



centrica

***Energising a
greener, fairer future***

Centrica plc | Annual Report and Accounts 2025

We're focused on providing the energy, services and solutions our customers need today, while investing in a more sustainable and secure energy future.

For over 200 years, we've remained at the heart of the UK energy sector, with our business now united around a single purpose – energising a greener, fairer future.

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Group highlights

We reported lower earnings in 2025, primarily driven by market challenges in Centrica Energy and outages and lower prices in Infrastructure, however, our performance was resilient in the context of the external backdrop. It was also a year of strong strategic progress for the Group as we lay the foundation for the next phase of growth. Supported by continued operational improvements and greater levels of customer satisfaction, we grew customers across Retail. Alongside this, we delivered a step-change in our investment programme, investing in crucial strategic assets for the UK energy system such as the Sizewell C new nuclear power station and the Grain LNG terminal, as we continue to pivot our Infrastructure portfolio to help create a fundamentally stronger and higher quality Centrica.

Group operational metrics

Home Energy Supply UK Touchpoint Net Promoter Score (NPS) ^(1,2)		Home Services UK Engineer NPS ^(1,2)		Total recordable injury frequency rate (per 200,000 hours worked)	
2025	 +33	2025	 +76	2025	 0.61
2024	 +29	2024	 +73	2024	 0.63
Colleague engagement ⁽³⁾		Total greenhouse gas emissions (tCO ₂ e) ⁽⁴⁾			
2025	 7.9	2025	 1,580,933 †		
2024	 8.1	2024	 1,732,328		

Group financial metrics (Year ended 31 December 2025)

Group statutory operating profit (£m)		Group adjusted operating profit (£m)		Group statutory basic EPS (pence)		Group adjusted basic EPS (pence)	
2025	 106	2025	 814	2025	 (1.5)	2025	 11.2
2024	 1,703	2024	 1,552	2024	 25.7	2024	 19.0
Group statutory net cash flow from operating activities (£m)		Group free cash flow (£m)		Adjusted net cash (£m)		Full year dividend per share (pence)	
2025	 695	2025	 (167)	2025	 1,487	2025	 5.5
2024	 1,149	2024	 989	2024	 2,858	2024	 4.5

† Included in DNV Business Assurance Services UK Limited (DNV)'s independent limited assurance engagement. See page 253 or centrica.com/assurance for more.

(1) Measured independently, through individual questionnaires, the customer's willingness to recommend British Gas following contact or a Home Services gas engineer visit.

(2) The Group has redefined its operating and reportable segments during the year to reflect a change in the way the business is organised. Reportable and operating segments are now defined as Retail, Optimisation and Infrastructure. Home Energy Supply UK and Home Services UK are both part of the Retail segment.

(3) Engagement is based on an average score out of 10 and measures how colleagues feel about the Company.

(4) Comprises Scope 1 and 2 emissions as defined by the Greenhouse Gas Protocol. 2024 restated due to availability of improved data.

Unless otherwise stated, all references to the Company shall mean Centrica plc (registered in England and Wales No. 3033654); and references to the Group shall mean Centrica plc and all of its subsidiary undertakings and equity-accounted associate/joint venture undertakings; and references to operating profit or loss, taxation, cash flow, earnings and earnings per share throughout the Strategic Report are adjusted figures, reconciled to their statutory equivalents in the Group Chief Financial Officer's Report on pages 18 to 22. See also notes 2, 4 and 10 to the Financial Statements on pages 141, 149 to 152 and 164 for further details of these adjusted performance measures. In addition see pages 248 to 252 for an explanation and reconciliation of other adjusted performance measures used within the document. This Annual Report and Accounts does not offer investment advice, and does contain forward-looking statements. The Disclaimer relating to this Annual Report and Accounts is included on page 257.

Centrica at a glance

Centrica is an integrated energy company, connecting customers to secure, efficient and low carbon energy solutions. Across the energy system, we create value for all our stakeholders by producing, optimising and delivering the energy needed today, while supporting the transition to a greener, fairer future.

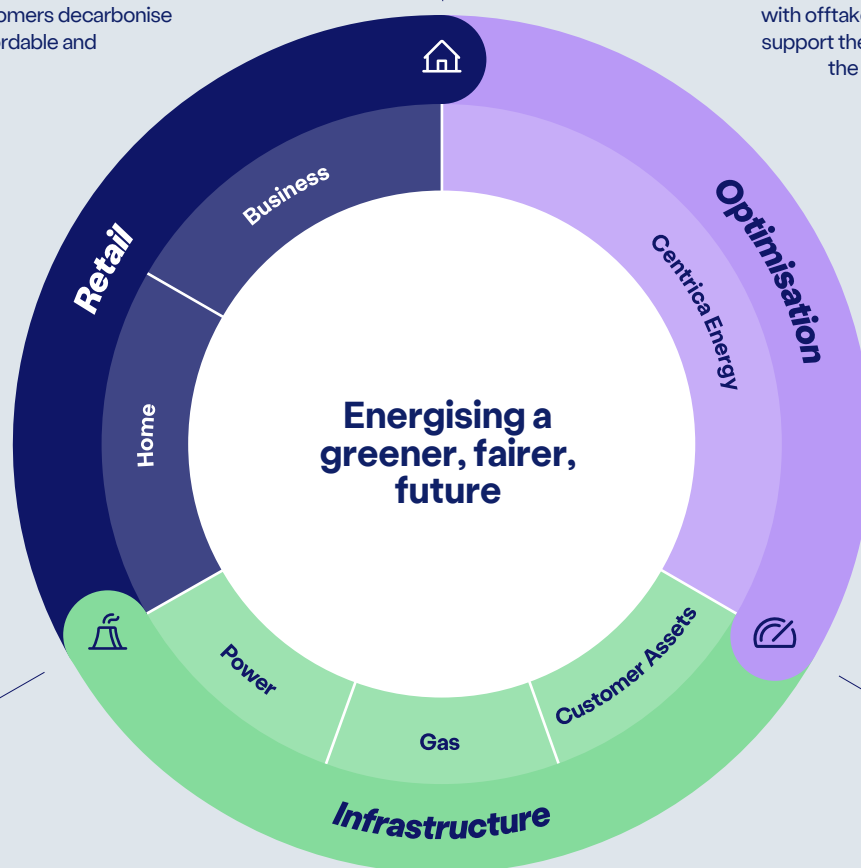
Our business model

We provide a leading customer experience for energy supply and services across the UK and Ireland, helping customers decarbonise through reliable, affordable and innovative offerings.



We move energy from source to use, connecting producers and suppliers with offtakers while continuing to support the flexibility required for the future energy system.

centrica
Energy



We are investing to build a low carbon, reliable energy system from upstream generation and storage assets to smart technology enabling flexibility for consumers.



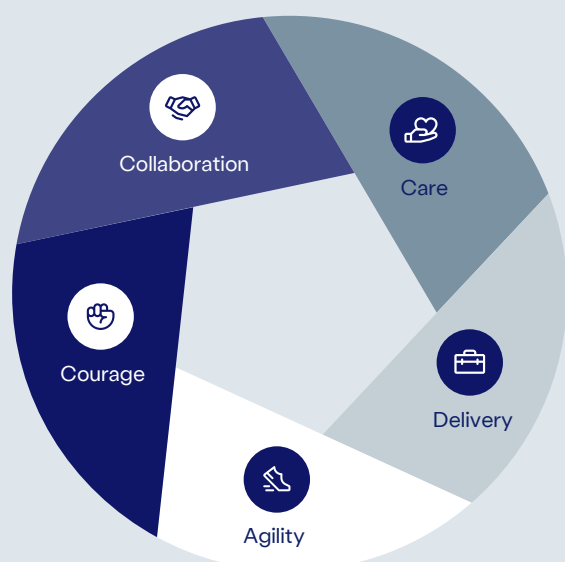
centrica
energy storage⁺

centrica
Power

centrica
Smart Meter Assets

— Read more about our business model on page 14

Our values



— Read more about our Purpose and values on page 11

Our People & Planet Plan



Our People & Planet Plan is creating a more sustainable future – from becoming a net zero business by 2040 and helping customers be net zero by 2050, to building the diverse and inclusive team we need to succeed whilst making a big difference in our local communities.

— Read more about our People & Planet Plan on page 42, with further information available at centrica.com/peopleandplanet

Key figures

22,000

Colleagues worldwide

7,000+

Field service engineers

10m+

Customers

19.5GW

Renewable and flexible capacity under management

>50%

Of the UK's total gas storage capacity

20%

Share of the UK's nuclear power generation

10%

Of Ireland's power demand

Chair's statement



Kevin O'Byrne

Chair



In a fast-changing environment, we remain focused on delivering for our customers and colleagues, creating sustainable value for our shareholders while contributing to a fair UK energy transition.

The past 12 months were marked by significant challenges and opportunities. Throughout, Centrica has remained steadfast in its commitment to supporting customers and colleagues, delivering resilient performance in a challenging environment, executing our strategy and delivering for shareholders. This Annual Report sets out how we are building a strong, responsible business, one that is well positioned to lead in a rapidly changing world.

Supporting our customers

Despite some of the pressures easing on energy bills, your Board remains committed to supporting customers through challenging times. The cost of living pressures and concerns around energy security continue to test households and businesses alike.

I'm proud of how we've supported those who need it most, especially through our £140m energy support package, which we launched in 2022, and is the UK and Ireland's largest voluntary energy sector initiative. We continue to find innovative ways to support our customers, including our pioneering 'You Pay: We Pay' programme, which matches payments made by customers in or at risk of fuel poverty.

Through our energy support package alongside our wider support, we also strengthened our partnership with the British Gas Energy Trust, enabling it to expand grants and provide accessible community-based energy advice. Over 2024–25, the Trust helped 72,000 people and distributed £14.3m in grants to help

households and organisations across Britain tackle energy debt, receive guidance and restore financial stability.

