within Board succession planning and selection processes, with appointments and committee composition considered against the policy and the Group's wider Diversity, Respect and Inclusion commitments, alongside ongoing monitoring of Board composition and disclosure. As at 31 December 2025, Centrica met the UK Listing Rules Board diversity targets (40% women on the Board, at least one woman in a senior Board role and the Parker Review target of at least

one Director from a minority ethnic background), and we continue to track progress against longer-term diversity ambitions.

The Committee has set clear objectives for DE&I, including maintaining gender balance, which are linked to the Company's overall strategy. These objectives include representation of women and ethnic minorities on the Board and in senior management positions, fostering an inclusive culture in doing so. Read more about Centrica's Board and senior leadership diversity on pages 43 and 83.

This focus ensures that Centrica's recruitment processes and practices reflect these principles, driving positive change and strengthening the organisational culture.

Committee effectiveness and Focus Areas for 2026

The Committee reviews its terms of reference annually to ensure they remain appropriate in light of legal, regulatory and best practice changes. Minor changes were made to the Committee's terms of reference in the year under review (available on centrica.com).

The effectiveness and performance of the Committee was also evaluated as part of the internal review. The Committee considers that it has continued to discharge its responsibilities effectively amid evolving stakeholder expectations and governance requirements for companies and boards, supported by regular and constructive engagement with management. The Committee was found to be operating effectively.

Focus areas in 2026:

- Overseeing Board succession, including regular review of Board skills, and the composition of the Board and its Committees.
- Overseeing the process to appoint a new Audit and Risk Committee Chair.
- Overseeing executive succession planning, with particular focus on the CLT and other key senior leadership roles.
- Monitoring progress against the recommendations from the 2025 Board performance review and agreeing plans for the 2026 internal Board evaluation.
- Reviewing and addressing the Board's forward agenda and 2027 training requirements to ensure ongoing alignment with strategic priorities.
- Conducting the annual review of the Committee's terms of reference and agreeing the 2027 Nominations Committee programme.

Kevin O'Byrne

Chair of the Nominations Committee

18 February 2026

Board and senior leadership diversity

Data reported as at 31 December 2025

Sex/gender representation						
	Number of Board members	Percentage of the Board ⁽¹⁾	Number of senior positions on the Board ⁽²⁾	Percentage of senior positions on the Board ⁽²⁾	Number in executive management	Percentage of executive management
Men	7	54%	3	75%	9	90%
Women	6	46%	1	25%	1	10%
Other categories	—	—	—	—	—	—
Not specified/prefer not to say	—	—	—	—	—	—

(1) Following Heidi Mottram's departure from the Board on 31 December 2025, the percentage of women on the Board is now 42%.

(2) There are four senior positions on the Board (Chair, Group Chief Executive, Group Chief Financial Officer and Senior Independent Director).

Ethnicity representation						
	Number of Board members	Percentage of the Board	Number of senior positions on the Board ⁽¹⁾	Percentage of senior positions on the Board ⁽¹⁾	Number in executive management	Percentage of executive management
White British or other White	12	92%	4	100%	8	80%
Mixed/Multiple Ethnic Groups	—	—	—	—	—	—
Asian/Asian British	1	8%	—	—	2	20%
Black/African/Caribbean/Black British	—	—	—	—	—	—
Other ethnic group	—	—	—	—	—	—
Not specified/prefer not to say	—	—	—	—	—	—

(1) There are four senior positions on the Board (Chair, Group Chief Executive, Group Chief Financial Officer and Senior Independent Director).

— **Read more** about Board diversity on page 43.

Explanatory notes

(1) The Information above is stated as at 31 December 2025.

(2) As at 31 December 2025, we met the Board diversity targets set out in Listing Rule 6.6.6R(10). This included (i) at least 40% female representation on the Board (2025: 45%); (ii) at least one Director being ethnically diverse (2025: 1 person); and (iii) to have at least one senior position held by a woman (2025: 1 person).

(3) By the end of 2030, it is our goal for our Board, senior executives and senior leaders to be 48% women and 18% ethnically diverse. As part of our commitment to the Parker Review in setting a senior executives ethnic diversity target by 2027, in 2023 we decided to bring our 18% goal forward by three years. Whilst we are not where we want to be on our diversity targets, we are taking steps to address gaps and continue working towards our goal.

(4) Our Non-Executive Directors self certified their diversity data. The Directors were asked to confirm their gender and ethnic background based on the categories taken from the UKLR 6 Annex 1. The diversity data for the executives and colleagues are collated through our HR management system. We encourage all colleagues to self-report information such as gender, gender identity, ethnicity, age, sexual orientation, disability and military background, whilst also including a 'prefer not to say' option. We continued to run our #ThisIsMe and #EveryColleagueCounts campaign to encourage more people to share who they are, which helps us better understand who is working for us and where we need to target action to improve diversity.

Safety, Environment and Sustainability Committee

As the Chair of the Safety, Environment and Sustainability Committee (SESC), I am pleased to present our report for the year ended 31 December 2025. I would also like to express my gratitude to Heidi for her leadership and dedication during her tenure as Chair to this Committee.

Committee overview

The Committee's role and responsibilities, on behalf of the Board, are to review and monitor the culture, practices, risks and performance of Centrica with respect to health and safety, climate, environment and broader responsible business matters. This includes oversight of the Company's progress against its People & Planet Plan and Climate Transition Plan, alongside monitoring compliance with existing and emerging UK and EU sustainability reporting requirements.

The Committee achieves this through rigorous review of performance data, strategic goals and initiatives, and by providing input into the Company's annual sustainability disclosures. It also considers developments in regulatory frameworks and stakeholder expectations to ensure alignment with best practice. In addition, the Committee oversees responsible procurement and human rights risk management, including modern slavery, and reviews governance structures supporting ESG commitments.

Committee membership and meeting attendance

Committee members:

- Amber Rudd (Chair) (with effect from 1 January 2026)
- Heidi Mottram (until 31 December 2025)
- Philippe Boisseau
- Nathan Bostock
- Frank Mastiaux (with effect from 22 September 2025)

Biographical details of the Committee Chair and members can be found on pages 62 to 64. Meeting attendance can be found on page 64.

Meeting attendees by invitation:

The Chair of the Board, Group Chief Executive, Group General Counsel & Company Secretary, Group Chief People Officer, Group HSE Director, Group Head of Sustainability, Chief Procurement Officer, and Head of Business Ethics and Compliance.

Main activities during 2025

This year, we navigated complex challenges, including evolving Environment, Social and Governance (ESG) reporting requirements, while maintaining our commitment to safety and sustainability.

Our work also spanned wider areas, including strengthening our approach to responsible procurement to maintain ongoing mitigation of human rights and modern slavery risks across our operations and supply chain, while reviewing our charitable contributions to ensure effective ongoing support for customers and communities.

Additionally, we continued to monitor the Group's reputation and stakeholder perceptions as well as emerging regulatory and investor expectations. This ensures our governance and practices remain robust and forward-looking.

Health and safety

In 2025, the Committee maintained its core focus on health and safety performance, assurance activities and Health, Safety & Environment (HSE) risk management across the Group. It reviewed occupational and process safety outcomes, targeted interventions and forward-looking actions to strengthen safety culture. At Spirit Energy, the Committee monitored delivery of the HSE improvement plan and culture programme, including several significant process-safety events in H2, regulatory actions and accelerated assurance activity.

Management provided regular updates on the Group HSE strategy and the 2025 HSE Assurance Plan, which introduced enhanced second-line defence and technical assurance measures. The Committee oversaw targeted risk mitigation programmes on electrical safety and cable strike reduction, resulting in improved detection, revised methods and early signs of incident reduction.

The Committee kept particular focus on preventing hydrocarbon releases, alongside gas and electrical safety, and monitored actions to strengthen controls in these areas. It also reviewed a material contractor case in metering services, involving temporary suspension, independent audit, a phased return under enhanced oversight and learnings applied across the Group. With improvements noted across most HSE metrics, the Committee welcomed progress on the Group-wide HSE strategy plan to embed cultural change and strengthen process-safety barriers.

Sustainability

The Committee continued to oversee the Company's commitment to achieving net zero and delivering against its climate ambitions. It reviewed progress on the People & Planet Plan and monitored implementation of our updated Climate Transition Plan, which was approved by shareholders following the advisory vote at the Annual General Meeting. The updated plan includes strengthened targets underpinned by a new suite of climate ambitions to help our customers and business get to net zero. The Committee assessed the prevailing policy environment and implications of strategic investment decisions against the Climate Transition Plan and the Company's broader strategic framework.

It also maintained oversight of emerging sustainability reporting requirements, including mandatory disclosures under the Corporate Sustainability Reporting Directive (CSRD) and EU Sustainability Taxonomy, as well as evolving UK frameworks. Following EU developments, the first formal CSRD report is now expected for FY2027 in 2028. In 2026, the Committee is overseeing key initiatives such as controls enhancement and reporting tool implementation. It also ensured

governance structures and stakeholder expectations were addressed to support compliance and transparency. Further details can be found on pages 42 to 48.

Responsible business

In 2025, the Committee continued to oversee the Company's responsible procurement approach, with a particular focus on supply chain elements that present higher inherent risks to human rights due to jurisdictional factors and/or the nature of products or services provided, such as solar panels, batteries, smart products and garments. The Committee assessed the effectiveness of measures designed to mitigate these risks and monitored progress against the Responsible Procurement Ethical Audit Plan for the year.

The Committee reviewed the outcomes of supplier audits and site visits, ensuring that sustainability requirements were embedded within procurement processes. It maintained regular oversight of human rights considerations and modern slavery risks within Centrica's operations and supply chain, reflecting heightened stakeholder expectations and enhanced disclosure requirements. Progress on implementing the Audit Plan was noted, alongside improvements in due diligence processes.

The Committee also considered insights from Centrica's UK & Ireland reputation survey, which informed the 2025 corporate communications plan and stakeholder engagement strategy. These insights continue to guide management activities and strengthen the Group's approach to reputation management.

In addition, the Committee supported the Group's commitment to contribute positively to wider society through charitable partnerships, community funds and customer support packages as well as volunteering initiatives.

Social and governance

In addition to the above areas of focus, the Committee ensured compliance with relevant regulations and governance standards within its remit. This included reviewing disclosures reported in the Annual Report and Accounts, such as those required under the Task Force on Climate-related Financial Disclosures and the Climate-related Financial Disclosure regulations, to maintain transparency and accountability.

The Committee also oversaw wider annual social disclosures that demonstrate the Company's commitment to responsible business practices, including the Modern Slavery Statement published on our website. The Committee also considered broader workforce and community-related matters, ensuring alignment with the Group's Diversity, Equity and Inclusion (DE&I) strategy, employee wellbeing initiatives and social impact commitments. These efforts reflect our ongoing focus on creating a safe, inclusive and sustainable workplace while delivering positive outcomes for the communities we serve.

Committee effectiveness and Focus Areas for 2026

Committee effectiveness

The Committee reviews its terms of reference annually to ensure they accurately reflect its responsibilities, taking into account evolving internal and external developments. Minor changes were made to the Committee's terms of reference during the year, and these remain available on our website.

The effectiveness and performance of the Committee was evaluated as part of an internal review. The Committee considers that it has continued to discharge its oversight role effectively in an environment where expectations and requirements are constantly changing, supported by regular and constructive engagement with management. The Committee was found to be performing effectively. Further details on the Board effectiveness review can be found on pages 81 to 82.

Focus areas in 2026:

- Health and safety risks;
- Environment and climate;
- Emerging sustainability reporting requirements;
- Responsible sourcing including human rights and modern slavery risk;
- Societal contribution; and
- Reputation.

Amber Rudd

Chair of the Safety, Environment and Sustainability Committee

18 February 2026

Remuneration Report

On behalf of the Board, I am pleased to present the Directors' Remuneration Report for the year ended 31 December 2025.

Committee role

The role of the Committee is to ensure that our Executive Directors, the Centrica Leadership Team (CLT) and the Chair of the Board are each appropriately rewarded taking account of the scale of their role, the performance of the business and the progress and contribution of each individual to our strategic and financial performance.

Main activities in 2025

In our four meetings held during 2025 our focus was:

- Finalising the Remuneration Policy for 2025-28. This is a legally binding approval by shareholders under which the Committee sets remuneration during the three-year period following the AGM.
- Approving the Remuneration Report. This vote is an advisory vote whereby shareholders indicate their views on the decisions we have made.
- Setting the targets for the annual bonuses for the executives and assessing performance against those targets.
- Evaluating performance measures to ensure they are effective in supporting our strategy.

Since Chris O'Shea was appointed in 2020, the Company has seen enormous change both within the Company and in the wider energy world. He led the financial turnaround which restored Centrica to financial health and allowed him to create our current strategy to build a stronger, better-balanced business.

Under this strategy we have made significant progress in modernising our customer-facing businesses; secured sustainable energy supplies through our Optimisation business; and are making very material contributions to the longer-term availability and stability of UK energy markets through major investments in our Power business.

In the wider world, we and our customers have been affected by ongoing pressures on prices and affordability, more recently the reactions of various governments to the risks around price uncertainties have been influenced more by political changes than the normal dynamics of trading.

These external factors have naturally influenced our decisions surrounding pay and most particularly for our CEO. Over the very difficult early years the CEO waived salary and either declined or was not awarded annual bonuses. As the business has strengthened and our performance on many dimensions has improved, larger bonuses have been earned. However, for a number of years the CEO's fixed and total pay fell well short of the market rate for an increasingly complex role. Under Chris's leadership, Centrica re-entered the FTSE 100, rose into the top 50, and the share price has risen to c.170p by the end of 2025.

For interest, I have set out some key metrics of progress since his appointment in 2020:



* Measured from 2022

** Measured from 2022 given no dividends were paid in 2020 and 2021

As set out in last year's Remuneration Report we consulted our shareholders regarding a one-off salary adjustment for the CEO and we are grateful to our shareholders for their time and engagement in the lead up to, and following, our AGM in May. Whilst the Committee was pleased that the legally binding Remuneration Policy for 2025-28 received 93% support at the 2025 AGM, we acknowledge that the Remuneration Report received 60% support. I have been focused on maintaining an open and transparent dialogue with our shareholders so that all views are considered in how we implement any part of our remuneration arrangements. I am personally grateful for the constructive and supportive way our shareholders have engaged in this lengthy series of consultations. This engagement led us to defer the increase in the Restricted Share Award for the CEO until 2026. Further details on our engagement with shareholders can be found in this letter, on page 90. Our aim during the policy review was to set the pay of our Executive Directors at a level that reflects their role contribution to the improvement in business performance, the size and complexity of Centrica and the scale and scope of the opportunities ahead of us. We firmly believe that the changes to remuneration will play a crucial role in enabling Centrica to remain competitive within a dynamic and challenging market environment, and that the retention of high-calibre talent has provided Centrica with a platform to continue progressing towards our full potential. We have also made changes in the pay and benefits for colleagues as set out below.

Business context for 2025

Following strong performance in 2024, Centrica has continued to make good strategic progress in 2025, demonstrating a resilient performance against a challenging backdrop. The Board believes the key strategic investment decisions made in 2025 will set the Group up for decades to come.

The year has seen a normalisation of energy prices following the volatility of prior years, and while market conditions included warm weather and challenging trading conditions, Centrica has maintained its focus on financial discipline, customer service improvement, and investment in the energy transition.

This includes growing customer numbers in energy supply, enhancing the quality and reliability of our services and completing our system migration in British Gas Residential Energy.

Centrica continues to play a key role in the UK's energy sector. Alongside life extensions at the Hartlepool and Heysham 1 nuclear power stations, the Company made strategically significant investments into assets that reinforce the nation's energy resilience, such as in the Sizewell C nuclear power station, with a phased, capped investment of £1.3bn. Additionally, the acquisition of Europe's largest LNG terminal, Grain LNG, strengthens the UK's energy security. Our partnership with X-energy also marks bold steps forward in delivering scalable and secure advanced nuclear technology. These strategic moves not only strengthen Centrica's operational position but also lay the foundations for a more secure, diversified, and sustainable energy portfolio. They reflect the leadership team's long-term commitment to building an energy business equipped to meet the challenges and opportunities of a rapidly evolving world.

Alongside this, Centrica continues to focus on customer growth and improved customer service. The migration of British Gas Residential customers to the new Ignition platform has enabled simpler, faster service customer interactions which are reflected in higher satisfaction and our highest ever Trustpilot rating of 4.4 stars.

In recent years we strengthened how we identify and support customers in vulnerable circumstances, including with our first-of-its-kind 'You Pay: We Pay' scheme, where we matched energy payments made by customers in or at risk of fuel poverty. In just over a year since launching, the Scheme is supporting over 16,000 customers with a commitment of nearly £13m to be matched in payment assistance.

The Group also introduced new propositions such as 'Customer Promise' same day service and British Gas Membership, which allows our customers to integrate benefits across energy, services, and Hive. British Gas membership provides customers an integrated experience with access to bundles and partner perks, and strengthens engagement and retention.

For our investors, we remained committed to a balanced capital framework that rewards shareholders while funding sustainable growth. The interim dividend was increased by 22% to 1.83p per share, with the full-year dividend to rise to 5.5p.

In 2025, we increased our share buyback programme by an additional £827m, which was largely completed during the year, bringing the total equity repurchased since 2022 to £2bn, or around a quarter of the Company's shares.

Centrica's people remain central to the delivery of its transformation agenda. Engagement remained strong at 7.9 out of 10, supported by continued investment in skills, technology and wellbeing. The Group is creating a leaner, more agile organisation, equipping colleagues to work more effectively and to deliver excellent customer outcomes. Centrica announced the development of a new £35m state-of-the-art training academy and energy transition research laboratory in Lutterworth, Leicestershire, which will open in May 2026. The new

'Centrica Energy Park' will see thousands of engineers trained in the skills necessary to drive the energy transition including heat pumps, EV chargers, solar panels and battery storage.

Pay principles

We believe that all our people should be paid competitively and fairly. In addition to regularly reviewing pay and conditions to ensure fair pay, we are proud of our inclusive benefits including our Profit Sharing Scheme under which every employee receives an annual profit share (typically paid in Centrica shares) and at the AGM we introduced the Centrica ShareSave scheme so our employees can save to buy additional Centrica shares on favourable terms. We continue to ensure our benefits offering provides comprehensive support for our people's wellbeing, financial security, and professional development. 2025 saw the implementation of a number of new benefits, including the enhancement of paternity leave and removal of the pension probation period for new joiners.

Remuneration outcomes for 2025

When determining executive remuneration outcomes for 2025, the Committee has focused on balancing the views and experiences of all our stakeholders, with our responsibility to attract and retain high-performing executives to lead a highly complex organisation.

Annual Incentive Plan (AIP)

Bonus outcomes for Executive Directors for 2025 were based on EPS (37.5%), a balanced scorecard of financial and operational measures (37.5%), and individual performance against strategic objectives (25%).

The Company delivered solid financial and operational results against a difficult market backdrop for the Centrica Energy optimisation business, achieving an EPS of 11.2p against the target of 11.5p.

We also achieved improvements across many of the financial and operational measures in the balanced scorecard. We were particularly pleased to see an improvement in customer numbers, cost per customer and customer Net Promoter Scores. These improvements demonstrate our focus on customer journeys and show rising customer confidence and trust in our brands and services.

Our Services & Solutions business delivered above plan through margin growth and Smart volumes. Our infrastructure assets also performed well operationally in the CES+ Rough facility and Centrica Power assets. The business significantly outperformed its Meter Asset Provision targets, underpinned by strong capital deployment, delivering well ahead of plan on meter installations.

Our colleague engagement was marginally below target at the year-end with 7.9 vs 8.1. The business is committed to regaining high levels of engagement but recognises that internal restructuring has a negative effect. We aim to restore it to a high level in time.

In terms of our Planet goals, Centrica's positive progress against our net zero targets is demonstrated in achieving key annual milestones in emissions reduction across both our business and our customers. In particular, we are on track with the majority of our climate ambitions including the installation and connection of smart low carbon technologies to our Hive platform as well as the supply of zero carbon and renewable energy. In addition, we have already grown the green skills of 1,900 of our engineers as we pursue our ambition to reach 3,000 by 2030.

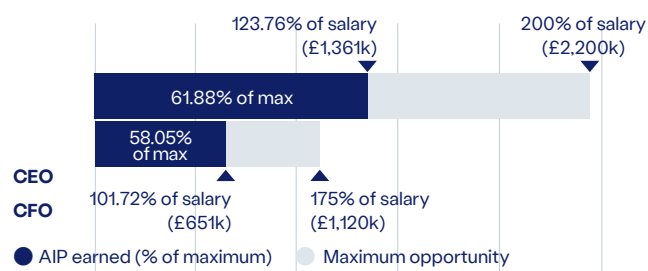
Due to continued slow growth in public electric vehicle rapid charging infrastructure and the risk charging delays pose to customer service, we have however revised our ambition for a zero emission van fleet by 2030 and from 2026 onwards, we will instead work towards having a zero emission van order book by 2030 which remains aligned with evolving best practice and national targets.

The Committee considered performance against the EPS targets and the balanced scorecard in the round and determined that 105% of target (or 52.5% of maximum) for this part of the AIP had been achieved.

Further detail on performance against each executive's individual objectives can be found on page 97.

Chris O'Shea achieved an individual performance outturn of 180% of target (or 90% of maximum) and Russell O'Brien achieved 150% of target (or 75% of maximum) for this element of the AIP. The outcomes for Chris reflect the CEO's individual performance in driving a number of the year's most material value-creating initiatives. Half of this payment is paid in cash, and the other half is in Centrica shares deferred for three years.

After combining the outturn for EPS, the balanced scorecard, and individual performance, the Committee awarded a total AIP as summarised in the chart below:



Restricted Share Plan (RSP)

Long-term RSP awards were granted on 21 March 2023 to Chris O'Shea and Russell O'Brien. This was the first year of grant for the new Chief Financial Officer. The maximum award granted was 150% of salary in Centrica shares for Chris O'Shea and 125% of salary for Russell O'Brien. The shares are scheduled to vest on 21 March 2026, and must be held for a further two years before they can be sold. There are no performance targets on the RSP awards, but the awards were subject to an assessment that underpins the delivery of the shares. This was assessed over a three-year performance period from 1 January 2023 to 31 December 2025. At the time of introducing this plan the RSP awards were set at 50% of the preceding plan and so the principal alignment with shareholders is the longer-term share price growth of 65.72% and so any adjustment on the outturn would only be operated in extremis.

In assessing whether there was any case to modify vesting, the Committee considers a broad spectrum including conduct, reputation, performance in the round over the three-year period as measured by poor financial performance, lack of progress against the Climate Transition Plan or other ESG commitments, major failures including safety management, regulatory sanctions, customer management and delivery. No reductions have been applied. The total value, including share price growth, is shown in the single figure of total remuneration shown on page 94. The RSP continues to align executives' interests with long-term shareholder value creation and the delivery

of Centrica's strategic goals. The increase to the Group CEO shareholding requirement from 300% to 400% further strengthens this alignment. RSP awards remain subject to a two-year post-vesting holding period.

Remuneration changes in 2026

In determining salary increases for the Executive Directors for 2026, the Committee considered various factors, including both the average salary increases awarded to the wider workforce, and the performance and development of the executives in their roles throughout the year. We were also mindful of the changes to executive salaries that were made last year.

In this context, with effect from 1 April 2026, Chris O'Shea's salary will increase by 3% to £1,133,000. Russell O'Brien's salary will also increase by 3% to £659,200.

As part of the 2025 Remuneration Policy review, which received the support of 93% of shareholders at the 2025 AGM, shareholders approved the Committee's proposal to increase the CEO RSP maximum to 200% of salary; ensuring long-term incentives remain appropriately structured and competitive. Reflecting the feedback received during the consultation process, the Committee determined that the increase should not be implemented immediately, so the CEO's 2025 RSP grant was held at 150% of salary. Per the Remuneration Policy approved at the 2025 AGM, the CEO's RSP opportunity will move to 200% of salary in 2026. This phased approach recognises and respects shareholder expectations and the enhanced award further reinforces the long-term focus embedded within our remuneration framework. It positions the CEO's remuneration package competitively against the market.

No changes were made to the Group Chief Executive AIP for 2025, the maximum AIP will continue to be 200% of salary. The increase to maximum of 175% of salary has been applied for the Chief Financial Officer following the Remuneration Policy change.

Non-Executive Director fees

The Chair of the Board, the Executive Directors, and the Chief People Officer conducted their annual review of the fees payable to Non-Executive Directors. The Board continues to recognise that the role of a Non-Executive Director has become more demanding, particularly in areas such as sustainability, risk oversight, and stakeholder engagement. They concluded that the current base fee of £79,000 should be increased to £81,000 with effect from 1 January 2026. The 2.5% increase reflects NED fee changes in our benchmarking peer groups.

The Chair of the Board fee was also reviewed by the Remuneration Committee, and the fee will increase by 3% from April 2026 to reflect external pay movement for this role. The fee movements are within the wider workforce increase range of 3%-4%.

Further commentary on the 2025 AGM vote

As I mentioned at the start of my letter, whilst we were delighted that the Remuneration Policy received 93% support at the 2025 AGM, we acknowledge that the Remuneration Report received 60% support. I spoke with many of our largest shareholders before this vote as part of this process, and while

some of our shareholders were supportive of our proposals, others expressed a preference for a phased approach to the salary increase. Following careful consideration, we determined that a one-off adjustment would achieve alignment to the market, also taking into account the Group Chief Executive's experience in role, and performance. We feel that the support received on the Policy indicates that the majority of shareholders are generally supportive of the go-forward approach to executive pay at Centrica, but we remain mindful of the mixed shareholder feedback received and will continue to engage regularly with all of our large shareholders on executive pay decisions. Following the Remuneration Report vote at the 2025 AGM, we actively engaged with shareholders to understand their concerns and gather constructive feedback. The overall engagement with shareholders has been invaluable in shaping our ongoing consideration of how best to balance reward, performance, and accountability. We are grateful to shareholders for their time and continued support and believe we have in place a remuneration framework that reflects stakeholder expectations and rewards the long-term success of the Group. Further details of our engagement with shareholders can be found on page 90.

Conclusion

As Centrica continues to deliver its strategy of energising a greener, fairer future, the Committee will work to ensure that remuneration outcomes remain aligned with the long-term interests of shareholders, customers, colleagues, and the communities we serve.

We remain committed to open dialogue and transparent reporting. The Committee believes that the remuneration outcomes for 2025 appropriately reflect performance and are consistent with the objectives of our Policy – to attract, retain, and motivate high-performing executives in a highly complex and regulated environment, while ensuring strong alignment with stakeholder outcomes.

Membership and meeting attendance

Committee members

Carol Arrowsmith (Chair)
Chanderpreet Duggal
Heidi Mottram
Amber Rudd
Jo Harlow
Sue Whalley

Biographical details of the Committee Chair and members can be found on pages 62 to 64. The number of meetings held during the year and Committee members attendance is reported on page 64.

Meeting attendees by invitation:

All other Non-Executive Directors, Group Chief Executive, Group Chief People Officer, and Director, Reward, Wellbeing and Benefits.

Carol Arrowsmith

On behalf of the Remuneration Committee

18 February 2026

Summary of approach to shareholder engagement on our remuneration approach

As a Remuneration Committee, we are grateful to our shareholders for their time and engagement in the lead up to, and following our AGM in May. We acknowledge that the Remuneration Report received 60% support, and we have been focused on maintaining an open and transparent dialogue with our shareholders so that all views are considered as we implement our remuneration arrangements. Our engagement timeline and the impact of our engagement can be seen below.

Our engagement timeline

Engagement event	Dates
Pre-AGM	
Consultation with key internal stakeholders to understand internal views and determine the proposal for the future reward remuneration.	March – August 2024
Consultation letter sent to 33 institutional investors, representing 48% of Centrica's share register, to seek feedback on the proposal.	August 2024
Letter sent to proxy agencies (Glass Lewis, the Investment Association, and Institutional Shareholder Services).	August 2024
Follow up calls with individual investors to discuss proposal in detail.	August – October 2024
Follow up letter sent to shareholders explaining how feedback was considered in determining the final proposal.	October 2024
Dialogue with investors maintained up until the AGM.	October 2024 – May 2025
AGM	May 2025
Post-AGM	
Letter to shareholders to request additional feedback on votes, including additional calls to gain more detail.	May 2025
Feedback form provided to shareholders to gain insights on voting outcomes.	May 2025
Update statement published, acknowledging the vote and outlining our ongoing intentions to continue to engage with shareholders.	November 2025

Impact of engagement on our proposals

Pay elements	Adjustments/additional rationale provided
Salary	• Whilst the suggestions of a phased increase were considered, overall considerations of the CEO's performance and experience as well as the current competitive position versus the market, meant the Remuneration Committee felt a need to meet market competitive rates. A one-off adjustment to the CEO salary was therefore implemented. • No significant concerns were highlighted for the CFO's increase.
Annual bonus quantum	• No significant concerns were highlighted for the CFO's bonus opportunity increase.
RSP quantum	• Recognising points raised by some shareholders to phase the CEO's increase in pay, the RSP increase was implemented on a phased basis, with the increase to 200% of salary being implemented a year later than originally planned, in 2026.
Share ownership guidelines	• Increase to the CEO's minimum shareholding guideline was welcomed.