These actions provide vital support to those most in need and demonstrate our commitment to fairness and responsibility, strengthening the trust placed in us across our customer base.

Unsurprisingly, trust is one of the key factors in why consumers choose their energy supplier, and I am pleased that our customer trust and satisfaction scores have shown marked improvement, reflecting the positive impact of our efforts across all our brands. Our British Gas Trustpilot score is at its highest level at 4.4, reflecting increased investment in customer service training, the rollout of digital tools that make energy management easier, and our single-minded brand positioning around reliability. This will remain an area of continued focus for your Board.

A more coordinated approach to managing customer debt is needed

While our internal initiatives have strengthened our approach to managing debt, retail bad debt remains a significant focus, increasing to £418m this year from £369m in 2024. More broadly, managing consumer debt across the wider energy sector demands a more coordinated and pragmatic approach that reflects the scale and complexity of the challenge. Rising arrears, now exceeding £4bn industrywide, underscores the need for solutions that go beyond short-term relief and tackle structural issues such as affordability, data-sharing and support for vulnerable households. A coherent strategy should unite government, suppliers, regulators and stakeholders around interventions that prevent debt accumulation, enable data sharing to facilitate fair recovery and protect those most at risk. This is not simply about balancing books; it is about sustaining financial stability across the market while ensuring households can meet essential energy needs without falling into a cycle of unmanageable debt.

Creating the best environment for colleagues

Ensuring our colleagues are supported and engaged remains a strategic priority for the Company and your Board. Over the past year, we have continued to invest in our award-winning wellbeing, training and skills development programmes. We are proud of the continued focus on colleague engagement and for the fourth consecutive year, Centrica has been named in The Times Top 50 Employers for Gender Equality ranking us highly for our focus on creating an environment where colleagues can thrive. This has helped us attract and retain talented people, while fostering a culture of inclusion and continuous improvement.

I am always impressed by the lengths our colleagues go to help our customers and help deliver great performance, and for this I am hugely grateful.

Board changes and governance

The Centrica Board is here to serve you, our shareholders, and is committed to robust oversight and governance, providing strategic direction and accountability.

It is an honour to lead a dedicated and effective Board that collaborates constructively with the executive team. The Board's aim is simple: to strengthen Centrica and consistently deliver value for our shareholders. In the fast-moving world in which we operate, ensuring our Board has the breadth of experience required is critical. I am delighted that Alessandra Pasini joined the Board this year; with a background in investment banking, Alessandra brings a wealth of international experience in renewable energy, battery storage solutions and green hydrogen. We also welcomed Frank Mastiaux, an energy industry veteran whose international leadership roles in some of the world's largest energy companies brings invaluable insight and experience to our team.

I would like to extend my sincere appreciation to colleagues departing from the Board. Heidi Mottram, who joined in 2020 and served as Chair of the Safety, Environment and Sustainability Committee (SESC), stepped down at the end of 2025. Carol Arrowsmith, who has served on the Board since 2020 and as Chair of the Remuneration Committee, will step down at the conclusion of our AGM in May 2026. I am very pleased that Amber Rudd has taken on the role of Chair of the SESC and Sue Whalley will become Chair of the Remuneration Committee from May. Nathan Bostock,

a Board member since 2022 and Chair of the Audit and Risk Committee, will leave in the summer of 2026 and his successor will be announced in due course.

The effectiveness of the Board is underpinned by Centrica's culture, a foundation that drives performance, supports our strategy and ensures robust governance. We foster collaboration, innovation and integrity at every level, empowering colleagues to deliver their best and contribute to our shared purpose. Our Purpose and Values guide every decision.

Performance overview

Despite 2025 being a challenging year, Centrica still delivered resilient financial and operational results. Our Retail and Infrastructure businesses performed broadly in line with expectations, though Centrica Energy's optimisation activities delivered weaker than planned results amid particularly difficult market conditions.

Group adjusted EBITDA for the year was £1,417m and operating profit was £814m, down from £2,305m and £1,552m respectively in 2024, with adjusted EPS just over 11 p. The Group generated over £900m of adjusted operating cash flow, while free cash flow moved into a modest almost £200m outflow, driven primarily by a deliberate and accelerated step-up in strategic investment to £1.2bn.

Your Board is mindful of our responsibility to carefully manage our free cash flow. Over the past year, we have made significant investment decisions, and we've focused on maximising sustainable profitability across our range of businesses. It has been one of our most active periods for investment in recent years, and Chris will provide further detail in his statement.

Looking ahead, we anticipate that cash flow from our existing infrastructure assets will gradually be supplemented by contributions from new investments. These new assets are expected to deliver stable and predictable earnings, ensuring a reliable income stream over time. Our investment in a 15% equity stake in Sizewell C is a very good example of our strategy to deliver long-term, stable earnings. We also announced a 50% investment into the Isle of Grain Liquefied Natural Gas (LNG) terminal in partnership with Energy Capital Partners LLP. Grain LNG delivers vital energy security for the UK and is aligned with the strategy of investing in regulated and contracted assets supporting the energy transition. At the same time, when we hold surplus capital, we carefully

consider the best way to return value to our shareholders. In 2025, we increased our share buyback programme by an additional £500m, 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. Alongside this, we returned further value to shareholders through a full-year dividend of 5.5p, which included the interim dividend of 1.83p announced in July.

Progress towards net zero

Looking forward, your Board will remain focused on energy security, a fair transition and delivering our net zero ambitions. Our updated Climate Transition Plan, launched in January 2025 with strong shareholder support, sets out how we will balance these priorities. Your Board actively oversees this plan to ensure Centrica continues to lead the energy transition responsibly.

I'm pleased to say we have made good progress, achieving key emissions reduction milestones. We are on track or ahead of all customer climate goals, from installing smart low carbon technologies like Hive thermostats to expanding green tariffs and growing the green skills of 1,900 engineers toward our 2030 ambition of 3,000.

Meanwhile, we continued to decarbonise operations and grow sustainable energy supply through renewable and zero carbon investment, new technologies and strategic partnerships aimed at reducing emissions across power generation, gas storage, LNG shipping and our van fleet.

Our commitment to a fair transition helps ensure no customer or community is left behind.

We measure and report progress through rigorous KPIs and benchmarks and remain committed to addressing performance gaps and acting on stakeholder feedback to refine our strategy and deliver on our promises.

Outlook for the next year and the evolving landscape

Turning to 2026, the energy landscape remains dynamic, shaped by geopolitical developments, regulatory shifts, technological advancements and changing customer expectations. The Government's decision to remove some levies from consumer energy bills from April this year is a welcome step for households. This has been an issue we have lobbied on for over

five years and will put money in the pockets of consumers; however as noted earlier, we remain highly concerned about the growing level of bad debt in the energy industry, which has now reached levels the sector has never experienced before. This is unsustainable and represents a structural risk to the sector's stability.

We have been clear about our concerns and will continue urging Ofgem to work with government and industry on a solution that helps distinguish customers who genuinely cannot pay from those who can but choose not to.

We appreciate this is a complex area, but it requires urgent attention. Equally, we must remain vigilant in how we support our most vulnerable customers. We continue to engage with our regulator regarding past issues in the installation of prepayment meters. Whilst we have not resumed this practice, it is clear this issue remains a sector-wide challenge. In that respect, we have taken decisive steps to address areas where we fell short.

We will continue to assess the opportunities for Centrica including innovation in energy solutions, expansion into new and existing markets, and leveraging our expertise in trading and optimisation. At the same time, we are alert to risks such as price volatility, supply chain disruptions and geopolitical uncertainty. Against this evolving landscape, our strategy continues to evolve, particularly in Power generation, ensuring we remain agile and responsive to market shifts as the world becomes increasingly electrified and dependent on data centres.

Our resilience and adaptability are core strengths, enabling us to navigate uncertainty and seize opportunities for growth. As always, your Board will consider the barriers to delivering our strategy and remain alert to emerging risks. We prepare for these changes by continuing to invest in digital transformation and harnessing the power of AI, enhancing our risk management capabilities and deepening our engagement with regulators and policymakers. Our commitment is to safeguard the interests of our customers, colleagues and shareholders as we navigate these challenges and opportunities.

In a fast-changing environment, we remain focused on delivering for our customers and colleagues, creating sustainable value for our shareholders while contributing to a fair UK energy transition.

In closing, I would like to thank our colleagues, customers and stakeholders for their ongoing support and trust. Centrica is well positioned to deliver sustainable value for shareholders and society, and I am confident in our direction and ability to lead in a rapidly changing and complex world. Together, we will continue to build a resilient, responsible business that makes a positive difference for all of us.

Kevin O'Byrne, Chair

18 February 2026

Group Chief Executive's statement



Chris O'Shea
Group Chief Executive



I am confident that the future's looking good for Centrica. The world's changing fast, with technology and AI driving up electricity demand like never before. That means more complexity, more need for reliable, sustainable energy.

A year of strategic progress and investment

I never forget who I work for, I work for you, our shareholders, the owners of our Company. And my job is to create value for shareholders, which includes every single Centrica colleague. We do this by doing three things: delivering great customer service for our 10m plus customers; investing your money wisely; and helping our nearly 22,000 colleagues to be at their best as they energise a greener, fairer future.

2025 has been a big year for us – lots of progress and lots of bold moves. I'm really proud of how far your Company has come, not just making the energy supply more secure where we operate but also putting ourselves right at the heart of the energy transition whilst growing our businesses.

Delivering great customer service

For years we've been improving our customer service, although the results can take quite a while to feed through. So, I'm delighted that for the first time in a number of years we have grown customer numbers in all of our businesses. And our customer satisfaction measure (Net Promoter Score) is the highest it's ever been in the UK energy business. The investment we've made in improving our service is really starting to show. The Institute for Customer Service's latest UK Customer Satisfaction Index ranked British Gas among the top 20 most improved organisations over the past year and

Uswitch has awarded British Gas most improved energy company for the second consecutive year. I'm delighted for our colleagues who've worked so hard to make this happen.