We are grateful to shareholders for their time and continued support and believe we have in place a remuneration framework that reflects stakeholder expectations and rewards the long-term success of the Group.

Remuneration at a glance

How we've supported our stakeholders in 2025



£140m

Voluntary energy support package created in 2022-2023 to help customers and communities

Customers

>830,000

Customers and non-customers received energy bill support through the British Gas Energy Trust since 2004



Top 50

Ranked in The Times Top 50 Employers for Gender Equality

Colleagues

410

Apprentices joined our business

10,465

Days volunteering



5.5p

Full year dividend per share

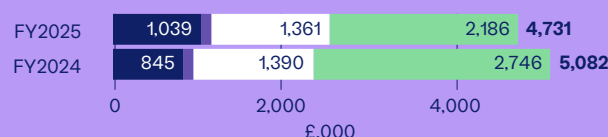
Investors

520.4m

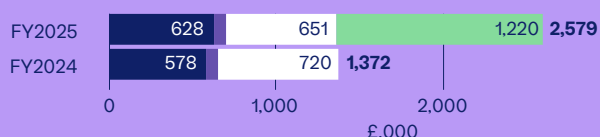
Shares repurchased in 2025

Single figure of total remuneration in FY2025

Group Chief Executive



Group Chief Financial Officer



● Salary ● Pension and Benefits ● AIP ● LTIP

— Further details on page 94

FY2025 AIP performance

The table below sets out details of the relevant measures in the Annual Incentive Plan and their link to our group priorities, and the resulting outcome.

Measure	Business Area	Weighting	Outcome
Earnings Per Share	G	37.5%	45.0%
Group Free Cash Flow	G		
Colleague Engagement	G		
Climate transition plan progress	G		
Bord Gáis cost to serve	R		
BG Residential Energy cost to serve	R		
BG Service and Solutions gross margin	R		
Unique customer numbers	R		
Customer NPS	R		
CE RAROC	O	37.5%	60.0%
CE cost/income ratio	O		
CE GW portfolio under management	O		
CE international expansion	O		
BG Business Supply – Gross Margin	O		
CES+ Rough availability	I		
Spirit Production volume	I		
Nuclear volumes	I		
Power assets (excluding nuclear) availability	I		
MAP portfolio size	I		
Individual performance		25.0%	
Group Chief Executive			90%
Group Chief Financial Officer			75%

Overall outcome (% maximum)

Group Chief Executive	61.9%
Group Chief Financial Officer	58.1%

2023 RSP outcomes

The 2023 RSP award will vest in full on 21 March 2026. The RSP award was subject to a performance underpin over the three-year performance period from 1 January 2023 to 31 December 2025. At the time of assessment, the Committee was satisfied the performance underpin had been met. The vested shares are subject to a further two-year holding period.

Business Areas



Group



Retail



Optimisation



Infrastructure

Market competitive benchmarks

When we set the remuneration levels, one of the factors we consider is the competitiveness of the salary and target total remuneration package for the role in the relevant market. For the Group Chief Executive and Group Chief Financial Officer, we benchmark their roles against companies in the FTSE 100. The table below shows the competitiveness of salary and total remuneration for target performance versus the median of the FTSE 100.

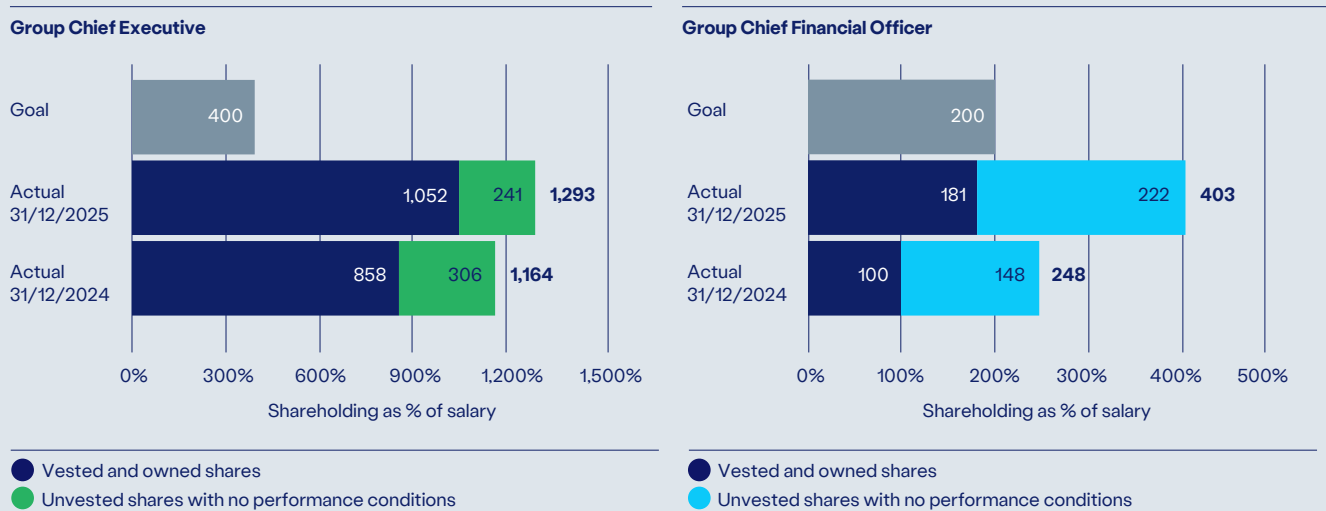
Group Chief Executive			Group Chief Financial Officer		
	Chris O'Shea	Median FTSE 100 benchmark		Russell O'Brien	Median FTSE 100 benchmark
Salary	£1,100,000	£1,009,000	Salary	£640,000	£646,000
Target Total Remuneration ⁽¹⁾	£4,510,000	£4,450,000	Target Total Remuneration ⁽¹⁾	£2,064,000	£2,378,000

(1) Salary + target annual bonus + target value of long-term incentives + pension but excludes benefits. Excludes share price growth.

Executive Director shareholdings % of base salary

The chart below sets out the minimum shareholding requirements and the actual shareholdings of the Executive Directors. The shareholding requirement must be built up over five years and then subsequently maintained. For unvested shares with no performance conditions, we have assumed shares net of tax in the calculation.

— Further detail regarding the Executive Directors' outstanding share awards can be found on page 99.



2025 Remuneration

The table below sets out a summary of the implementation of the Policy in 2025.

— Further information can be found on page 107.

Base Salary	Benefits	Pension	Short-term incentive	Long-term incentive
CEO: £1,100,000 (+28.7%) CFO: £640,000 (+8.5%) The average increase for the wider workforce in the UK was 3.5%-4.0%.	No change and remains in line with the wider workforce.	10% of salary in line with the wider workforce.	CEO: 200% of salary at max 100% of salary at target CFO: 175% of salary at max 87.5% of salary at target Measured 75% against financial and business measures and with 25% against individual objectives. 50% of any bonus earned is deferred into shares that vest after three years.	Restricted Share Plan award subject to a performance underpin. CEO: 150% of salary CFO: 125% of salary Awards vest after three years and plus a two year additional holding period.

Directors' Annual Remuneration Report

Directors' Remuneration in 2025

This report sets out information on the remuneration of the Directors for the financial year ended 31 December 2025.

Single figure for total remuneration (audited)

Executives

£000	Salary/fees	Bonus (cash)	Bonus (deferred) ⁽¹⁾	Benefits ⁽²⁾	LTIPs ⁽³⁾	Pension ⁽⁴⁾	Total	Total fixed remuneration	Total variable remuneration
2025									
Chris O'Shea	1,039	681	681	16	2,210	104	4,731	1,159	3,572
Russell O'Brien	628	326	326	16	1,220	63	2,579	707	1,872
Total	1,667	1,007	1,007	32	3,430	167	7,310	1,866	5,444
2024									
Chris O'Shea	845	695	695	16	2,746	85	5,082	946	4,136
Russell O'Brien	578	360	360	16	—	58	1,372	652	720
Total	1,423	1,055	1,055	32	1,986	143	6,454	1,598	4,856

(1) In accordance with the Remuneration Policy, 50% of the bonus is deferred into shares and will vest after three years.

(2) Taxable benefits include car allowance, health and medical benefits. Non-taxable benefits include matching shares received under the Share Incentive Plan (SIP). Both taxable and non-taxable benefits are included in the table.

(3) The estimated value of the LTIP award that was granted in respect of the three-year performance period covering 1 January 2023 to 31 December 2025 performance period is included in the table above, based on a share price of 170.74 pence (the three month average share price for the period ending 31 December 2025). Of the £2.2m for Chris O'Shea, £803K (or 40% of the value) was due to share price growth. Of the £1.2m for Russell O'Brien, £444K (or 40% of the value) was due to share price growth. The award will vest in March 2026 and the shares will then be subject to an additional two-year holding period. Further details of the performance outcomes are set out on page 130. Dividend equivalents of £184K and 101K for Chris O'Shea and Russell O'Brien have been included respectively. The 2024 figure has been restated based on the share price of 167.73p at the time of the RSP vesting.

(4) Pension allowance is paid in cash. Please see details on page 98.

Single figure for total remuneration (audited)

Non-Executives

£000	Salary/fees		Total	
	2025	2024	2025	2024
Kevin O'Byrne ⁽¹⁾	440	111	440	111
Carol Arrowsmith	104	96	104	96
Philippe Boisseau	79	76	79	76
Nathan Bostock	104	101	104	101
CP Duggal	79	76	79	76
Jo Harlow	99	77	99	77
Frank Mastiaux ⁽²⁾	22	0	22	0
Heidi Mottram ⁽³⁾	104	96	104	96
Alessandra Pasini ⁽⁴⁾	38	—	38	0
Amber Rudd	79	76	79	76
Sue Whalley	79	76	79	76
Total	1,227	785	1,227	785

(1) Kevin O'Byrne was appointed Chair on 16 December 2024.

(2) Frank Mastiaux joined the Board on 22 September 2025.

(3) Heidi Mottram stepped down from the Board 31 December 2025.

(4) Alessandra Pasini joined the Board on 8 July 2025.

Base salary/fees

The Committee believes that the adjustments to Chris O'Shea's remuneration in 2025 aligned with competitive market rates given the size and complexity of Centrica. Chris' performance and experience over the last five years since his appointment as the Group Chief Executive warrants positioning his pay between the median and upper quartile of other CEOs in the FTSE 100. Following the changes made in 2025, the Committee will increase Chris O'Shea's salary from £1,100,000 to £1,133,000 per annum, effective 1 April 2026. This 3% award remains in line with the wider workforce and maintains positioning against the external market.

The salary of Russell O'Brien, Chief Financial Officer, will increase from £640,000 to £659,200 with effect from 1 April 2026. Russell O'Brien has been Chief Financial Officer for three years and the Committee is pleased with his growth into the role. His salary and total remuneration is now marginally above the median benchmark for similar CFO roles in the FTSE 100. This 3% award remains in line with the wider workforce and maintains positioning against the external market.

The Committee is pleased to award salary increases for Executive Directors in 2026 in line with the average increases for the wider Centrica workforce in the UK. The salary increase budget in 2026 for the wider workforce in the UK will be 3% to 4% and individual increases can be higher or lower depending on the role. The principles we are applying to Executive Directors are consistent with those we apply to other colleagues in that we typically pay newly promoted colleagues slightly behind the market and increase their pay based on their performance and development in the role.

As part of the recruitment process for the Chair of the Board, the Remuneration Committee determined that Kevin O'Byrne's fees should be set at £440,000 per annum with effect from his date of appointment. Based on external benchmarking and salary increases across the UK workforce, the Committee supported an increase of 3% to £453,000 effective 1 April 2026. This increase reduces the competitive gap to the market and moves the Chair towards median.

Non-Executive Director fees were reviewed in 2025 as part of the comprehensive Remuneration Policy review. The Chair of the Board, the Executive Directors, and the Chief People Officer conducted an annual review of the Non-Executive Director fees and increased the base fee by 2.5% from £79,000 to £81,000 with effect from 1 January 2026. This change maintains our competitive position against the median FTSE NED increase, and remains within the UK wider workforce figures.

FY2025 Annual Incentive Plan (AIP) (audited)

In line with the Remuneration Policy, 75% of the award was based on a mix of financial and business measures based on Centrica's priorities for 2025 and 25% was based on individual objectives.

The financial and business performance element for 2025 was split equally between Earnings Per Share (EPS) and the outcome of a balanced scorecard of financial and operational measures critical to the success of the organisation in 2025.

The EPS measure had defined threshold, target and maximum levels that were set at the start of the financial year as follows:

	Threshold	Target	Max	Outcome
Adjusted EPS	10.0p	11.5p	13.0p	11.2p

Centrica achieved solid earnings performance within the target range, resulting in an outturn of 45.0% of maximum for this part of the AIP.

In addition, the Committee determined a balanced scorecard for the remaining financial and business elements of the AIP. It was agreed that there would be no formula to translate the scorecard to a bonus outcome and no formal weighting of individual measures. The Committee monitored performance against the scorecard at regular points during the year. At the end of the year, the Committee took a holistic assessment of overall performance to determine an outturn. The balanced scorecard of measures, targets and outcomes are noted below.

	Measure	Target	Outcome
Group	Group Free Cash Flow	£(136)m	£(167)m
Group	Colleague engagement	8.1	7.9
Group	Progress towards our Climate Transition Plan – see our People & Planet Plan for further details (see pages 45 and 55 to 56)	Make good progress against the interim climate targets including: Heat pumps sold Hive platform connection and access to smart services Targets: Green/flexible energy engagement Engineer green skills Zero carbon power supply Net zero power, gas production and storage assets Liquefied Natural Gas shipping transition Electric vehicle fleet Green investment	On target
Retail	Bord Gáis Cost to serve	€170 per customer	€174 per customer
Retail	British Gas Residential Energy Cost to serve ⁽¹⁾	£120 per customer	£129 per customer
Retail	British Gas Services & Solutions gross margin £m	£653m	£662m
Retail	Unique Customer numbers	10,399,000	10,322,000
Retail	Customer NPS	34	36
Optimisation	Centrica Energy Exceed return on capital employed target (RAROC)	20.0%	7.0%
Optimisation	Centrica Energy Cost/Income ratio	39.0%	59.0%
Optimisation	Centrica Energy GW portfolio under management	17.10	19.50
Optimisation	Centrica Energy total value created – International Expansion	3 international hubs	2 international hubs
Optimisation	British Gas Business Supply – Gross Margin £m	£360m	£432m
Infrastructure	CES+ Rough availability vs demand %	90.0	90.0
Infrastructure	Spirit production volumes ⁽²⁾	11.4 mmbobe	10.5 mmbobe
Infrastructure	Nuclear volumes	7,530 GWh	6,584 GWh
Infrastructure	Centrica Power Assets (excluding nuclear) availability	93.5%	93.2%
Infrastructure	MAP portfolio size ('k meters)	1,402	1,620

(1) Excluding bad debt cost per customer is in line with target

(2) Spirit production volumes are post Cygnus sale

The Group delivered strong financial performance against AOP and Free Cash Flow, despite the challenges in the external environment and the strategic investment choices made during the year. Performance against the majority of the customer and operational measures were at target and the Committee noted above target performance across gross margin, customer Net Promoter Scores, portfolio management and MAP portfolio size. Colleague engagement remained strong for the majority of the year, and dipped in the last quarter as a result of restructuring impacts. The Committee is satisfied that the current incentive structure for senior executives does not drive unintended risks or ESG concerns.

The Committee carefully considered the outcomes against the EPS target and the balanced scorecard measures, determining an achievement against the financial and business performance element of the AIP at 105% of target (or 52.5% of maximum).

Individual objectives

Each Executive Director had a set of stretching individual objectives which included key non-financial and strategic performance indicators (KPIs) that were important to the success of the business in 2025. The KPIs were cascaded to business and functional leaders to ensure a strong line of sight to key priorities throughout the organisation. The Committee assessed that the majority of individual objectives were met in full and good progress was made against others. Based on an assessment of performance against Chris O'Shea's individual objectives, the Committee determined an outcome of 180% of target (or 90% of maximum) was appropriate. The Committee determined for Russell O'Brien an outcome of 150% of target (or 75% of maximum) under the individual objectives part of the Annual Incentive Plan.

The table below summarises the key individual objectives for Executive Directors during the year:

	Key objectives performance	Individual performance (as % of maximum)
Chris O'Shea	Capability, Culture and Operational Delivery • Delivered significant organisational change while sustaining employee engagement scores, delivering a revised approach to DEI and demonstrating a 'One Team' approach through launching cross business propositions. • Materially advanced the digital agenda for customer channels and internal business operations. This reduced costs, improved resilience, and laid foundations for scaled AI deployment in 2026 • Leadership strength grew through promotions and capability programmes, internal mobility increased, and critical technical skills in net zero, digital and metering were advanced with future ready talent pipelines established. Balance Sheet, Financial Framework and Cash • Centrica deployed capital into major long-term assets (Sizewell C, Isle of Grain) with efficient financing, improved investor sentiment, and strengthened the strategic investment case. • Transformation accelerated with notable savings delivered and further savings identified. Procurement initiatives improved spend discipline and Finance and People partnered with Technology, automating and improving efficiency across the enterprise Shareholder Value, Investment and Portfolio Shaping • Centrica advanced major hydrogen, storage, and grid stability projects across the UK and Ireland, with Sizewell C anchoring long term low carbon value and strengthening system resilience. • Broadened partnerships across hydrogen, storage, nuclear, EV charging and industrial power systems, expanding Centrica's innovation ecosystem and investment optionality • Advanced key transition projects with major milestones in Rough, Sizewell C, and nuclear expansion, ensuring long term contracted returns and system critical infrastructure alignment. • Completed Grain LNG acquisition and Cygnus disposal, while assessing multiple hydrogen and power M&A opportunities aligned with strategic priorities and earnings sustainability	90.0%
Russell O'Brien	Capability, Culture and Operational Delivery • Defined and commenced implementation of a more efficient & effective operating model, with spend reduction, disciplined investment and progress on transformation • Progress made on delivery of the strategic technology roadmap focused on automation and simplification • Refreshed procurement strategy has embedded stronger discipline and transparency across the organisation, and delivered performance against all KPIs ahead of expectations Balance Sheet, Financial Framework and Cash • Significant advancement of Enterprise Risk Management and the Risk & Control Update Programme across the enterprise to strengthen governance, strategic alignment & value of our risk management processes • Liquidity remained strong, supported by further extensions of our committed credit facilities, a diversified funding toolkit and improved working capital income Shareholder Value, Investment and Portfolio Shaping • Major strategic investments – Sizewell C and Grain LNG – successfully closed under favourable financing structures, demonstrating commitment to disciplined capital deployment and delivering strong returns • Investor engagement significantly expanded, reaching more than 140 institutions across key regions, sharpening our capital allocation narrative and strengthening shareholder confidence	75.0%

Overall AIP outcome

Overall, after combining the outturn for financial and business performance with the outturn for individual performance, the total AIP for Chris O'Shea was 61.9% of maximum, which equated to 123.8% of salary or £1,361,250. The table below summarises the outcomes under the AIP for all Executive Directors:

Measure	Chris O'Shea	Russell O'Brien
EPS	45.0%	45.0%
Balanced scorecard	60.0%	60.0%
Individual objectives	90%	75%
Total AIP (as % of maximum)	61.9%	58.1%
Total AIP (£)	£1,361,250	£651,000

No discretion was applied to the formulaic outcome. Half of the AIP earned was paid in cash and half of the AIP was deferred into shares, vesting in three years.

Long-term incentive awards relating to the performance period 2023-25 (audited)

A Restricted Share Plan award was granted on 21 March 2023 and will vest in full on 21 March 2026. The vested shares are subject to an additional two-year holding period and will be released on 21 March 2028. The RSP award was subject to a performance underpin, which was assessed over the three-year performance period from 1 January 2023 to 31 December 2025.

Outcome (% of maximum)	Brief explanation of Committee's rationale
100%	The Committee considered the performance of the Group in the context of the underpin over the three-year performance period ending 31 December 2025. The Committee concluded that it was appropriate that the RSP vests in full and the award will vest in March 2026, subject to a further two-year holding period. The Committee noted that there were no windfall gains and therefore no reduction was applied. No reduction was applied to the vesting outcome.

	Award Type	Basis of award	Shares awarded	Value at grant	Vesting date
Chris O'Shea	RSP share award	150% of salary	1,186,547	£1,222,500	March 2026
Russell O'Brien	RSP share award	125% of salary	655,148	£675,000	March 2026

Pension (audited)

Executive Directors receive a cash allowance, which can be put towards the provision of retirement benefits. Both Executive Directors received an annual cash allowance of 10% of salary. This is aligned with the maximum employer contribution rate available to the majority of our UK employees.

We also provide a death in service cover consisting of a lump sum equal to four times salary.

	% of salary
Chris O'Shea	10% cash in lieu of pension
Russell O'Brien	10% cash in lieu of pension

Taxable benefits

Taxable benefits include car allowance, health and medical benefits. Non-taxable benefits include matching shares received under the Share Incentive Plan (SIP) on the same terms as all employees. Both taxable and non-taxable benefits are included in the table of single figure for total remuneration.

Directors' interests in shares (number of shares) (audited)

The table below shows the interests in the ordinary shares of the Company for all Directors who served on the Board during 2025 as at year-end.

For the Group Chief Executive the minimum shareholding requirement is 400% of base salary and for the Chief Financial Officer the minimum shareholding requirement is 200% of base salary. The achievement against the requirement is shown below.

Executive Directors have a period of five years from appointment to the Board, or from any material change in the minimum shareholding requirement, to build up the required shareholding. All Executive Directors are required to hold 100% of any shares vesting under the Share Plans until the shareholding requirement has been met. A post-cessation shareholding requirement of 100% of the in-employment shareholding requirement (or full actual holding if lower) is applicable for two years post-cessation of employment. The Committee continues to keep both the shareholding requirement, and achievement against the shareholding requirement, under review and will take appropriate action should they feel it necessary.

	Beneficially owned ⁽¹⁾	Shares subject to performance conditions	Shares vested but unexercised	Shares subject to continued service only ⁽²⁾	Shares exercised in the year	Shareholding requirement (% of salary)	Current shareholding (% of salary) ⁽³⁾
Executives							
Chris O'Shea ⁽⁴⁾	6,525,401	—	—	3,325,484	—	400	1,293
Russell O'Brien ⁽⁴⁾	682,781	—	—	1,784,027	—	200	403
Non-Executives							
Carol Arrowsmith	49,286	—	—	—	—	—	—
Philippe Boisseau	23,382	—	—	—	—	—	—
Nathan Bostock	27,000	—	—	—	—	—	—
CP Duggal	15,000	—	—	—	—	—	—
Jo Harlow	17,600	—	—	—	—	—	—
Frank Mastiaux	—	—	—	—	—	—	—
Heidi Mottram	10,000	—	—	—	—	—	—
Alessandra Pasini	—	—	—	—	—	—	—
Kevin O'Byrne	280,000	—	—	—	—	—	—
Amber Rudd ⁽⁵⁾	66,650	—	—	—	—	—	—
Sue Whalley	12,314	—	—	—	—	—	—

(1) These shares are owned by the Director or a connected person and they are not, save for exceptional circumstances, subject to continued service or the achievement of performance conditions. They include shares purchased by the Executive Director in March with deferred AIP funds which have mandatory holding periods of three years and which will be subject to tax at the end of the holding periods.

(2) Shares owned subject to continued service include RSP shares awarded and SIP free and matching shares that have not yet been held for the three-year holding period. The values are net of tax.

(3) The share price used to calculate the achievement against the guideline was 169.55 pence, the price on 31 December 2025.

(4) During the period 1 January 2025 to 15 February 2026 both Chris O'Shea and Russell O'Brien acquired 206 shares through the SIP.

(5) During the period 1 January 2025 to 15 February 2026 Philippe Boisseau 1,021 shares through the NED Share Purchase Agreement.

(6) Alessandra Pasini was appointed to the Board on 8 July 2025.

(7) Frank Mastiaux was appointed to the Board on 22 September 2025.

Share awards granted in 2025 (audited)

Set out below are details of share awards granted in 2025 to Executive Directors.

2025 RSP

	Plan	Award type	Number of shares ⁽¹⁾	Basis of award % of salary	Face value of award £	Vesting date	Release date
Chris O'Shea	RSP	Conditional share award	1,126,510	150%	1,650,000	March 2028	March 2030
Russell O'Brien	RSP	Conditional share award	546,186	125%	800,000	March 2028	March 2030

(1) The number of shares awarded under the RSP was calculated by reference to a price of 146.47p, being the average of the Company's share price over the five trading days immediately preceding the date of grant of 27 March 2025.

The RSP award is subject to an underpin. If the Committee is not satisfied the underpin has been met, the Committee may scale back the awards (including to zero). In assessing the underpin, the Committee will consider the following:

- A review of overall financial performance over the three-year performance period.
- Whether there have been any sanctions or fines issued by a Regulatory Body (responsibility may be allocated collectively or individually).
- Whether a major safety incident has occurred which may or may not have consequences for shareholders.
- Whether there has been material damage to the reputation of the Company (responsibility may be allocated collectively or individually).
- Whether there has been failure to make appropriate progress against our Climate Transition Plan.
- Return on capital with reference to the cost of capital.
- Total Shareholder Return (TSR) performance over the vesting period, including with reference to the wider energy sector.
- Management of customer numbers over the vesting period.
- Progress against broader ESG commitments.

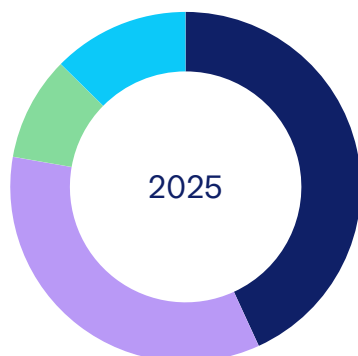
2025 deferred AIP

The 2025 AIP award was delivered 50% in cash and 50% in deferred shares, which were awarded on 27 March 2025. The face value of the award is based on the share price on the date of award, which was 148.57p. Deferred shares are not subject to further performance conditions and vest in three years.

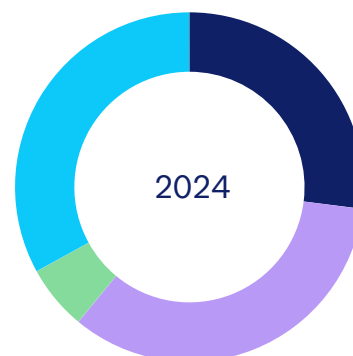
	Plan	Award type	Number of shares	Face value of award £000	Vesting date
Chris O'Shea	AIP	Deferred shares	467,574	694,687	March 2028
Russell O'Brien	AIP	Deferred shares	241,990	359,531	March 2028

2025 cash flow distribution to stakeholders

The Committee monitors the relationship between the Directors' total remuneration and cash outflows to other stakeholders. As demonstrated by the chart, the Directors' aggregate total remuneration for the year equates to 0.15% (2024: 0.21%) of the Group's operating cash flow.



● To staff	43%
● To Directors	0%
● To government	35%
● To shareholders	10%
● Investing activities	13%



● To staff	27%
● To Directors	0%
● To government	34%
● To shareholders	6%
● Investing activities	33%

Reward for everyone at Centrica

Centrica's workforce of over 22,000 colleagues spans many roles, business areas and geographies. Despite this diversity, our reward approach is designed to unite colleagues behind a shared purpose and values. We aim to ensure every colleague experiences a reward offering that reflects both their contribution and the needs of the business. These principles apply consistently across the organisation, including for Executive Directors and members of the Centrica Leadership Team.