Now this doesn't mean the journey is over – we are continuously looking at ways to better serve our customers. And we must always remain vigilant in how we treat our vulnerable customers. More than three years ago we discovered that we had fallen short of our own high standards in how we installed prepayment meters for certain customers. This issue is subject to an ongoing Ofgem investigation, and I said at the time how gutted I was, and I know it was a difficult moment for many colleagues who work so hard to do the right thing. It's strengthened our resolve to learn and keep improving. Whilst subsequent events have shown this to be a wider energy sector issue, we can never forget how we let some of our customers down and we've taken substantial steps to improve our processes and to help prevent these issues from happening again. We know how challenging it is for customers who are struggling to pay their bills and we're acting where it matters most and partnering with The British Gas Energy Trust and leading advice organisations such as StepChange, to deliver rapid, targeted support for customers in serious financial difficulty. Through frontline training, trusted community partners and high-impact national outreach initiatives, we're making it easier for vulnerable customers to access grants, guidance and practical help that genuinely cuts the pressure. We have made huge improvements, and your company is now very different from the one it was just three years ago.

This year, we've continued to raise our game – using technology and AI to make things simpler and smoother for our customers. We've cut out unnecessary steps, sped up decision-making and freed up more time to deliver for our customers. These small changes add up: reduced call volumes, problems sorted faster, happier customers, and better retention. That means tighter cost control and stronger revenue and profit growth.

And we want to make sure that our customers have the energy they need, when they need it. A report at the end of last year from NESO, the UK's national energy system operator, which has warned of the risk of gas shortages as Britain gets into the 2030s, underscores how gas will remain important over the course of the transition. This is why we bought Grain LNG, why we want to redevelop Rough, and why we signed a £20bn deal with Equinor, securing 5bn cubic metres of gas a year until 2035. That's a ten-year partnership with Norway that helps keep the UK's energy secure and prices steady.

Investing your money wisely

Putting £1.3bn into Sizewell C isn't just a great investment; it's about making sure the UK has reliable, low carbon power for years to come. Building nuclear plants is tough work, and credit where it's due – this Government (and the last one) saw the need and backed it. That's what doing the right thing for the country looks like. By creating a proper regulatory framework, they've made it possible for us to invest, and that's good news for everyone: colleagues, customers and shareholders.

Energy transitions aren't just about tech or ambition – they're about balancing what's possible with what's needed. You've got to juggle global markets, budgets, and what customers want. It's about finding the sweet spot between ambition and security, innovation and reliability, renewables and, yes, natural gas. Our investment in Europe's largest LNG terminal – Grain LNG – with Energy Capital Partners is a further proof point of our strategy to pivot towards stable, predictable infrastructure returns.

These investments aren't just one-offs – they're part of our plan to keep building real, long-term value for you. This year has also seen us working in partnership with the impressive US company, X-energy, to bring up to 6GW of advanced modular power stations to the UK. Whilst it's early days in the development of the next generation of small nuclear assets, it feels like there is now genuine momentum around this technology here and elsewhere in the world.

Our valued colleagues

I know I say this a lot, but having a great team is why we have happy customers. Every day, 22,000 people roll up their sleeves and make a difference for our customers, our business and our communities. I'm proud of the way our teams have stepped up this year – embracing new technology, driving operational improvements and always putting customers first.

I know organisational change to simplify our business and deliver better outcomes for customers hasn't been easy for colleagues, but I am pleased to say that we have supported colleagues through change and managed to maintain a strong engagement score of 7.9 out of 10. This gives us a good foundation to build on in 2026 and really focus on continuing to create the culture we want. We're breaking down silos, encouraging collaboration and making sure every voice is heard. Whether people are on the phones, in British Gas, Bord Gáis, Hive or PH Jones vans, at our energy assets, or working behind the scenes, colleagues' ideas and energy are what will drive Centrica forward.

We never stop investing in our people – they're the heartbeat of this Company and the reason we keep delivering. Opening our new facility at Lutterworth in 2026 will be a big moment for us. This £35m green campus brings together a national distribution centre, advanced technology labs and a new green skills academy. It strengthens our operational capability and the infrastructure we need for the energy transition. By investing in large-scale apprenticeship programmes and new research and training facilities, we're thinking about the long term, helping to build the skilled workforce needed for the UK's energy transition. It's another example of how we're preparing our colleagues – and our business – for a cleaner, more secure energy system in the years ahead.

Transformation isn't just something we're talking about – it's something we're delivering. And our People team has played a vital role in making that happen. Over the past year, they've supported significant restructuring and helped embed new operating models that are essential for our long-term growth. None of this work is easy, but we've approached every step with care, integrity and a focus on doing the right thing.

Our Senior Leadership Team (SLT) is made up of my direct reports and their direct reports, around 100 people. We get together regularly to ensure cohesion and alignment. We continue to commit to three core principles that shape our culture and the way we work, individually and as a team:



One team

First and foremost, we work for Centrica. So, when faced with making a decision, the question every leader must ask themselves is 'is this good for the Company?'.



Ownership

We must own the outcome of our actions, not assuming that someone else will fix something we see which needs fixing, and asking ourselves whether what we are doing will improve things for our customers.



Growth mindset

We must innovate and try new things; asking ourselves 'why not?' rather than 'why?' when someone suggests a new idea; asking ourselves 'what needs to be true?' to make something work rather than state why something won't work.

If we can continually live by these three themes and demonstrate our five core values, we will continue the evolution of our culture, delivering a step change in our performance and creating material value for you, our shareholders.

A big part of this has been equipping our managers to lead through change in the right way. We've invested in targeted training, effective communication skills and one-to-one support so leaders can handle difficult situations with clarity and compassion. And where change has directly affected colleagues, we've prioritised wellbeing and career continuity – offering career development tools, wellbeing initiatives and redeployment support to protect as many roles as possible. That matters, because while transformation is strategic, it must also be deeply human.

At the same time, we're rewiring how we work through a technology-led transformation that strengthens accountability, builds new skills and helps us serve customers better. Our People team has been at the centre of this shift, helping us move faster and operate with greater agility, while making sure colleagues stay supported and informed.

Throughout all of this, our colleagues have stayed focused on what really matters. Their resilience and commitment have enabled us to make real progress at pace.

Because ultimately, transformation isn't about systems or structures – it's about people and our colleagues continue to be the driving force behind Centrica's success.

I want to thank every colleague for their hard work, commitment and passion. Together, we're not just delivering for today – we're building a greener, fairer future for everyone.

Business performance

We made good progress in key areas, but tough trading conditions elsewhere held us back. Global market uncertainty hit Centrica Energy harder than expected, and unseasonably warm weather plus higher bad debt put pressure on our supply business. None of this changes the direction of travel – it just shows the importance of staying focused, adapting quickly and dealing with issues head-on.

Our Group adjusted operating profit was £814m compared to £1.6bn at year-end in 2024, with adjusted Basic EPS of 11.2p in 2025 compared to 19.0p in 2024, and free cash flow of £167m. Performance has been resilient, given the market, and gives us the confidence to invest further and ensure strong performance in the future.

Customer satisfaction levels continue to improve across all our customer-facing brands, with a British Gas Trustpilot score of 4.4 (Excellent) and we have grown customer numbers in all our customer facing businesses; this is the first time this has happened and shows we have momentum. I am particularly pleased to see good progress in our Services business supported by strong boiler installations in 2025, meaning we hit our profit target one year ahead of schedule. More detail on our business performance can be found in Russell's report on pages 18 to 22.

Future prospects: building a sustainable and resilient business

I am confident that the future's looking good for Centrica. The world's changing fast, with technology and AI driving up electricity demand like never before. That means more complexity and more need for reliable, sustainable energy – exactly what Sizewell C will deliver.

We're grabbing future opportunities with both hands. We're investing in new technology, sharpening up how we work and getting ready for the next stage of our transformation in 2026 and beyond. The goal? Make Centrica leaner, quicker on its feet and always focused on giving customers what they want while chasing new growth across the energy sector to deliver value for our shareholders.

We've set ourselves a big target to grow profits and value, and with expected extensions to our existing nuclear power stations, we expect to deliver £1.7bn EBITDA by 2028, rising to £2bn in 2030. Underpinning this will be a cost base which stays flat for the coming 5 years.

Our leaders are now more focused on what's best for Centrica as a whole, not just their own businesses. By breaking down silos and working together, we're rolling out the joined-up products and services that only we can offer. There is still much to be done in making these important changes but I can already see results where our focus on simplification is driving a quicker, leaner and more efficient business. By reducing bureaucracy and embracing technology, we are creating the right environment for

our colleagues to ensure we remain competitive in a rapidly evolving market. This transformation is not just about cost savings; it is about creating a culture of agility and innovation that will underpin our future success.

The regulatory environment

We've achieved a lot this year, but there are still concerns with how our market is regulated. If we want to attract investment and keep the energy transition moving, we need high-quality economic regulation and clear rules applied consistently that give investors' confidence to deploy capital. When we look at the retail market in particular, whilst we welcome the capital adequacy rules that have been introduced for the energy supply sector, implementation has been slow and inconsistent over the past few years. We've seen a couple of suppliers go bust this year and I am worried about a return to the period when half the energy market went out of business, costing consumers billions of pounds. And right now, there's billions of debt building up across the sector. We need our regulator to work with the sector to stop the burden of non-payment falling on the shoulders of those customers who do pay. The strain of growing bad debts, coupled with the large suppliers who do not hold the capital required under Ofgem's rules, presents a systemic risk to the energy retail market and we are at real risk of seeing more suppliers go under, which creates confusion and risk for customers, in turn damaging the investment case for the sector. Ofgem has said that the industry holds more capital today than it did three years ago, and that is great. But what counts is what each individual supplier holds in capital, and it remains worrying that a number of the UK's biggest energy suppliers still don't hold the capital Ofgem requires under its rules.