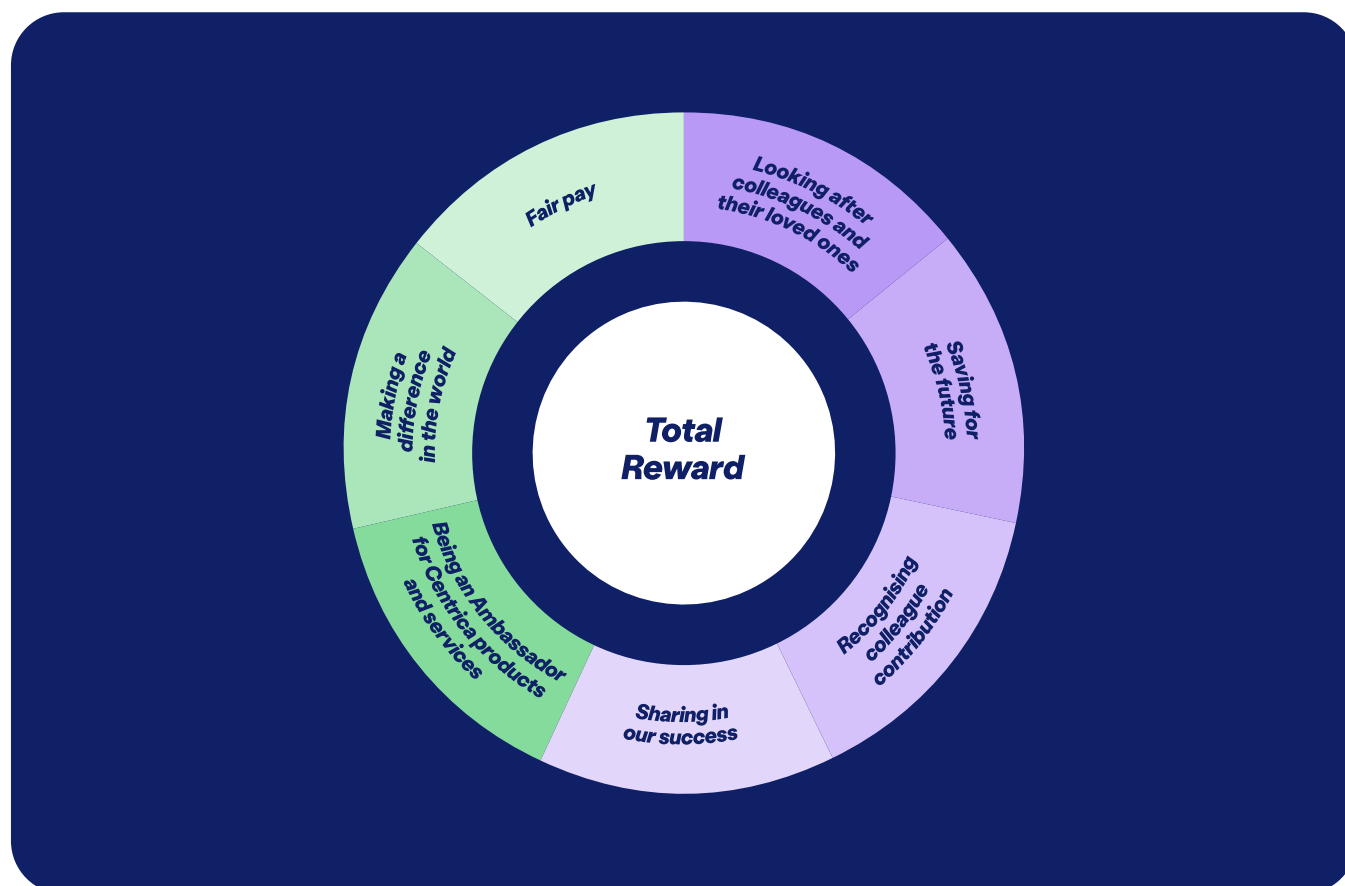
For our colleagues, we aim to provide reward that is:	For our business, we aim to provide reward that is:
Market competitive	Sustainable
Fair and consistent	Agile
Simple	Flexible
Supports wellbeing	Compliant

Total reward at Centrica extends beyond base salary. All colleagues receive fixed pay comprising salary and a broad package of benefits, including pension arrangements. Many also have the opportunity to earn variable pay – such as annual bonuses, recognition awards and profit-sharing schemes.

For customer-facing and operational roles, variable pay typically represents a smaller proportion of total reward, reflecting the nature of those roles. For senior positions, a greater share of reward is performance-based and may be partly delivered in shares vesting over several years, reinforcing alignment with long-term shareholder value.

Overall, our reward structure balances fixed and variable pay appropriately for each role, recognising responsibilities, performance and market benchmarks. This ensures our approach remains fair, competitive and aligned with the long-term success of the business.

The chart and details below summarise key aspects of wider workforce reward in the UK. Executive Directors and Centrica Leadership Team members receive the same core benefits as the wider workforce and on the same terms, reinforcing fairness, consistency and a shared employee experience.



Fair pay: At Centrica, we remain dedicated to ensuring colleagues earn wages that meet their everyday needs. As an accredited Real Living Wage employer, we align our pay practices with the standards set by the Living Wage Foundation to ensure fair and responsible reward for all UK colleagues.

We have continued to prioritise fair and competitive merit increases across the organisation. In 2025, the average merit increase for our UK workforce was 3.5%, with many colleagues receiving higher adjustments based on role requirements, performance and capability.

This year, our customer-facing colleagues received an average pay increase of 4.2%, reflecting our commitment to ensuring our frontline workforce remains competitively rewarded. For our Field population, we agreed a two-year pay deal guaranteeing a 4.0% increase in both 2025 and 2026. These pay outcomes underline our long-term commitment to providing sustainable, equitable compensation across the organisation.

Pay for our wider workforce continues to be informed by collective bargaining with recognised trade unions and robust market benchmarking to ensure fairness, alignment with living standards and competitive positioning. Pay for management roles is set by reference to individual capability, responsibilities and experience, in comparison to external industry benchmarks.

During the year, consultation took place with recognised trade unions on pay across the wider workforce. It is important that colleagues are able to share views with the Board on executive pay, wider workforce terms and conditions and other people-related policies. Colleague engagement on executive remuneration is facilitated through the Shadow Board, comprising colleagues across the business and in different locations (read more about the Shadow Board on page 98). During 2025, we met with the Shadow Board to discuss executive remuneration and continue to support their understanding of how executive remuneration practices operate.

Looking after colleagues and their loved ones: All UK colleagues have access to comprehensive medical and health support, with the option to purchase additional cover for their dependents. This includes 24-hour access to a GP, support for parents, fertility and adoption pathways, and company-funded life assurance and personal accident insurance. Our aim is to ensure colleagues and their families receive timely and meaningful support when they need it most.

Saving for the Future: Centrica provides a range of savings and retirement benefits to help colleagues plan confidently for the long term. Our Defined Benefit Pension remains fully supported for existing members, while newer colleagues can tailor contributions through our Defined Contribution Scheme, benefitting from matched contributions and, for many, employer contributions of over 10% of salary. Alongside this, our Lifestyle Savings platform offers retail discounts that help colleagues make their money go further on everyday purchases.

Recognising that long-term financial wellbeing extends beyond pensions, we re-launched our ShareSave scheme in July, giving colleagues an accessible way to invest in Centrica at a discounted rate. As a key long-term savings option, Sharesave supports financial resilience while allowing colleagues to share in Company success. Participation reached 42% of eligible colleagues - well above national averages - and the supporting financial education sessions were well received. Together, our pension schemes, savings tools and share plans demonstrate our ongoing commitment to helping colleagues build a secure financial future.

Recognising colleague contribution: In 2025, colleagues received more than 203,000 recognition moments through our digital platform, celebrating successes, living our values and recognising outstanding contributions across the business. Recognition remains central to our culture, with colleagues able to be acknowledged by managers or peers at any time, and nominations linked to meaningful rewards. Our annual bonus scheme also rewards performance across the organisation, with over 5,400 colleagues participating in frontline schemes and an annual bonus plan in place for Executives and Leadership Team members.

This year we also introduced Total Reward Statements, enhancing transparency around reward. These personalised statements bring together pay, benefits, incentives and long-term savings in one place, giving colleagues a clear view of the value they receive in return for their contribution to Centrica. By making reward easier to understand, we aim to build trust, support informed decision-making and help colleagues see how their efforts are recognised through their overall reward package.

Sharing in our successes: All colleagues have the opportunity to share in Centrica's success through a range of share and incentive plans. This includes eligibility for our Profit Share Plan, under which free shares are awarded depending on Company performance, and participation in our Share Incentive Plan (SIP), where colleague contributions are matched by the Company up to a set limit.

In 2025, colleagues also benefitted from a further Global Profit Share award, recognising the Company's strong performance in 2024 and ensuring colleagues directly share in the value they help create. As of February 2026, the original award of £1,400 is now worth £1,800, demonstrating the long-term financial benefit these plans can generate for participants.

Many colleagues, including those in Customer Support and field-based roles, also take part in quarterly or annual incentive schemes linked to business performance, while long-term incentives for senior colleagues reinforce accountability for delivering sustained value creation over time.

Being an ambassador for Centrica products and services: We encourage colleagues to champion our products and services by offering discounted energy bills for those who are Centrica customers, alongside preferential rates on services such as homecare cover, boilers, electric vehicle charging products and smart energy solutions. These benefits help colleagues experience our products first-hand and support our ambition to create cleaner, more efficient homes and businesses.

Making a Difference in the World: Colleagues are encouraged to contribute to local communities and causes they care about. Each year, we provide two paid volunteering days per colleague for community and charity activity. Our Give As You Earn scheme enables tax-efficient donations, and the Centrica Colleague Support Fund offers financial assistance to colleagues facing unexpected hardship once all other avenues of support have been explored.

Annual percentage change in remuneration of Directors and colleagues

The table below shows the percentage changes (on a full-time equivalent basis) in the Executive and Non-Executive Directors' remuneration over the last three financial years compared to the amounts for full-time colleagues of the Group for each of the following elements of pay:

	Percentage change from 2020 to 2021			Percentage change from 2021 to 2022			Percentage change from 2022 to 2023			Percentage change from 2023 to 2024			Percentage change from 2024 to 2025		
	Salary/ fees	Benefits	Bonus	Salary/ fees	Benefits	Bonus	Salary/ fees	Benefits	Bonus	Salary/ fees	Benefits	Bonus	Salary/ fees	Benefits	Bonus
Executive Directors															
Chris O'Shea ⁽¹⁾	—	-28.0	—	2.5	-11.1	100	2.6	—	0.3	4.9	—	-2.5	28.65	—	-2.07
Russell O'Brien ⁽²⁾	—	—	—	—	—	—	—	—	—	9.3	23.1	12.5	8.47	—	12.5
Kate Ringrose ⁽¹¹⁾				2.5	6.7	18.7	-83.3	-81.2	-84.4						
Non-Executive Directors															
Scott Wheway ⁽¹³⁾	—	—	—	—	—	—	2.6	—	—	-4.3	—	—	—	—	—
Carol Arrowsmith	—	—	—	—	—	—	3.8	—	—	—	—	—	8.33	—	—
Nathan Bostock ⁽³⁾	—	—	—	—	—	—	32.9	—	—	—	—	—	2.97	—	—
CP Duggal ⁽⁴⁾	—	—	—	—	—	—	—	—	—	—	—	—	3.95	—	—
Heidi Mottram	27.8	—	—	—	—	—	3.8	—	—	—	—	—	8.33	—	—
Kevin O'Byrne ^{(5) (12)}	—	—	—	—	—	—	-20.7	—	—	-15.4	—	—	297.1	—	—
Amber Rudd ⁽⁶⁾	—	—	—	—	—	—	—	—	—	—	—	—	3.95	—	—
Philippe Boisseau ⁽⁷⁾	—	—	—	—	—	—	—	—	—	—	—	—	3.95	—	—
Jo Harlow ^{(8) (14)}	—	—	—	—	—	—	—	—	—	1.1	—	—	28.91	—	—
Sue Whalley ⁽⁹⁾	—	—	—	—	—	—	—	—	—	—	—	—	3.95	—	—
Alessandra Pasini	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Frank Mastiaux	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Average per colleague (excluding Directors) ⁽¹⁰⁾	1.8	-10.3	16.3	1.9	—	—	4.4	—	42.3	5.11	1.26	-2.46	3.54	2.15	-14.37

(1) Chris O'Shea was appointed to the Centrica Board as Group Chief Financial Officer on 1 November 2018 and became interim Group Chief Executive with effect from 17 March 2020. He was appointed as Group Chief Executive on 14 April 2020. From 17 March until 31 December 2020, he elected to waive £100,000 of his salary.

(2) Russell O'Brien was appointed to the Board on 1 March 2023.

(3) Nathan Bostock was appointed to the Board on 9 May 2022.

(4) CP Duggal was appointed to the Board on 16 December 2022.

(5) Kevin O'Byrne took on the role of Senior Independent Director from 1 June 2022.

(6) Amber Rudd was appointed to the Board on 10 January 2022.

(7) Philippe Boisseau joined the Board on 1 September 2023.

(8) Jo Harlow joined the Board on 1 December 2023.

(9) Sue Whalley joined the Board on 1 December 2023.

(10) The comparator group includes all management and technical or specialist colleagues based in the UK in Level 2 to Level 6 (where Level 1 is the Executive and Non- Executive Directors). There are insufficient colleagues in the Centrica plc employing entity to provide a meaningful comparison. The colleagues selected have been employed in their role for full years to give meaningful comparison. This group has been chosen because the colleagues have a remuneration package with a similar structure to the Executive Directors, including base salary, benefits and annual bonus.

(11) Kate Ringrose stepped down from the Board on 28 February 2023.

(12) Kevin O'Byrne was appointed Chair on 16 December 2024.

(13) Scott Wheway stepped down from the Board on 16 December 2024.

(14) Jo Harlow took on the role of Senior Independent Director from 16 December 2024.

(15) Alessandra Pasini was appointed to the Board on 8 July 2025

(16) Frank Mastiaux was appointed to the Board on 22 September 2025

The chart below shows the ratio of remuneration of the CEO to the average UK colleague of the Group.

CEO pay ratio		25th percentile	50th percentile	75th percentile
2025	Option B	105:1	71:1	64:1
2024	Option B	129:1	78:1	71:1
2023	Option B	198:1	142:1	120:1
2022	Option B	128:1	77:1	70:1
2021	Option B	29:1	24:1	15:1
2020	Option B	32:1	15:1	14:1
2019	Option B	34:1	29:1	22:1
2018	Option B	72:1	59:1	44:1

For 2020, the CEO total remuneration figure includes the single figure chart combined earnings of both Iain Conn and Chris O'Shea for the period that they were in the CEO role during 2020.

	Salary	Total pay and benefits
2025		
CEO remuneration	1,038,750	4,731,000
Colleague 25th percentile	31,604	45,058
Colleague 50th percentile	39,771	66,465
Colleague 75th percentile	56,018	74,133

The Company has used its gender pay gap data (Option B in the Directors' Reporting Regulations) to determine the colleagues whose remuneration packages sit at the lower, median and upper quartile positions across the UK workforce. This is deemed the most appropriate methodology for Centrica given the different pension and benefit arrangements across the diverse UK workforce. To ensure this data accurately reflects individuals at each quartile position, a sensitivity analysis has been performed. The approach has been to review the total pay and benefits for a number of colleagues immediately above and below the identified employee at each quartile within the gender pay gap analysis. We have determined our 25th, 50th and 75th percentile individual using data from our gender pay gap as of 5 April 2025.

The annual remuneration for the three identified colleagues has been calculated on the same basis as the CEO's total remuneration for the same period in the single figure table on page 94 to produce the ratios.

The ratio of CEO pay compared with the pay for the average colleague has decreased compared to 2024. This is due to an increase in the median colleague total pay from 2024. As a large proportion of CEO remuneration is delivered through variable pay in shares, the CEO pay ratio will vary significantly from year to year compared to the pay of an average employee. The RSP is less variable than conventional LTIPs, which the Committee believes is more appropriate given the regulatory environment within which Centrica operates where some stakeholders such as customers and regulators expect a narrower range of acceptable performance outcomes than in many other companies. RSPs also incentivise executives to invest in the ongoing long-term success of the business, rather than taking decisions based on a three-year performance target cycles. The Company believes the ratios are appropriate given financial and business performance outcomes in 2025, and the size and complexity of the business.

Pay for performance

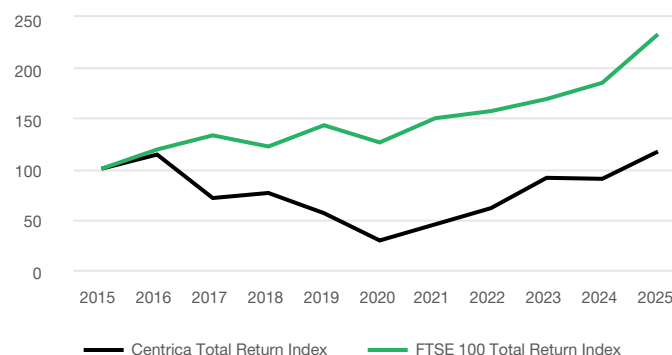
The table below shows the CEO's total remuneration over the last 10 years and the achieved annual short-term and long-term incentive pay awards as a percentage of the plan maximum.

	Chief Executive single figure for total remuneration £000	Annual short-term incentive payout against max opportunity %	Long-term incentive vesting against max opportunity %
Chris O'Shea			
2025	4,731	61.9	100
2024	5,082	81.3	100
2023	8,231	87.5	85
2022	4,490	89.5	76
2021	875	0	0
Iain Conn			
2020	239	0	0
2019	1,186	0	0
2018	2,335	41	18
2017	1,678	0	26
2016	4,040	82	0

For 2020 the single figure for total remuneration for both Iain Conn and Chris O'Shea are shown. The total remuneration figure for Chris O'Shea includes his earnings during 2020 as CFO and CEO.

The performance graph below shows Centrica's TSR performance against the performance of the FTSE 100 Index over the 10-year period to 31 December 2025. The FTSE 100 Index has been chosen as it is an index of similar-sized companies and Centrica has been a constituent member for the majority of the period.

Total return indices – Centrica and FTSE 100



Fees received for external appointments of Executive Directors

Chris O'Shea was appointed as a Non-Executive Director to the ITT Inc. Board in May 2024. He receives a total fee of \$255,000 per annum which is split as \$100,000 cash payment and the remainder as a share award.

Relative importance of spend on pay

The table below shows the percentage change in total remuneration paid to all colleagues compared to expenditure on dividends and share buyback for the years ended 31 December 2024 and 2025.

	2025 £m	2024 £m	% Change
Share repurchase ⁽¹⁾	827	499	66 %
Dividends	237	219	8 %
Staff and employee costs ⁽²⁾	1,550	1,357	13 %

(1) 520,443,773 shares were purchased during 2025 as part of the share buyback arrangement

(2) Staff and employee costs are as per note 5(b) in the notes to the financial statements.

Payments to past Directors (audited)

No payments to past Directors in 2025.

Payments for loss of office (audited)

No payments for loss of office were made in 2025.

Advice to the Remuneration Committee

Following a competitive tender process, PwC was appointed as independent external advisor to the Committee in May 2017.

PwC also provided advice to Centrica globally during 2025 in the areas of employment taxes, regulatory risk and compliance issues and additional consultancy services.

PwC's fees for advice to the Committee during 2025 amounted to £137,250 which included the preparation for and attendance at Committee meetings. The fees were charged on a time spent basis in delivering advice that materially assisted the Committee in its consideration of matters relating to Executive remuneration.

The Committee takes into account the Remuneration Consultants Group's (RCG) Code of Conduct when dealing with its advisors. PwC is a member of the RCG, have no connection with the Company or the Directors, and the Committee is satisfied that the advice it received during the year was objective and independent and that the provision of any other services by PwC in no way compromises their independence.

Statement of voting

Shareholder voting on the resolutions to approve the Directors' Remuneration Policy put to the 2025 AGM, and the Directors' Remuneration Report, put to the 2025 AGM, was as follows:

Resolution	AGM	Votes for	Votes for %	Votes against	Votes against %	Votes withheld
Directors' Remuneration Policy	2025	2,934,839,023	93.31%	210,539,977	6.69%	18,933,784
Directors' Remuneration Report	2025	1,896,022,967	60.02%	1,264,509,543	39.98%	1,781,437

Implementation in the next financial year

The table below sets out details of how we implemented our remuneration policy in 2025, and how we intend to implement the policy in 2026.

Remuneration element	Implementation in 2025	Implementation in 2026																																
Base salary	With effect from 1 April 2025, salaries for Executive Directors were: • Group Chief Executive (CEO): £1,100,000 • Group Chief Financial Officer (CFO): £640,000	With effect from 1 April 2026, salaries for Executive Directors are: • CEO: £1,133,000 (+3.0%) • CFO: £659,200 (+3.0%) The salary increase budget in 2026 across with wider workforce in the UK is 3% and individual increase can be higher or lower depending on the role.																																
Annual Incentive Plan (AIP)	Maximum opportunity: • CEO: 200% of salary (100% of salary at target) • CFO: 175% of salary (87.5% of salary at target) The performance measures and their weighting as a percentage of maximum opportunity were: • EPS: 37.5% • Balanced Scorecard: 37.5% • Individual objectives: 25% EPS payout ranges were as follows (as a percentage of maximum opportunity): • Threshold performance: 25% • On-target performance: 50% • Maximum performance: 100%	Maximum opportunity: • CEO: No change • CFO: No change																																
Restricted Share Plan (RSP)	RSP awards were granted at the following levels: • Group Chief Executive: 150% of salary • Group Chief Financial Officer: 125% of salary RSP awards have no performance conditions but are subject to a performance underpin. In assessing the underpin, the Committee will consider the Company’s overall performance, including financial and non-financial performance over the vesting period as well as any material risk or regulatory failures identified. The Committee may scale back the awards (including to zero) if it is not satisfied the underpin has been met.	CEO: 200% CFO: 125%																																
Pensions	The maximum benefit for Executives is 10% of base salary earned during the financial year. This is aligned with the maximum employer contribution rate available to the majority of our UK employees	No change																																
Benefits	Benefits to be provided in line with the Policy.	No change																																
All-employee share plan	Executives were entitled to participate in all-employee share plans on the same terms as all other eligible employees.	No change																																
Shareholding requirements	CEO: 400% of salary CFO: 200% of salary Post-employment, Executive Directors will continue to be expected to retain the lower of the shares held at cessation of employment and shares to the value of 400% of base salary for the CEO and 200% of base salary for the CFO for a period of two years.	CEO: No change CFO: No change																																
NED fees	With effect from 1 January 2025 <table><tr><td>Chair of the Board</td><td>£440,000</td></tr><tr><td>Basic fee for Non-Executives</td><td>£79,000</td></tr><tr><td>Additional fees</td><td></td></tr><tr><td>Chair of Audit and Risk Committee</td><td>£25,000</td></tr><tr><td>Chair of Remuneration Committee</td><td>£25,000</td></tr><tr><td>Chair of Safety, Environment and Sustainability Committee</td><td>£25,000</td></tr><tr><td>Senior Independent Director</td><td>£20,000</td></tr><tr><td>Employee Champion</td><td>£20,000</td></tr></table>	Chair of the Board	£440,000	Basic fee for Non-Executives	£79,000	Additional fees		Chair of Audit and Risk Committee	£25,000	Chair of Remuneration Committee	£25,000	Chair of Safety, Environment and Sustainability Committee	£25,000	Senior Independent Director	£20,000	Employee Champion	£20,000	With effect from 1 January 2026 <table><tr><td></td><td>£453,000 (+3.0%)</td></tr><tr><td></td><td>£81,000 (+2.5%)</td></tr><tr><td></td><td>No change</td></tr><tr><td></td><td>No change</td></tr><tr><td></td><td>No change</td></tr><tr><td></td><td>No change</td></tr><tr><td></td><td>No change</td></tr><tr><td></td><td>No change</td></tr></table>		£453,000 (+3.0%)		£81,000 (+2.5%)		No change		No change		No change		No change		No change		No change
Chair of the Board	£440,000																																	
Basic fee for Non-Executives	£79,000																																	
Additional fees																																		
Chair of Audit and Risk Committee	£25,000																																	
Chair of Remuneration Committee	£25,000																																	
Chair of Safety, Environment and Sustainability Committee	£25,000																																	
Senior Independent Director	£20,000																																	
Employee Champion	£20,000																																	
	£453,000 (+3.0%)																																	
	£81,000 (+2.5%)																																	
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The Remuneration Report has been approved by the Board of Directors and signed on its behalf by:

Raj Roy, Group General Counsel & Company Secretary

18 February 2026

Directors’ Remuneration Policy

The Remuneration Policy was last approved by shareholders at the AGM on 8 May 2025.

This section contains a summary of Centrica’s Directors’ Remuneration Policy (Policy) that will govern and guide the Group’s future remuneration payments. The full version can be found on our website at centrica.com.

The Policy operated as intended in 2025.

Objectives of the Policy

The Policy aims to deliver remuneration arrangements that:

- Attract and retain high-calibre Executives in a challenging and competitive global business environment;
- Place strong emphasis on both short-term and long-term performance;
- Are strongly aligned to the achievement of strategic objectives and the delivery of sustainable long-term shareholder value through returns and growth; and
- Seek to avoid creating excessive risks in the achievement of performance targets.

Summary of Policy design



How the Policy links to our strategy

Our strategy is driven by our Purpose ‘energising a greener, fairer future’, and our enduring values at Centrica underpin our culture. Further information on our Purpose and Values is set out on page 11. We need to engage our Centrica Leadership Team to fulfil our Purpose and to ensure Centrica is focused on delivery and positioned for growth.

The AIP focuses the Executives on the delivery of our near-term objectives, with at least 75% of the award based on a mix of financial and business measures based on Centrica’s priorities for the forthcoming year and up to 25% based on individual strategic and personal objectives for the year. All targets align with the Group Annual Plan.

RSP is an appropriate long-term incentive vehicle for our Executive Directors as it reduces the upper limit of payment and is aligned with our goal to simplify all aspects of our business. Potential payouts from restricted shares are far less variable than conventional long-term incentives.

The RSP has a three-year performance period and is subject to a performance underpin where the Committee will consider the Company’s overall financial and non-financial performance over the period.

As we continue to grow shareholder value, the RSP will ensure a large proportion of our Executives’ pay is based on direct and uninhibited share price movement.

We operate an RSP for leaders below the most senior management and this approach therefore creates alignment between our Executives and our senior colleagues.

Remuneration Policy table for Executive Directors

The following table summarises each element of the Remuneration Policy for the Executive Directors, explaining how each element operates and the link to the corporate strategy.

Purpose and link to strategy	Operation and clawback	Maximum opportunity	Performance measures
Base salary			
Reflects the scope and responsibility of the role and the skills and experience of the individual. Salaries are set at a level sufficient for the Group to compete for international talent and to attract and retain Executives of the calibre required to develop and deliver our strategy.	Base salaries are reviewed annually taking into account individual and business performance, market conditions and pay in the Group as a whole. When determining base salary levels, the Committee will consider factors including: • Remuneration practices within the Group; • Change in scope, role and responsibilities; • The performance of the Executive Director and the Group; • Experience of the Executive Director; • The economic environment; and • When the Committee determines a benchmarking exercise is appropriate, salaries within the ranges paid by the companies which the Committee believe are appropriate comparators for the Group.	Base salary increases in percentage terms will usually be within the range of increases awarded to other employees of the Group. Increases may be made above this level to take account of individual circumstances such as a change in responsibility, progression/development in the role or a significant increase in the scale or size of the role.	Not applicable.
Annual Incentive Plan (AIP)			
Designed to incentivise and reward the performance of individuals and teams in the delivery of short-term financial and non-financial metrics. Performance measures are linked to the delivery of the Group's long-term financial goals and key Group priorities.	In line with the Group's annual performance management process, each Executive has an agreed set of stretching individual objectives for each financial year. Following the end of the financial year, to the extent that performance criteria have been met, up to half of the AIP award is paid in cash. To further align the interests of Executives with the long-term interests of shareholders, the remainder is paid in deferred shares which are held for three years. No further performance conditions will apply to the deferred element of the AIP award. Dividend equivalents may be paid as additional shares or cash. Malus and clawback apply to the cash and share awards.	Maximum of 200% of base salary per annum for Executive Directors. For threshold performance, up to 25% of the maximum opportunity will pay out. For on-target performance, 50% of the maximum opportunity will pay out.	At least 75% based on a mix of financial performance and business measures aligned to Centrica's priorities for the forthcoming financial year and up to 25% based on individual objectives aligned to the Group's priorities and strategy. Performance is assessed over one financial year.