Conclusion: delivering for the future

The strategy we set out in 2023 is delivering for colleagues, customers and shareholders; this is reflected in a share price which has outperformed the FTSE 100 by 12.5% and we remain committed to investing around £4bn as part of our investment programme leading up to 2028, focusing only on projects with the right balance between risk and reward.

2025 has been a year of delivery. Our investments in Sizewell C, Isle of Grain, and other strategic assets have strengthened our operational foundation and demonstrated our leadership in a rapidly changing energy landscape. We are driving transformational operational improvements, building a quicker and leaner business, and preparing for a future defined by innovation and sustainability.

However, we remain clear-eyed about the challenges ahead, particularly in relation to the regulatory environment. We will continue to advocate for the changes needed to unlock further investment and deliver for our customers, colleagues and shareholders.

I am proud of what our amazing colleagues have achieved, and we are excited about the opportunities that lie ahead. Together, we will continue to build a business that is resilient, sustainable and fit for the future. One which delivers for our colleagues, for our customers and for the people we all work for, our shareholders.

Chris O'Shea, Group Chief Executive

18 February 2026

Our Purpose

From supplying the gas and coal that powered the industrial revolution, to becoming the global integrated energy company we are today, we've been providing energy for over 200 years. Our Purpose is 'energising a greener, fairer future' because we believe in energy that works for customers, colleagues and communities today and in the future.

Our values...

Care

We do the right thing for our customers, colleagues, communities and planet.

Collaboration

We bring in diverse perspectives to create a better future together.

Courage

We are bold and push ourselves to find better solutions to every challenge.

Agility

We make progress at pace by focusing on what matters and learning from setbacks.

Delivery

We do what we promise, on time, every time, to move forward every day.

...in action

Through organisations such as the British Gas Energy Trust and local charities, we provide meaningful support to our customers and communities. Since 2004 the Trust has provided over £230m to help households struggling to pay their energy bills.

Our investment in Sizewell C this year, was the result of strong relationships with government, developers and investors to establish a framework that benefitted all parties and supported low carbon generation, new jobs across the country and energy independence for the UK.

In 2025 we signed a partnership agreement with X-energy to deploy advanced modular reactors in the UK, developing technology that is not only scalable and secure, but also supports national security, affordability, sustainability and resiliency in our energy system.

Since 2024 we have installed smart meters through our in-house Meter Asset Provider (MAP). Our initial pilot installations provided us with key learnings, allowing us to adapt quickly and refine our approach. We are continuing to accelerate the MAP business, with over 1.6m Centrica-owned meters installed.

In 2024, British Gas launched our Service Promise campaign, providing a same-day visit from our boiler service engineers for customers that call us before 11 am. This service is available to all UK households, demonstrating our dedication to provide fast, reliable and affordable service across the country.

Our stakeholders

Engaging our key stakeholders enables better outcomes for people and planet.

Energy is central to everyday life. So the choices we make and the action we take can impact a diverse range of stakeholders. That's why we listen to and consider stakeholder views to ensure we understand their needs and concerns. As we evolve our strategy, stakeholder input enables us to reduce risk and harness opportunities to energise a greener, fairer future.

Engagement is led by senior leaders who regularly update the Board. This equips the Board with the knowledge to make informed decisions that considers the long-term consequences of our actions from the perspective of different stakeholders.

We recognise that outcomes of Board decisions may not materialise as anticipated or may change, and that not all decisions will have immediately observable outcomes.

Our key stakeholders



Customers

By understanding our customers' needs, we can provide services and solutions that meet or exceed their expectations, which drives the success of our business.

What they care about

Customer service, competitive energy prices, affordable energy management and bill support alongside low carbon services and solutions.

How we engage

Surveys, focus groups, proposition and usability testing, alongside dedicated channels to help people with their energy bills.

Outcome example

In response to customer service feedback, Directors monitored service performance and invested in technology and capability to improve it. This led to Home Energy Supply completing a system migration in the UK that enhanced customer interaction and contributed to lower complaints as well as a higher Net Promoter Score. British Gas consequently received Uswitch's Energy Award for 'Best Overall Improvement' for the second consecutive year.

— **Read more** on pages 4, 7 to 8, 25, 37 and 44 to 45



Colleagues

We want every colleague to feel they count and can succeed at Centrica. This is key to attract and retain a diverse and talented team who can deliver our strategy.

What they care about

Engagement, inclusion, wellbeing, safety, development, reward and company performance.

How we engage

Engagement surveys, colleague diversity networks, focus groups, the Shadow Board, site visits, townhalls, internal communications and trade unions.

Outcome example

Our parent and LGBTQ+ networks told us we could do more to support them. By collaborating with networks and trade unions in the UK, we extended paid paternity leave and launched our sector's first Transgender Inclusion Policy for those undergoing gender-affirming treatment. Inclusive practices like these influenced our positive engagement score and position in leading benchmarks like The Times Top 50 Employers for Gender Equality and the Glassdoor Top 50 Best Places to Work in the UK.

— **Read more** on pages 8 to 9, 38, 43 to 47, 59 and 67



Investors

Shareholders and debt holders provide funds that help run and grow our business. With a shared commitment to our success, collaboration can stimulate sustainable progress and returns.

What they care about

Financial and operational performance, sustainability performance including net zero progress, strategy and growth as well as shareholder returns and dividends.

How we engage

Investor roadshows, the Annual General Meeting (AGM), ad-hoc meetings and responses to information requests and assessments from sustainability ratings agencies.

Outcome example

Meetings and webinars were held with investors to discuss the energy transition. Through engagement, we were able to align on expectations as we updated and published our Climate Transition Plan. The Board were involved in the Plan's development and approval, incorporating the full range of investor feedback. At the AGM, the Plan achieved a 93.44% favourable shareholder advisory vote.

— **Read more** on pages 11, 38, 45, 55 and 67

Section 172(1) Companies Act 2006 Statement

The Directors consider that they have performed their duty as required under Section 172(1)(a) to (f) of the Companies Act 2006 by promoting the success of the Company for the benefit of stakeholders through their decision-making.

These pages set out our key stakeholders and an outcome example. Further detail on how the Board engaged and balanced the needs of different stakeholders to make principal decisions during 2025, are disclosed on pages 70 to 71.

**Governments and Regulators**

Maintaining constructive relations is key to ensuring a stable regulatory environment where policy is developed in the interests of consumers, whilst enabling a sustainable and investable market.

What they care about

Market design and operation, economic growth, net zero, energy security, affordability, customer service, skills and inclusion.

How we engage

Consultation processes, meetings and policy briefings, technology teach-ins, roundtables and site visits.

Outcome example

Through sustained engagement with policymakers, we successfully influenced the progressive decision to move policy costs relating to energy efficiency schemes from the energy bill to general taxation. This was announced in the UK November 2025 Budget and will importantly ease pressure on bills for those least able to pay.

— **Read more** on pages 9, 37 to 39, 69 and 71

**Suppliers**

Partnering with like-minded suppliers enables high standards and reliability across the supply of services and solutions for customers as well as our operations.

What they care about

Payment practices and long-term partnerships together with compliance and transparency across sustainability matters like human rights.

How we engage

Tendering, onboarding surveys, site audits and remote worker surveys.

Outcome example

Members of the Board reviewed our Responsible Sourcing strategy to mitigate human rights risks, considering supplier audits and external expert input, before approving the annual strategy. This enabled continued compliance with the UK Modern Slavery Act 2015, with zero cases of forced or compulsory labour identified.

— **Read more** on pages 47 and 85

**Communities and NGOs**

Charities, non-governmental organisations (NGOs) and community groups, help us understand how to collaborate with local communities to build a fairer, more sustainable future.

What they care about

Tackling social and environmental issues such as fuel poverty and climate change.

How we engage

Partnerships, meetings and research alongside support initiatives – from advice, grants and energy efficiency measures to reduce energy bills and emissions, to volunteering, fundraising, and sponsoring local organisations.