Purpose and link to strategy	Operation and clawback	Maximum opportunity	Performance measures
Restricted Share Plan (RSP)			
Designed to reward and incentivise the delivery of long-term performance and shareholder value creation.	RSP awards granted to Executive Directors will normally vest after three years, subject to a two-year post-vesting holding period during which the Executive Directors may not normally sell their vested shares except as is necessary to pay tax and social security contributions arising in respect of their RSP awards. Dividend equivalents are accrued during the vesting period and calculated on vesting on any RSP share awards. Dividend equivalents are paid as additional shares or as cash. Malus and clawback apply to the awards.	Maximum of 200% of base salary per annum for Executive Directors.	The RSP will be subject to a underpin. In assessing the underpin, the Committee will consider the Company's overall performance, including financial and non-financial performance over the vesting period as well as any material risk or regulatory failures identified. The Committee may scale back the awards (including to zero) if it is not satisfied the underpin has been met.
Pensions			
Positioned to provide a market competitive post-retirement benefit, in a way that manages the overall cost to the Company.	Executives are entitled to participate in a Company defined contribution pension arrangement or to take a fixed salary supplement (calculated as a percentage of base salary, which is excluded from any AIP calculation) in lieu of pension entitlement. The Group's policy is not to offer defined benefit arrangements to new employees at any level, unless this is specifically required by applicable legislation or an existing contractual agreement.	The maximum benefit is 10% of base salary per annum for Executive Directors. This aligned with the maximum employer contribution rate available to the majority of our UK employees.	Not applicable.
Benefits			
Positioned to support health and wellbeing and to provide a competitive package of benefits that is aligned with market practice.	The Group offers Executives a range of benefits including (but not limited to): • A company-provided car and fuel, or a cash allowance in lieu; • Life assurance and personal accident insurance; • Health and medical insurance for the Executive and their dependants; and • Health screening and wellbeing services.	Cash allowance in lieu of company car – currently £15,120 per annum for Executive Directors. The benefit in kind value of other benefits will not exceed 5% of base salary.	Not applicable.

Purpose and link to strategy	Operation and clawback	Maximum opportunity	Performance measures
All-employee share plans			
Provides an opportunity for employees to voluntarily invest in the Company.	Executives are entitled to participate in all-employee share plans on the same terms as all other eligible employees.	Maximum contribution limits are set by legislation or by the rules of each plan. Levels of participation apply equally to all participants.	Not applicable.
Shareholding requirements			
To align the interests of Executive Directors with shareholders over a long-term period including after departure from the Group.	In-employment requirement During employment, the Group Chief Executive and Group Chief Financial Officer are required to build and maintain a minimum shareholding of 400% and 200% of their base salary respectively. In determining an Executive Director's shareholding, unvested AIP deferred shares, RSP shares and any other share awards that are not subject to performance targets will be included in the calculation on a net of tax basis. Executives must also hold 100% of vested incentive shares (net of tax) until the shareholding requirement is met. Post-employment requirement Executive Directors are required to hold shares after cessation of employment to the full value of the shareholding requirement (or the existing shareholding if lower at the time) for a period of two years. Shares purchased by Executives with their own monies are excluded from the post-employment requirement.	In-employment requirement The current shareholding requirement is maintained at 400% of base salary for the Group Chief Executive and 200% of base salary for the Group Chief Financial Officer. Post-employment requirement Executive Directors will be expected to retain the lower of the shares held at cessation of employment and shares to the value of 400% of base salary for the Group Chief Executive and 200% of base salary for the Group Chief Financial Officer for a period of two years. Only shares earned from vested incentives will be included within the post-employment shareholding requirement.	Not applicable.

Notes to the Remuneration Policy table

The Committee reserves the right to make any remuneration payments and payments for loss of office, notwithstanding that they are not in line with the Policy set out above, where the terms of the payment were agreed before the Policy came into effect, at a time when the relevant individual was not an Executive Director of the Company and, in the opinion of the Committee, the payment was not in consideration for the individual becoming a Director of the Company. For these purposes payments include the amounts paid in order to satisfy awards of variable remuneration and, in relation to an award over shares, the terms of the payment are agreed at the time the award is granted. The Committee may make minor amendments to the Policy (for regulatory, exchange control, tax or administrative purposes or to take account of a change in legislation) without obtaining shareholder approval for that amendment.

Statement of consideration of shareholder views

The Remuneration Committee is committed to open and transparent dialogue with shareholders on remuneration matters. We believe it is important to maintain good relationships with our shareholders and to understand their views on our remuneration arrangements. Further details on our engagement with shareholders is described on page 90.

Performance measures

We continue to be committed to full transparency and disclosure. We will disclose incentive targets as soon as any commercial sensitivity falls away, usually in the reporting year following the end of the performance period.

AIP

Performance for the AIP will be measured against financial and non-financial metrics with targets for each measure set by the Committee each year. The Policy provides the Committee with the flexibility to choose measures each year that are strongly linked to the specific strategic and financial measures in any given year.

For financial measures, the targets are set with reference to the Group annual plan, external forecasts and other circumstances as appropriate to ensure that targets are suitably stretching and motivational to executives.

Non-financial targets are set each year with reference to the key strategic objectives of the Company that will drive the long term success of the business.

RSP

The RSP is subject to a performance underpin assessed by the Committee.

In assessing the underpin, the Committee will consider the Company's overall performance, including financial and non-financial performance over the vesting period as well as any material risk or regulatory failures identified. The Company may scale back the awards (including to zero) if it is not satisfied the underpin has been met.

Malus and clawback

In line with UK corporate governance best practice, the Committee can apply malus (that is reduce the number of shares in respect of which an award vests) or delay the vesting of awards. In addition, where an award has vested, the resulting shares will generally be held for a period during which they may be subject to clawback. These provisions are set to reflect the timeframe in which the company's financial reporting, audit and risk processes would typically identify one of the malus and clawback trigger events. The following provisions apply:

- AIP – cash awards: malus will apply up to the payment of the cash AIP award and clawback will apply for a period of 3 years after the cash AIP payment.
- AIP – deferred shares: clawback will apply during the period of three years following the payment of the cash AIP award the deferred share relates to.
- Historic LTIP awards: malus will apply during the vesting period and up to the date of vesting and clawback will apply for a period of two years post-vesting.
- RSP awards: malus will apply during the vesting period and up to the date of vesting and clawback will apply for a period of two years post-vesting.

Legacy awards are governed by the malus and clawback provisions within the respective policy and plan rules. For awards granted under the current policy malus and clawback provisions may be applied in the following circumstances:

- Material financial misstatement;
- Where an award was granted, or performance was assessed, based on an error or inaccurate or misleading information;
- Action or conduct of a participant amounts to fraud or gross misconduct;
- Events or the behaviour of a participant have led to censure of the Company or Group by a regulatory authority or cause significant detrimental reputational damage;
- Material failure of risk management; or
- Corporate failure.

During the year, the Remuneration Committee has not needed to apply clawback or malus to any payments to Executive Directors or other members of the Centrica Leadership Team.

Pension arrangements applying to Executives

All registered scheme benefits are subject to HMRC guidelines and the Lifetime Allowance.

Discretion and judgement

It is important that the Committee maintains the flexibility to apply discretion and judgement to achieve fair outcomes as no remuneration policy and framework, however carefully designed and implemented, can pre-empt every possible scenario. The Committee needs to be able to exercise appropriate discretion to determine whether mechanistic or formulaic outcomes are fair, in context and can be applied in an upward or downward manner when required.

Judgement is applied appropriately by the Committee, for example when considering the political and social pressures on the business, the impact of significant movements in external factors such as commodity prices, in setting and evaluating delivery against individual and non-financial performance targets to ensure they are considered sufficiently stretching and that the maximum and minimum levels are appropriate and fair.

The Committee has absolute discretion to decide who receives awards, the level of the awards under the incentive plans and the timing, within the parameters set in the rules and the limits in the Policy table.

Recruitment policy

The Committee will apply the same Remuneration Policy during the policy period as that which applies to existing Executives when considering the recruitment of a new Executive in respect of all elements of remuneration as set out in the Remuneration Policy table.

Whilst the maximum level of remuneration which may be granted would be within plan rules and ordinarily subject to the maximum opportunity set out in the Remuneration Policy table, in certain circumstances, an arrangement may be established specifically to facilitate recruitment of a particular individual up to 25% above the maximum opportunity, albeit that any such arrangement would be made within the context of minimising the cost to the Company.

The policy for the recruitment of Executives during the policy period also includes the opportunity to provide a level of compensation for forfeiture of AIP entitlements and/or unvested long-term incentive awards (at an expected value no greater than what is forfeit) from an existing employer, if any, and the additional provision of benefits in kind, pensions and other allowances, as may be required in order to achieve a successful recruitment. The Company has a clear preference to use shares wherever possible and will apply timescales at least as long as previous awards.

Details of the relocation and expatriate assistance that may be available as part of the recruitment process can be found in the table below.

Relocation and expatriate assistance	
Purpose and link to strategy	Enables the Group to recruit or promote the appropriate individual into a role, to retain key skills and to provide career opportunities.
Operation and clawback	Assistance may include (but is not limited to) removal and other relocation costs, housing or temporary accommodation, education, home leave, repatriation and tax equalisation.
Maximum opportunity	Maximum of 100% of base salary.
Performance measures	Not applicable.
Changes	No changes.

Service contracts

Service contracts provide that either the Executive or the Company may terminate the employment by giving one year's written notice. The Committee retains a level of flexibility, as permitted by the UK Corporate Governance Code 2024, in order to attract and retain suitable candidates. It reserves the right to offer contracts which contain an initial notice period in excess of one year, provided that at the end of the first such period the notice period reduces to one year. All Executive and Non-Executive Directors are required to be re-elected at each AGM. Service contracts are available for inspection at the Company's registered office.

Executive Director	Date of appointment to role	Date of current contract	Notice from the Group	Notice from the individual
Chris O'Shea	1 November 2018	10 December 2020	12 months	12 months
Russell O'Brien	30 January 2023	30 January 2023	12 months	12 months

Termination policy

The Committee carefully considers compensation commitments in the event of an Executive Director's termination. The aim is to avoid rewarding poor performance and to reduce compensation to reflect the departing Executive's obligations and to mitigate losses.

Remuneration element	Scenario	Payment
Base salary, pension and other benefits	Dismissal with cause	No further payments made except those that an individual may be contractually entitled to.
	All other scenarios	Either continue to provide base salary, pension and other benefits for any unworked period of notice or, at the option of the Company, to make a payment in lieu of notice comprising base salary only. Typically any payment in lieu of notice will be made in monthly instalments and reduce, or cease completely, in the event.
AIP	Dismissal with cause	AIP award and any deferred awards will be forfeit.
	Resignation	Executives leaving as a result of resignation will forfeit any potential AIP award for the performance year in which the resignation occurs.
	Change of control	The AIP award will be prorated for time (based on the proportion of the AIP period elapsed at the date of change of control). The Committee has discretion to determine that the AIP does not pay out on change of control and will continue under the terms of the acquiring entity. The Committee has discretion to dis-apply prorating in exceptional circumstances. Deferred awards may vest immediately or be exchanged for new equivalent awards in the acquirer where appropriate.
	Exceptions*	An AIP award for the year in which the termination occurs may be made following the normal year-end assessment process, subject to achievement of the agreed performance measures and time apportioned for the period worked. Any award would normally be payable at the normal time with a 50% deferral vesting in line with the normal time-frame. The Committee has discretion to accelerate the vesting of deferred awards.
LTIP and RSP	Dismissal with cause or resignation	All unvested awards will lapse.
	Change of control	Existing awards will be exchanged on similar terms or vest to the extent that the performance conditions have been met at the date of the event and be time-apportioned to the date of the event or the vesting date, subject to the overriding discretion of the Committee.
	Exceptions*	Any outstanding awards will normally be prorated for time based on the proportion of the performance and/or vesting period elapsed. Performance will be measured at the end of the performance period. On death in service, awards may vest earlier than the normal date. The Committee has the discretion to dis-apply prorating or accelerate testing of performance conditions in exceptional circumstances.

* 'Exceptions' are defined by the plan rules and include those leaving due to the following reasons: ill health, disability, redundancy, retirement (with agreement from the Company), death, or any other reason that the Committee determines appropriate.

Following termination, awards continue to be subject to malus and clawback provisions in line with those set out in the rules and the Policy.

Pay fairness across the Group

The Group operates in a number of different environments and has many employees who carry out a range of diverse roles across a number of countries. In consideration of pay fairness across the Group, the Committee believes that ratios related to market competitive pay for each role profile in each distinct geography are the most helpful.

The ratios of salary to the relevant market median are compared for all permanent employees across the Group and are updated using salary survey benchmarking data on an annual basis.

Unlike the significant majority of the workforce who receive largely fixed remuneration, mainly in the form of salary, the most significant component of Executive compensation is variable and dependent on performance. As such, the Committee reviews total compensation for Executives against benchmarks rather than salary alone.

A number of performance-related incentive schemes are operated across the Group which differ in terms of structure and metrics from those applying to Executives.

The Group also offers a number of all-employee share schemes in the UK, Ireland, Europe and North America and Executives participate on the same basis as other eligible employees.

Performance measures applying to Executives are cascaded down through the organisation and Group employment conditions include high standards of health and safety and employee wellbeing initiatives.

External appointments of Executives

It is the Company's policy to allow each Executive to accept one non-executive directorship of another company, although the Board retains the discretion to vary this policy. Fees received in respect of external appointments are retained by the individual Executive and are set out in the Directors' Annual Remuneration Report each year.

Non-Executive Directors' remuneration

Centrica's policy on Non-Executive Directors' ('Non-Executives') fees takes into account the need to attract the high-calibre individuals required to support the delivery of our strategy.