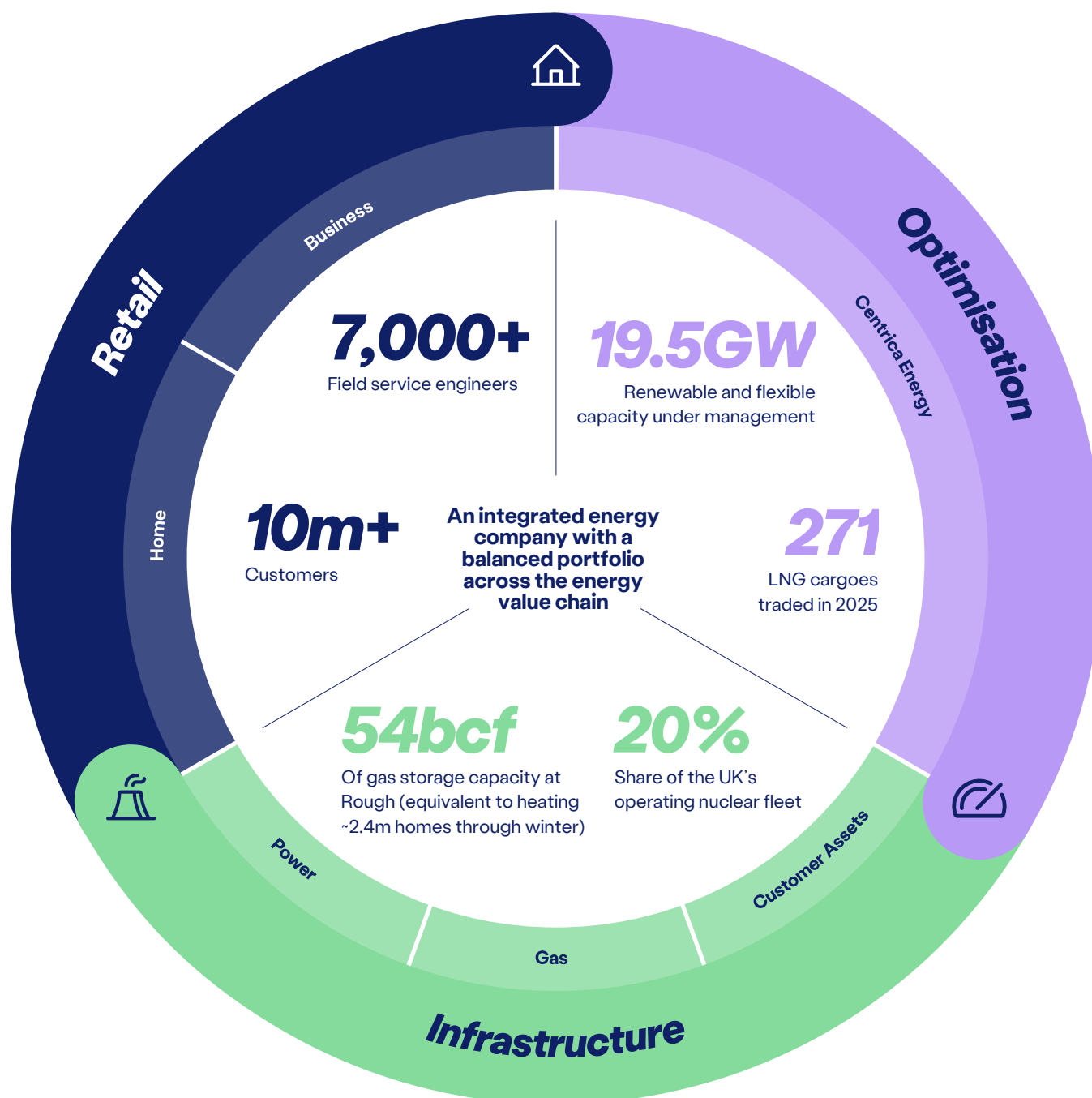
Outcome example

Members of the Board maintained oversight of our local community strategy to ensure effectiveness in supporting diverse needs. With a consideration of these needs, the Directors enabled the continued support of local good causes during the year which included £3m in donations and 10,500 volunteering days.

— **Read more** on pages 44, 71 and 85

Our business model

Centrica is an integrated energy company, comprising a balanced portfolio of leading businesses in energy retail, optimisation and infrastructure. Our strategy is to create value by producing, optimising and delivering the energy needed to support a secure, efficient and decarbonised energy system today and in the future.



Our business structure



Retail

We provide a leading customer experience for energy supply and services across the UK and Ireland, helping customers decarbonise through reliable, affordable and innovative offerings.

Home

Energy Supply

Through our British Gas and Bord Gáis brands we supply electricity and gas to homes across the UK and Ireland. We are continuously strengthening our operations to drive better customer outcomes and innovative offers to help customers reduce their bills, while decarbonising their homes. Our energy supply business is powered by ENSEK, an in-house digital platform for seamless customer account management and billing.

Services

Our home services division provides customers with installation, repair and maintenance of heating, plumbing and electrical appliances through our British Gas, Bord Gáis and Dyno-Rod brands. We also offer customers decarbonisation and energy efficiency solutions such as Hive smart thermostats, electric vehicle (EV) chargers, heat pumps and rooftop solar, which together with our energy offers, helps customers on their net zero journey.

Business

We provide energy supply and low carbon solutions for businesses across the UK and Ireland. Our broad suite of offerings enables us to deliver tailored solutions such as energy management or on-site generation to help businesses cut costs and emissions.



Optimisation

We move energy from source to use, connecting producers and suppliers with offtakers, while continuing to support the flexibility required for the future energy system.

Centrica Energy

Gas and Power Trading

Our gas and power traders operate in 29 power markets and 19 gas hubs across Europe and the United States, managing physical and financial flows across borders, leveraging real-time analytics, storage flexibility and transport capacity to balance portfolios, capture market value and ensure security of supply.

Bord Gáis Trading merged with Centrica Energy this year, strengthening our capabilities and enabling greater integration across the UK and Ireland.

Liquefied Natural Gas (LNG) Trading

Our global LNG business delivers cargoes anywhere in the world managing flexible purchase contracts, long-term ship charters, re-gas capacity, and financial and physical trading.

Renewable Energy Trading & Optimisation

We support renewable energy sourcing and long-term investment certainty through structuring power purchase agreements with suppliers and offtakers. We also optimise flexible assets, including batteries and combined heat and power plants, and manage one of Europe's largest biomethane portfolios with our advanced trading and balancing services.



Infrastructure

We are investing to build a low carbon, reliable energy system from upstream generation and storage assets to smart technology enabling flexibility for downstream customers.

Power

Our power division owns and operates utility-scale plants that generate and store electricity, including our shares in the UK's existing nuclear fleet, Whitegate power station and our portfolio of batteries, renewables and gas peakers, with two 100MW peakers in Ireland to be commissioned during 2026.

This year, Centrica has also committed investment into the Sizewell C nuclear power station, reinforcing our long-term support for the UK's low carbon future.

Gas

Centrica's gas infrastructure division produces, stores and transports natural gas and is exploring carbon storage and hydrogen for the future. Our portfolio includes the Rough gas storage facility, gas production from existing fields in the Morecambe Hub through our Spirit Energy joint venture, and the Grain LNG regasification terminal, which we acquired from National Grid this year.

Future developments include the Morecambe Net Zero carbon storage project, which has the potential to be the UK's largest carbon storage hub, and hydrogen production and storage opportunities in the Humber region.

Customer Assets

Customer assets includes our in-house smart meter business which installs, owns and manages smart meters across the UK, helping to deliver the advanced net zero goals for the country.



Our market trends

The energy system is undergoing a fundamental transformation, becoming more electrified, more intermittent and more decentralised, while consumers are looking for more bespoke propositions to help manage their energy needs.

Key market trends



Growing affordability concerns

Inflation remains elevated across the UK and Ireland, and our customers continue to face challenges from high costs and sluggish economic growth, with some customers struggling to pay bills.

We know that rising household bills are a real worry for many people across the UK. Tackling energy debt and fuel poverty is a priority for us and we've voluntarily committed £140m since 2022 to ensure no one faces these challenges alone.



Growing electrification

The UK's commitment to achieving net zero emissions by 2050 is accelerating investments in clean energy sources like wind, solar and nuclear, and increasing policy support for electrified heating and transport.

In 2025 we committed £1.3bn for a 15% equity stake in Sizewell C nuclear power station, investing in reliable, low carbon power for millions of homes, while creating thousands of high-quality jobs across the country.



Growing intermittency

With more unpredictable and intermittent energy generation coming from renewables, the energy system of the future needs to become more dynamic and responsive to balance supply, demand and storage.

This year we acquired the Grain LNG terminal from National Grid. Grain LNG delivers vital energy security for the UK, providing critical LNG regasification and rapid response storage capacity to balance the energy system.



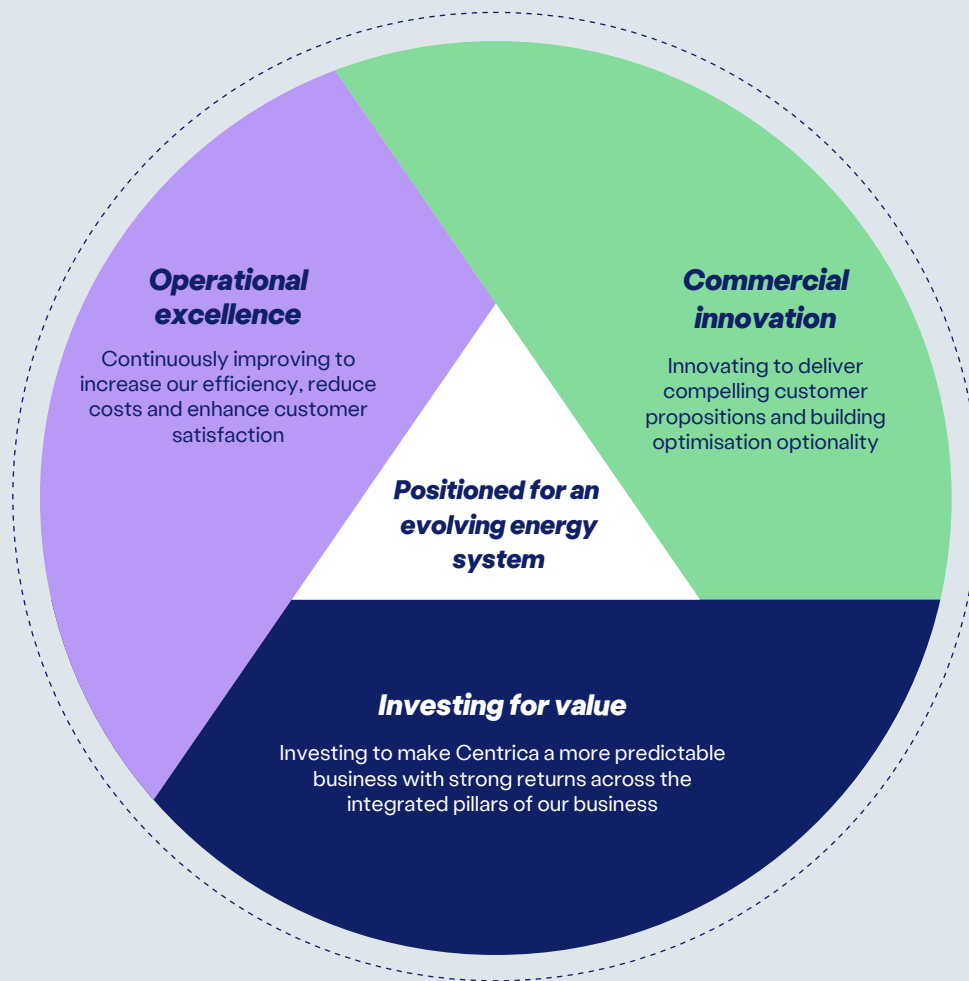
Growing consumer engagement

Advances in technology, such as artificial intelligence and machine learning, are revolutionising the energy sector, unlocking opportunities to improve customer offers, reduce costs and better manage our energy.