Purpose and link to strategy	Operation and clawback	Maximum opportunity	Performance measures
Chair and Non-Executive Director Fees			
Sufficient level to secure the services of individuals possessing the skills, knowledge and experience to support and oversee the Executive Directors in their execution of the Board's approved strategies and operational plans. Fees reflect market practice as well as the responsibilities and time commitment required by our Non-Executives.	The fee levels for the Chair are reviewed by the Remuneration Committee. The fee levels of the Non-Executives are reviewed by the Chair of the Board, Executive Directors and the Chief People Officer. Non-Executives are paid a base fee for their services. Where individuals serve as Chair of a Committee of the Board, additional fees are payable. The Senior Independent Director also receives an additional fee. The Company reserves the right to pay a Committee membership fee in addition to the base fees.	The maximum level of fees payable to Non-Executives, in aggregate, is set out in the Articles of Association.	Not applicable.

Recruitment policy

The policy on the recruitment of new Non-Executives during the policy period would be to apply the same remuneration elements as for the existing Non-Executives. It is not intended that variable pay, day rates or benefits in kind be offered, although in exceptional circumstances such remuneration may be required in currently unforeseen circumstances. The Committee will include in future Remuneration Reports details of the implementation of the policy as utilised during the policy period in respect of any such recruitment to the Board.

Terms of appointment

Non-Executives, including the Chair, do not have service contracts. Their appointments are subject to Letters of Appointment and the Articles of Association. All Non-Executives are required to be re-elected at each AGM. The date of appointment and the most recent re-appointment and the length of service for each Non Executive Director are shown in the table below:

Non-Executive Director	Date of appointment to role	Date of current contract	Notice from the Group	Notice from the individual
Carol Arrowsmith	11 June 2020	8 May 2025	3 months	3 months
Amber Rudd	10 January 2022	8 May 2025	3 months	3 months
Nathan Bostock	9 May 2022	8 May 2025	3 months	3 months
CP Duggal	16 December 2022	8 May 2025	3 months	3 months
Heidi Mottram	1 January 2020	8 May 2025	3 months	3 months
Kevin O'Byrne	13 May 2019	8 May 2025	6 months	6 months
Philippe Boisseau	1 September 2023	8 May 2025	3 months	3 months
Jo Harlow	1 December 2023	8 May 2025	3 months	3 months
Sue Whalley	1 December 2023	8 May 2025	3 months	3 months
Alessandra Pasini	8 July 2025	8 July 2025	3 months	3 months
Frank Mastiaux	22 September 2025	22 September 2025	3 months	3 months

Other statutory information

Index to Directors' Report and other disclosures

67	Annual General Meeting (AGM)
116	Articles of Association
121 to 133	Audit Information
62 to 64	Board of Directors
14 to 15	Business Overview
66	Conflicts of Interest
117	Directors' indemnities and insurance
113 and 115	Directors' service contracts and letters of appointment
99	Directors' share interests
118	Disclosure required under Listing Rule 6.6.1R
43, 60 and 82 to 83	Diversity
Note 11 Page 164	Dividends
Note 27 Page 192	Events after the balance sheet date
Note 19 on page 178, note S2 on pages 194 to 207, and note S6 on pages 220 to 222	Financial instruments
4 to 57	Future developments
55 and 255	Greenhouse Gas (GHG) Emissions
48 and 84 to 85	Human rights
73	Internal control over financial reporting
116	Material shareholdings
42 to 44	People
117	Political donations and expenditure
Note S8 Page 225	Related party transactions
14 to 57	Research and development activities
1 and 18 to 29	Results
32 to 39	Risk management
13 and 70 to 71	Section 172(1) Statement (Director's Duty)
116	Share capital
73	Speak Up
12 to 13, 17 and 67 to 69	Stakeholder engagement (including employees, suppliers and customers)
42 to 48 and 84 to 85	Sustainability
49 to 57	TCFD
12, 42 to 44, 46 to 47, 48, 59, 67 to 69, 95, 101 to 103, 114 and 117	The Company's approach to investing in and rewarding its workforce

The Directors submit the Annual Report and Accounts for Centrica plc, together with the consolidated financial statements of the Centrica Group of companies, for the year ended 31 December 2025. The Directors' Report required under the Companies Act 2006 (the Act) comprises this Directors' and Corporate Governance Report (pages 59 to 119) including the TCFD section for disclosure of our greenhouse gas (GHG) emissions in the Strategic Report (pages 49 to 57) and note 27 (page 192) to the financial statements. The index on this page includes matters contained in the Strategic Report that would otherwise be required in the Directors' Report. The management report required under Disclosure Guidance and Transparency Rule 4.1.5 R comprises the Strategic Report (pages 1 to 57) (which includes the risks relating to our business), Shareholder Information (page 247) and details of acquisitions and disposals made by the Group during the year in note 12 (page 165). The Strategic Report on pages 1 to 57 fulfils the requirements set out in Section 414 of the Act. This Directors' and Corporate Governance Report fulfils the requirements of the Corporate Governance Statement required under Disclosure Guidance and Transparency Rule 7.2.1.

Articles of Association (Articles)

The Company's Articles were adopted at the 2023 Annual General Meeting (AGM) and may only be amended by a special resolution of the shareholders. The Articles include various rules outlining the running and governing of the Company, for example rules relating to the appointment and removal of the Directors and how the Directors can use all of the Company's powers (except where the Articles or legislation says otherwise), for example in relation to issuing and buying back shares. The Articles can be found on our website at centrica.com. The Company proposes to put amended Articles to its shareholders at the 2026 AGM. Further information on the changes will be published in the 2026 Notice of Meeting.

Centrica shares

Significant shareholdings

At 31 December 2025, Centrica had received notification of the following interests in voting rights pursuant to the Disclosure and Transparency Rules:

	Date notified	% of share capital ⁽¹⁾
BlackRock, Inc.	08.04.2022	5.25%
Bank of America Corporation	25.04.2025	2.97688%
JPMorgan Chase & Co.	25.03.2025	<5%

(1) Percentages are shown as a percentage of the Company's issued share capital when the Company was notified of the change in holding. As at 18 February 2026, the Company had received no further notifications. Copies of historic notifications and any notifications received since 18 February 2026, can be found on our website at centrica.com/rnsannouncements.

Share capital

The Company has a single share class which is divided into ordinary shares of 6 ¹⁴/₈₁ pence each. The Company was authorised at the 2025 AGM to allot up to 1,676,987,206 ordinary shares as permitted by the Act. A renewal of a similar authority will be proposed at the 2026 AGM. The Company's

issued share capital as at 31 December 2025, together with details of shares issued during the year, is set out in note 26 to the financial statements on page 192.

Rights attaching to shares

Each ordinary share of the Company carries one vote. Further information on the voting and other rights of shareholders is set out in the Articles and in explanatory notes which accompany notices of general meetings, all of which are available on our website at centrica.com. There are no shareholder agreements or restrictions in 2025.

Purchase of shares

We regularly review our capital structure and have committed to returning surplus capital to shareholders, reflecting their preference through a combination of dividends and share repurchases.

As permitted by the Articles, the Company obtained shareholder authority at the 2024 and 2025 AGMs to purchase its own shares up to a maximum of 536,039,506 and 503,096,162 ordinary shares of 6¹⁴/₈₁ pence each (shares) respectively. A total of 512,388,755 shares were purchased under the 2024 authority and 147,027,443 under the 2025 authority.

At the start of the year, there were 476,778,831 shares held in treasury. The total number of shares purchased during the financial year was 520,443,773, which represents approximately 10.3% of the Company's issued share capital, at an aggregate cost of approximately £827m. During the year, 39,703,351 shares were used for share schemes and 503,204,250 shares were cancelled. The purpose of the buybacks was to reduce the capital of the Company in order to return surplus capital to shareholders.

As at 31 December 2025, there were 454,315,003 shares held in the treasury shares account representing approximately 9.0% of the Company's issued share capital. Dividends are waived in respect of shares held in the treasury share account. Further details are set out in note S4 to the financial statements on pages 215 to 217.

The second tranche of the 2025 Extension concluded on 12 January 2026.

Shares held in employee benefit trusts

The Centrica plc Employee Benefit Trust (EBT) is used to purchase shares on behalf of the Company for the benefit of employees, in connection with the Restricted Share Scheme. The Centrica plc Share Incentive Plan Trust (SIP Trust) is used to purchase shares on behalf of the Company for the benefit of employees, in connection with the SIP. Both the Trustees of the EBT and the SIP Trust, in accordance with best practice, have agreed not to vote any unallocated shares held in the EBT or SIP Trust at any general meeting and dividends are waived in respect of these shares. In respect of allocated shares in both the EBT and the SIP Trust, the Trustees shall vote in accordance with participants' instructions. In the absence of any instruction, the Trustees shall not vote.

Employee participation in share schemes

The Company's all-employee share schemes are a long-established and successful part of our total reward package, encouraging the involvement of UK employees in the Company's performance through employee share ownership. We operate tax-advantaged Sharesave (SAYE) schemes in the UK and Ireland, and a Share

Incentive Plan (SIP) in the UK. In 2025, all eligible employees globally were awarded a profit share award.

Other information

Directors' indemnities and insurance

In accordance with the Articles, the Company has granted a deed of indemnity, to the extent permitted by law, to the Directors of the Company. Qualifying third-party indemnity provisions (as defined by Section 234 of the Act) were in force during the year ended 31 December 2025 and remain in force. The Company also maintains Directors' and officers' liability insurance for its Directors and officers. The Company has granted qualifying pension scheme indemnities in the form permitted by the Companies Act 2006 to the Directors of Centrica Pension Plan Trustees Limited, Centrica Engineers Pension Trustees Limited and Centrica Pension Trustees Limited, that act as trustees of the Company's UK pension schemes.

Political donations

The Company operates on a politically neutral basis. No political donations were made by the Group for political purposes during the year.

Payments policy

We recognise the importance of good supplier relationships to the overall success of our business. We manage dealings with suppliers in a fair, consistent and transparent manner.

Significant agreements – change of control

There are a number of agreements to which the Company is party that take effect, alter or terminate upon a change of control of the Company following a takeover bid.

The significant agreements of this kind include committed facility agreements, subordinated fixed notes (including notes issued under the Company's medium-term note programme), bonds and certain long-term, high-value energy contracts and power purchase agreements and corporate joint venture agreements.

Under the terms of the committed facility agreements, subordinated fixed rate notes and bonds, if the acquirer fails to meet the relevant financial standing requirements, the counterparties may exercise rights to demand repayment, require additional security or terminate the relevant arrangement. Similarly, under the terms of certain power purchase agreements, if the acquirer is a competitor or does not meet the required financial criteria, the counterparty may terminate those agreements.

Additionally, following a change of control of the Company, certain provisions of the corporate joint venture arrangements may be impacted. For instance:

- Under the agreements governing the Spirit Energy joint venture, the Group's pre-emption rights on any share transfer by the joint venture partner will be suspended for a period of 24 months if the acquirer does not meet the specified requirements under the terms of the shareholders' agreement;
- Under the agreements governing the Group's investment in Greener Ideas Limited (GIL), a change of control of the Group may require regulatory approval, with such approval conditional upon the acquirer satisfying certain requirements including financial standing and technical capability. If such requirements are not met, the export of power generated from GIL's assets may be restricted;

- Under the agreements governing the Group's investment in EDF Nuclear Generation, on a change of control the Group loses certain rights including its right to participate on the boards of the companies in which it has invested, and if the acquirer is located outside certain specified countries, EDF Group may require Centrica to sell its investments to EDF Group at a discounted price; and
- Under the agreements governing the Group's investment in Sizewell C, the acquirer will need to provide an ultimate controller undertaking in favour of Sizewell C. There is a special share regime enshrined in Sizewell C (Holding) Limited's articles of association which could, if the identity of the acquirer gives rise to any national security and/or public policy concerns, result in the Group being required to dispose of certain of its interests in Sizewell C and the rights attaching to those interests being suspended pending any such disposal.

The Remuneration Policy sets out on page 114 details of the treatment of the Executive Directors' pay arrangements, including the treatment of share schemes in the event of a change of control.

Branches outside the United Kingdom

The Company and its subsidiaries have established branches in several countries outside the United Kingdom. The activities of these branches are incorporated into the financial results of the Group, although their individual results are not considered material to the Group's overall performance.

Disclosures required under Listing Rule 6.6.1R

The Company is required to disclose certain information under Listing Rule 6.6.1R in the Directors' Report or advise where such relevant information is contained. All such disclosures are included in this Directors' and Corporate Governance Report, other than the following sections of the 2025 Annual Report and Accounts:

Information	Location in Annual Report	Page(s)
Capitalised interest (borrowing costs)	Financial statements	160, note 8
Details of long-term incentive schemes	Remuneration Report	87 to 88, 98 and 100
Details of arrangements where shareholders have waived dividends	Other Statutory Information	117

Directors' statements

Accounting standards require that Directors satisfy themselves that it is reasonable for them to conclude whether it is appropriate to prepare the financial statements on a going concern basis. The Group's business activities, together with factors that are likely to affect its future development and position, are set out in the Group Chief Executive's Statement on pages 7 to 10 and the Business Reviews on pages 24 to 29. After making enquiries, the Board has a reasonable expectation that Centrica and the Group as a whole have adequate resources to continue in operational existence and meet their liabilities as they fall due, for the foreseeable future.

For this reason, the Board continues to adopt the going concern basis in preparing the financial statements.

Additionally, the Directors' Viability Disclosure, which assesses the prospects for the Group over a longer period than the 12 months required for the going concern assessment, is set out on pages 40 to 41. Further details of the Group's liquidity position are provided in notes 25 and S3 to the financial statements on pages 188 to 191 and 208 to 214.

Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law, the Directors are required to prepare the Group financial statements in accordance with international accounting standards, in conformity with the requirements of the Companies Act 2006. The Directors have also chosen to prepare the parent company financial statements in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'.

Under company law, the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing the parent company financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether Financial Reporting Standard 101 'Reduced Disclosure Framework' has been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

In preparing the Group financial statements, International Accounting Standard 1 requires that Directors:

- Properly select and apply accounting policies;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with the specific requirements in IFRS Standards are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- Make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' Responsibility Statement

Each of the Directors confirm that to the best of their knowledge:

- The financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- The Strategic Report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the Principal Risks and uncertainties that they face; and
- The Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

The names of the Directors and their functions are listed on pages 62 to 64.

Information to the independent auditors

The Directors who held office at the date of this Report confirm that:

- There is no relevant audit information of which Deloitte LLP are unaware; and
- They have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the forthcoming AGM.

This report, including the Directors' Responsibility Statement, was approved by the Board of Directors on 18 February 2026 and is signed on its behalf by:

By order of the Board

Raj Roy, Group General Counsel & Company Secretary

18 February 2026