Earlier this year, British Gas completed the migration of all residential customers to our ENSEK platform. The platform enables better customer service and new innovative offerings, such as PeakSave, which helps customers lower their bills and manage their energy use more dynamically.

Our strategic drivers

Our company plays an integral role in shaping a greener, more flexible and fairer energy system. We're adopting a simple, focused approach to capitalise on the current market trends and growth opportunities to create value for all our stakeholders.



People & Planet

Our People & Planet Plan is creating a more sustainable future – from becoming a net zero business by 2040 and helping our customers be net zero by 2050, to building the diverse and inclusive team we need to succeed whilst making a big difference in our local communities

— Read more on page 42



People

**Supporting communities,
our planet and each other**

Planet



Group Chief Financial Officer's report



Russell O'Brien

Group Chief Financial Officer

Financial overview

The Group's adjusted EBITDA was £1,417m in 2025 (2024: £2,305m), adjusted operating profit was £814m (2024: £1,552m), and statutory operating profit was £106m (2024: £1,703m).

For more information on business unit performance, see pages 24 to 29.

Adjusted basic EPS of 11.2p (2024: 19.0p) also includes lower net interest income as we invested and returned capital to shareholders, although benefitted from a lower share count. Statutory basic EPS was a 1.5p loss (2024: 25.7p profit) and includes a £708m loss on exceptional items and certain re-measurements (2024: £151m profit), with £508m of impairments largely across our late-life gas field assets and investment in Nuclear (excluding Sizewell C).

Free cash flow (FCF) was a £167m outflow (2024: £989m inflow), which includes the impact of a significant increase in capital expenditure to £1,227m (2024: £564m).

The Group returned £1,064m (2024: £718m) to shareholders in the year, £827m through share buybacks and £237m through dividend payments (2024: £499m and £219m respectively), and ended the year with closing adjusted net cash of £1,487m (2024: £2,858m).

The reconciliation between statutory gross debt and adjusted net cash is shown in note 25.

Adjusted EBITDA, operating profit, earnings and dividend

Year ended 31 December (£m)	Notes	2025			2024		
		Business performance	Exceptional items and certain re-measurements	Results for the year	Business performance	Exceptional items and certain re-measurements	Results for the year
Adjusted EBITDA		1,417			2,305		
Group operating profit/(loss)	4(c)	814	(708)	106	1,552	151	1,703
Net finance income/(cost)	8	6	—	6	44	(68)	(24)
Taxation on profit/(loss)	9	(265)	102	(163)	(553)	239	(314)
Profit/(loss) for the year		555	(606)	(51)	1,043	322	1,365
Less: (Profit)/loss attributable to non-controlling interests		(21)	—	(21)	(59)	26	(33)
Earnings attributable to shareholders		534	(606)	(72)	984	348	1,332
Basic earnings per share	10	11.2p	(12.7p)	(1.5p)	19.0p	6.7p	25.7p
Full year dividend per share	11			5.5p			4.5p

Revenue

Total Group revenue included in business performance, which includes revenue arising on contracts in scope of IFRS 9, decreased by 9% to £22,365m (2024: £24,636m). This was largely driven by the impact of lower commodity prices, and lower seasonal gas price spreads.

Gross segment revenue, which includes revenue generated from the sale of products and services between segments, decreased by 8% to £24,563m (2024: £26,573m). Total statutory Group revenue decreased by 2% to £19,492m (2024: £19,913m).

A table reconciling the different revenue measures is included in note 4(b) of the accounts.

Exceptional items and certain re-measurements included within operating profit

Year ended 31 December (£m)	2025	2024
Certain re-measurements	(303)	279
Exceptional items	(405)	(128)
Exceptional items and certain re-measurements	(708)	151

The Group operating profit in the statutory results includes a net pre-tax loss of £303m (2024: £279m gain) relating to re-measurements, comprising of:

- A net loss of £345m on the re-measurement of derivative energy contracts predominantly due to a loss on delivery of contracts of £299m, together with net unrealised mark-to-market derivative losses of £46m from market price movements on existing and new contracts; and
- A net gain of £42m relating to a credit from the movement in the onerous LNG contracts position, partially offset by a debit relating to the movement in the onerous energy supply contract provision associated with the acquisition of AvantiGas ON Limited in 2022.

Further details can be found in note 7(a) to the accounts.

An exceptional pre-tax cost of £405m was recognised within the statutory Group operating profit in 2025 (2024: £128m) made up of:

- A £264m impairment of our power assets (2024: £75m), predominantly driven by a £251m impairment of our Nuclear investment (excluding Sizewell C) as a result of the reduction in both forecast and actual power prices, along with an increase to operating and capital expenditure assumptions, partially offset by life extensions at two stations;
- A £244m impairment of our gas field assets (2024: £nil) as a result of an update to the cessation of production date associated with the Morecambe field, together with changes to the discount rate assumptions used in the valuation model, along with an impairment of gas field assets included in the disposal group being sold to Serica Energy plc;
- An £80m gain on the disposal of our interest in the Cygnus gas field to Ithaca Energy; and
- A £23m credit (2024: £53m charge) relating to a decrease in legacy contract cost provisions for business activity that ceased a number of years ago, predominantly related to construction services.

Further details on exceptional items, including on impairment accounting policy, process and sensitivities, can be found in notes 7(b) and 7(c) to the accounts.

Net finance income

Net finance income on business performance was £6m (2024: £44m), reflecting a decrease in interest income from lower cash balances held during the year alongside lower UK interest rates, partially offset by a reduction in financing costs on bonds and bank loans. There were no exceptional financing items in the period (2024: £68m cost).

Taxation and adjusted effective tax rate

Business performance taxation on profit decreased to £265m (2024: £553m), reflecting lower Group operating profit. This excludes tax on joint ventures and associates. After taking account of our share of tax on joint ventures and associates, the adjusted tax charge was £322m (2024: £671m).

The resultant adjusted effective tax rate for the Group was 37% (2024: 39%), with a lower proportion of profits coming from highly taxed Infrastructure activities. The adjusted effective tax rate calculation is shown below:

Year ended 31 December (£m)	2025	2024
Adjusted operating profit	814	1,552
Add: JV/associate taxation included in adjusted operating profit	57	118
Net finance income	6	44
Adjusted profit before taxation	877	1,714
Taxation on profit	(265)	(553)
Share of JV/associate taxation	(57)	(118)
Adjusted tax charge	(322)	(671)
Adjusted effective tax rate (including JV/associate)	37%	39%

A charge totalling £19m (2024: £166m) related to the Electricity Generator Levy is included in the Group's cost of sales and in our share of the operating profits of joint venture and associates.

The Levy is not an income tax and is not deductible for corporation tax purposes. If this had been treated as a tax, the Group's adjusted effective tax rate would have been 38% (2024: 45%). To the end of 2025, since coming into effect on 1 January 2023, a total charge of £511m has been recognised in the Group's cost of sales and in our share of the operating profits of joint venture and associates relating to the Electricity Generator Levy. Please see note 3(b) for more details.

Total certain re-measurements and exceptional items generated a taxation credit of £102m (2024: £239m), which when included with taxation on business performance generated a total taxation charge of £163m (2024: £314m).

See notes 3(b), 7(a), 7(b) and 9 for more details.

Group earnings

Profit for the year from business performance after taxation was £555m (2024: £1,043m) driven by the movements outlined above. After adjusting for non-controlling interests relating to Spirit Energy, adjusted earnings were £534m (2024: £984m).

Adjusted basic EPS was 11.2p (2024: 19.0p), which also includes the impact of a lower weighted average number of shares than in 2024, as a result of the share buyback programme.

After including exceptional items and certain re-measurements, including those attributable to non-controlling interests, the statutory loss attributable to shareholders for the period was £72m (2024: £1,332m profit).

The Group reported a statutory basic EPS loss of 1.5p (2024: 25.7p profit).

Dividend

In addition to the interim dividend of 1.83p per share, the proposed final dividend is 3.67p per share, giving a total full year dividend of 5.5p per share (2024: 4.5p per share).

The cash paid to Centrica shareholders in dividends in 2025 was £237m (2024: £219m), made up of the 3.0p per share final 2024 dividend and the 1.83p per share interim 2025 dividend.

Group cash flow, net cash and balance sheet

Group cash flow

Free cash flow (FCF) is the Group's primary measure of cash flow as management believe it provides relevant information to show the cash generation after taking account of the need to maintain the Group's capital asset base. FCF was an outflow of £167m (2024: £989m inflow). See explanatory notes on page 249 for further details and a reconciliation between statutory cash flow from operating and investing activities to FCF.

Year ended 31 December (£m)	2025	2024
Adjusted EBITDA excluding share of EBITDA from joint ventures and associates ⁽ⁱ⁾	1,095	1,792
Dividends received	135	355
Tax paid	(375)	(636)
Working capital	183	124
Decommissioning spend	(71)	(80)
Capital expenditure ⁽ⁱⁱ⁾	(1,227)	(564)
Disposals	131	4
Exceptional cash flows	(38)	(6)
Free cash flow	(167)	989
Net interest	46	34
Pension deficit payments	(150)	(176)
Movements in margin cash ⁽ⁱⁱⁱ⁾	51	131
Share buyback programme	(827)	(499)
Dividends – Centrica shareholders	(237)	(219)
Other cash flows affecting net debt ^(iv)	(9)	(76)
Adjusted cash flow affecting net cash	(1,293)	184
Opening net cash (as at 1 January)	2,858	2,744
Adjusted cash flow movements	(1,293)	184
Non-cash movements ^(v)	(78)	(70)
Closing adjusted net cash	1,487	2,858

(i) Excludes Centrica's share of JV and associate EBITDA of £322m (2024: £513m).

(ii) Capital expenditure is the net cash flow on capital expenditure, purchases of businesses, assets and other investments, and investments in joint ventures and associates. See page 250 for more information.

(iii) Net margin cash posted as at 31 December 2025 was £61m (31 December 2024: £105m).

(iv) 2024 includes £(68)m relating to exceptional financing costs in relation to debt repurchase and refinancing activities.

(v) 2025 non-cash movements includes £(100)m relating to new leases and the re-measurements of existing leases (2024: £(53)m) and £19m of leases transferred to held for sale relating to Spirit Energy.

The net inflow of working capital was £183m (2024: £124m) mainly driven by inflows in Infrastructure of £361m predominately relating to the release of working capital following the pausing of storage activities at Rough, and inflows in Optimisation of £194m driven by lower storage activity. This was partially offset by an outflow in Retail of £451m driven

largely by Home Energy Supply as a result of lower commodity prices leading to a reassessment of direct debits and utilisation of credit balances by customers.

The collateral and margin cash inflow was £51m (2024: £131m).

Net investment

The net investment outflow for the period was £1,096m (2024: £560m). Within this, capital expenditure of £1,227m (2024: £564m) was predominantly driven by investments in Infrastructure, principally Sizewell C and flexible and renewable generation assets in Power, Grain LNG in Gas and the MAP in Customer Assets.

Net disposals of £131m (2024: £4m) related predominantly to the sale of a 46.25% Spirit Energy interest in the Cygnus gas field which completed in October 2025.

The table below provides a summary of total Group net investment by operating segment, which management uses to provide a measure of the Group's capital expenditure from a cash perspective, and a reconciliation of this measure to capital expenditure disclosed in note 4(e).

Year ended 31 December (£m)	2025	2024
Retail	(68)	(126)
Optimisation	(28)	(39)
Infrastructure	(1,134)	(388)
Of which: Sizewell C	(387)	–
Of which: Grain LNG	(208)	–
Of which: MAP	(271)	(104)
MAP consolidation adjustment ⁽ⁱ⁾	47	19
Other	(44)	(30)
Capital expenditure	(1,227)	(564)
Net disposals	131	4
Total Group net investment	(1,096)	(560)
Add back:		
Capitalised borrowing costs	(17)	(11)
Inception of new leases and movements in payables and prepayments related to capital expenditure	(97)	(63)
Purchases of emissions allowances and renewable obligation certificates	(890)	(856)
Capital expenditure cash outflow subsequent to transfer to held for sale	15	–
Deduct:		
Net disposals	(131)	(4)
Purchase of businesses and assets, net of cash acquired	22	92
Investment in joint ventures and associates	609	–
Net purchase of other investments	42	56
Total Group capital expenditure (per note 4(e))	(1,543)	(1,346)

(i) The MAP consolidation adjustment reduces the capital expenditure recognised in the MAP for the internal margin and indirect costs on smart meter installation across the Group.

Group adjusted net cash

Accordingly, the Group's adjusted net cash position as at 31 December 2025 was £1,487m, compared to £2,858m on 31 December 2024. The breakdown of adjusted net cash is shown below:

Year ended 31 December (£m)	2025	2024
Current and non-current borrowings, leases and interest accruals	(2,821)	(2,867)
Derivatives	(71)	(107)
Gross debt	(2,892)	(2,974)
Cash and cash equivalents, net of bank overdrafts	4,272	5,693
Current and non-current securities	107	139
Adjusted net cash	1,487	2,858

Further details on the Group's sources of finance and net cash are included in note 25.

Statutory cash flow

Year ended 31 December (£m)	2025	2024
Statutory cash flow from operating activities	695	1,149
Statutory cash flow from investing activities	(690)	493
Statutory cash flow from financing activities	(1,397)	(1,548)
Movement in cash and cash equivalents	(1,392)	94

Net cash inflow from operating activities decreased to £695m (2024: £1,149m), reflecting the impact of lower adjusted EBITDA partially offset by lower tax paid.

Net cash outflow from investing activities was £690m (2024: £493m inflow). Within this, interest received decreased to £227m (2024: £317m) reflecting the lower interest rate environment and lower average cash balances, while dividends from our Nuclear associate decreased to £135m (2024: £355m). Capital expenditure increased to £1,227m (2024: £564m) as outlined above. This was partially offset by inflows from net disposals of £131m (2024: £4m).

Net cash outflow from financing activities was £1,397m (2024: £1,548m). Within this there was a net outflow on borrowings of £143m (2024: £539m) while financing interest paid reduced to £181m (2024: £283m) given lower interest rates. Cash distributions to equity shareholders were £827m (2024: £499m) through the Group's share buyback programme, and £237m (2024: £219m) related to ordinary dividend payments.

Pension deficit

The Group's IAS 19 net pension deficit was £295m at the year-end, compared with a £21m deficit at 31 December 2024, driven by lower than projected returns on the schemes' growth assets, and updates to member experiences and liability profile calculations following completion of the triennial review, which is usual practice. Partially offsetting these impacts was the net impact of changes in market rates and deficit payments.

The technical provisions deficit is used to determine the agreed level of cash contributions into the schemes. In February 2025, we reached agreement with the pension trustees on a March 2024 technical provisions deficit of £504m, with annual deficit contributions of around £150m in 2026 and £140m in 2027. On a roll-forward basis using the same methodology, consequent assumptions and contributions paid, the technical provision

deficit would be around £300m at 31 December 2025 (31 December 2024: £450m). Further details on post-retirement benefits are included in note 22.

Decommissioning liabilities

The decommissioning provision of £1,302m (2024: £1,459m) is predominantly the estimated pre-tax net present cost of decommissioning gas production facilities at the end of their useful lives, based on 2P reserves, price levels, and technology at the balance sheet date. As at 31 December 2025 the provision balance was £961m for Spirit Energy, £321m in relation to the Rough field and £20m in the remainder of the business. Included within this is a reduction of £85m relating to the completed Spirit Energy disposal of a 46.25% interest in the Cygnus gas field, alongside a further £44m relating to the subsequent disposal agreed in December 2025 which remained held for sale at the year-end date. See note 12 for further details. The provisions are held gross of tax, with a corresponding deferred tax asset of £536m (2024: £605m).

Further details on decommissioning provisions are included in notes 3 and 21.

Balance sheet

Net assets decreased to £3,496m (2024: £4,812m), predominantly driven by the impact of items reported in equity, including a £770m reduction from the share buyback programme and £237m of dividends paid to shareholders, as well as an other comprehensive loss of £312m (2024: £120m) largely driven by an actuarial loss on pensions predominantly as a result of the experience loss in the IAS 19 position on fully reconciling to triennial review data.

Acquisitions, disposals and disposal groups classified as held for sale

During 2025 investments have been made in the Isle of Grain LNG terminal and the Sizewell C nuclear plant. These have not been accounted for as business combinations on the basis that the Group does not have the power to control these entities.

On 20 May 2025 the Group announced that it had agreed to sell part of Spirit Energy's interest in the Cygnus gas field, reducing its interest from 61.25% to 15%, to a subsidiary of Ithaca Energy plc for a headline consideration of £116m, alongside the transfer of £85m decommissioning liabilities. The sale has a commercial effective date of 1 January 2025 and the headline consideration has been increased by the net cash flows generated by the disposal group since this date. The sale completed and control passed on 1 October 2025 for a final consideration of £123m.

On 16 December 2025 the Group announced that it had agreed to sell the remaining 15% of Spirit Energy's interest in the Cygnus gas field and all other producing assets in the Greater Markham Area and Southern North Sea to Serica Energy plc. The sale had a commercial effective date of 1 January 2025 with a headline consideration of £57m and the transfer of £44m of decommissioning liabilities. The Group retains £159m of decommissioning liabilities in relation to the disposal group at the year-end date. The sale is expected to complete in the second half of 2026.

On 23 December 2025 the Group signed a sale and purchase agreement to dispose of Centrica Business Solutions Italia Srl and Centrica Business Solutions B.V. to Joulz B.V. for a headline consideration of €90m, with completion occurring in early February 2026. Further details on assets purchased, acquisitions and disposals are included in note 12.

Events after the balance sheet date

Details of events after the balance sheet date are described in note 27.

Risks and capital management

The Group maintains a stable overall risk profile, underpinned by a robust risk management framework, including the monitoring of key risk indicators and risk evolution against risk appetites.

The Group undertakes an annual review of its principal risks to ensure continued strategic alignment and relevance. While areas of focus have evolved, the overall nature of the Group's principal risks remain broadly stable and consistent with prior disclosures.

The external environment remains complex and volatile with geopolitical tensions, state-affiliated cyber-threats, and ongoing policy uncertainty influencing supply chain and operational resilience risks. In response, the Group is intensifying supplier oversight, cyber resilience, and pursuing diversification strategies to mitigate concentration and dependency risks.

We continue to have a strong liquidity position, underpinned by ~£5bn of committed liquidity from relationship banks, with us having successfully exercised extension options in our committed liquidity facilities during the year.

Strategic capital deployment has accelerated, reflecting good progress on our long-term growth initiatives. Major investments include Sizewell C, a partnership stake in the Isle of Grain LNG terminal, and a new partnership with X-energy to deliver the UK's first advanced modular nuclear reactors; investments which enhance UK energy security. However, CES+ and Spirit continue to navigate complex strategic transitions, with dependencies on government support mechanisms to underpin future investment in the energy transition. Further, whilst inherent exposure to commodity price fluctuations and changes in demand continue to be effectively managed, the unpredictable regulatory and political outlook, including debate over net zero policy and targets, is impacting trading dynamics. The Group is actively monitoring these changes while advancing geographic diversification, including Centrica Energy's expansion into North America.

Economic headwinds and competitive pressures continue to challenge customer retention, however renewed customer focus is being driven by Centrica's new Home and Business organisational units. The Group is enhancing mitigation strategies to support vulnerable customers and ensure regulatory compliance, while accelerating technology transformation. Investments in AI and a Single Customer View platform aim to improve customer experience, maintain stable asset and health and safety risk profiles, and strengthen cyber resilience amid increasingly sophisticated threats.

Details of how the Group has managed financial risks such as liquidity and credit risk are set out in note S3. Details of the Group's capital management processes are provided under sources of finance in note 25.

Accounting policies

The Group's accounting policies and specific accounting measures, including changes of accounting presentation, selected key sources of estimation uncertainty and critical accounting judgements, are explained in notes 1, 2 and 3.

Russell O'Brien, Group Chief Financial Officer

18 February 2026

Our view on taxation

The Group takes its obligations to pay and collect the correct amount of tax very seriously.

Responsibility for tax governance and strategy lies with the Group Chief Financial Officer, overseen by the Board and the Audit and Risk Committee.

Our approach

Wherever we do business in the world, we take great care to ensure we fully comply with all our obligations to pay or collect taxes and to meet local reporting requirements.

We are committed to providing disclosures and information necessary to assist understanding beyond that required by law and regulation.

We do not tolerate tax evasion or fraud by our employees or other parties associated with Centrica. If we become aware of any such wrongdoing, we take appropriate action.

Our cross-border pricing reflects the underlying commercial reality of our business.

We ensure that income and costs, including costs of financing operations, are appropriately recognised on a fair and sustainable basis across all countries where the Group has a business presence.

We understand that this is not an exact science and we engage openly with tax authorities to explain our approach.

In the UK we maintain a transparent and constructive relationship with His Majesty's Revenue & Customs (HMRC). This includes regular, open dialogue on issues of significance to HMRC and Centrica. Our relationship with fiscal authorities in other countries where we do business is conducted on the same principles.

We carefully manage the tax risks and costs inherent in every commercial transaction, in the same way as any other cost.

We do not enter into artificial arrangements in order to avoid taxation nor to defeat the stated purpose of tax legislation.

We seek to actively engage in consultation with governments on tax policy where we believe we are in a position as a Group to provide valuable commercial insight.

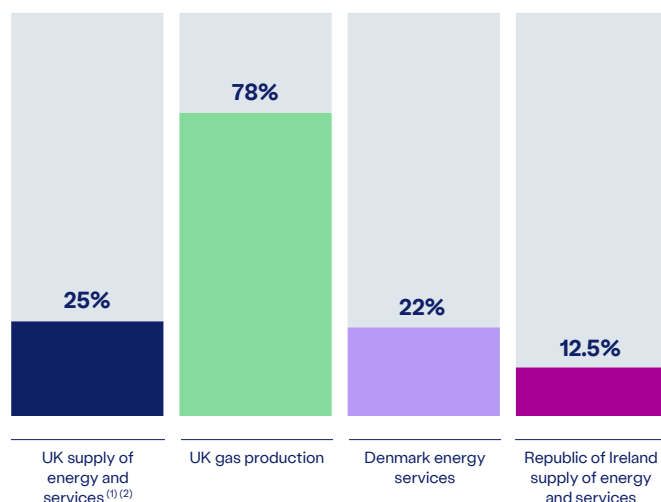
The Group's tax charge, taxes paid and the UK tax charge

The Group's businesses are subject to corporate income tax rates as set out in the statutory tax rates on profits table.

The overall tax charge is dependent on the mix of profits and the tax rate to which those profits are subject.

Statutory tax rates on profits

Group activities



(1) From 1 January 2023, revenues from our Nuclear and solar business are subject to Electricity Generator Levy (EGL) at 45% on wholesale revenues sold at an average price in excess of £75/MwH (adjusted for inflation), exceeding an annual threshold of £10 million. The EGL is accounted for as an expense and is included in cost of sales.

(2) The rate applicable to UK gas production is 78% comprising corporation tax of 30%, supplementary charge of 10% and Energy Profits Levy of 38%.

(3) The statutory rate of tax in the Republic of Ireland is 12.5%. Where the rate of corporation tax is below a minimum rate of 15% an additional rate of 2.5% applies.

Tax charge compared to cash tax paid

	2025 Current tax charge/(credit)	2025 Cash tax paid/ (received)
UK (including Petroleum Revenue Tax) ⁽ⁱ⁾	296	337
Denmark ⁽ⁱ⁾	9	19
Singapore	—	—
Republic of Ireland ⁽ⁱ⁾	3	19
Rest of world	2	—
	310	375
Electricity generator levy ⁽ⁱⁱ⁾	10	10
Total tax paid		385

Corporation tax is paid in instalments, generally based on estimates; one-off items and fluctuations in mark to market positions may cause divergence between the charge for the year and the tax paid.

(i) The UK payment in 2025 includes an amount relating to 2024 final instalment in our gas production business. Payments in Ireland and Denmark include amounts relating to 2024 when profits were higher.

(ii) Additional electricity generator levy of £9m is included in our share of the results of joint venture and associates operating profits making a total charge of £19m.

— Further information on the tax charge is set out in note 9.

— Our Group tax strategy, a more detailed explanation of the way the Group's tax liability is calculated and the timing of cash payments, is provided on our website at centrica.com/responsibletax

Business review

Segmentation Update

As part of our focus to drive faster and more impactful decision making, enhanced delivery for customers and cost efficiencies, we have streamlined management structures to simplify the Group. Reflecting the reorganisation, our Retail, Optimisation and Infrastructure portfolio will become our three reportable segments:

- Within Retail we have created two separate divisions, Home and Business.
 - Home includes all residential retail activities across the UK and Ireland, covering home energy supply and services.
 - Business brings together all business energy supply and services activities across the UK and Ireland. These were previously split across British Gas Energy, Bord Gáis Energy and Centrica Business Solutions.

- Optimisation comprises the activities previously reported as Centrica Energy, and the equivalent activities formerly reported as part of Bord Gáis Energy.
- Infrastructure includes Power, Gas and Customer Assets.
 - Power includes all power generation assets - our 20% stake in the UK's operating nuclear fleet, our investment in Sizewell C, and other power assets, principally our Irish assets and flexible and renewable assets previously reported within Centrica Business Solutions.
 - Gas includes our investment in Grain LNG, Spirit Energy and Centrica Energy Storage+ (Rough).
 - Customer Assets includes the MAP, previously reported within British Gas Energy.

Business Performance Summary

Adjusted EBITDA was £1.4bn (2024: £2.3bn). Adjusted operating profit was £0.8bn (2024: £1.6bn), while statutory operating profit was £0.1bn (2024: £1.7bn). For more information on Group financial performance please see pages 18 to 22 in the Group CFO report.

The breakdown of EBITDA and operating profit is shown below:

Year ended 31 December (£m)	Adjusted EBITDA		Adjusted operating profit	
	2025	2024	2025	2024
Retail	574	611	424	458
Optimisation	196	381	155	339
Infrastructure	728	1,357	314	799
Colleague profit share ⁽ⁱ⁾	(34)	(25)	(34)	(25)
MAP adjustment ⁽ⁱ⁾	(47)	(19)	(45)	(19)
Adjusted EBITDA / Adjusted Operating profit	1,417	2,305	814	1,552
Less: Share of joint venture and associate's EBITDA	(322)	(513)		
Adjusted EBITDA excluding share of EBITDA from joint ventures and associates	1,095	1,792		
Exceptional items and certain re-measurements			(708)	151
Group operating profit (Statutory)			106	1,703

(i) Reconciling items to Group Income statement.

Retail

Retail consists of our leading brands serving customers across the UK and Ireland in Home and Business, including British Gas, Bord Gáis Energy and Hive.

Year ended 31 December	2025	2024	Change
Operational			
Home Energy Supply customers ('000) (closing) ⁽ⁱ⁾	7,956	7,907	1%
Home Services customers ('000) (closing) ⁽ⁱ⁾	2,939	2,929	0%
Business customer sites ('000) (closing) ⁽ⁱ⁾	742	735	1%
Home Energy Supply UK Touchpoint NPS ⁽ⁱⁱ⁾	33	29	4pt
Home services UK Engineer NPS ⁽ⁱⁱ⁾	76	73	3pt
Business UK Touchpoint NPS ⁽ⁱⁱ⁾	37	28	9pt
Home energy supply complaints per UK customer (%) ⁽ⁱⁱⁱ⁾	8.1%	10.1%	(2.0)ppt
Home Services complaints per UK customer (%) ⁽ⁱⁱⁱ⁾	4.8%	5.3%	(0.5)ppt
Business complaints per UK site (%) ⁽ⁱⁱⁱ⁾	5.2%	5.8%	(0.6)ppt
Financial			
Adjusted EBITDA (£m)	574	611	(6)%
Adjusted operating profit (£m)	424	458	(7)%
Adjusted operating profit margin (%)	2.6%	2.7%	(0.1)ppt

All 2025 metrics and 2024 comparators are for the 12 months ended 31 December unless otherwise stated.

(i) Customers defined as:

Home Energy Supply - single households buying energy from British Gas and Bord Gáis Energy.

Home Services - single households having a contract or an on-demand job with British Gas Services, or Bord Gáis Energy, including warranty partnerships.

Business - British Gas Business and Bord Gáis Energy business customer sites.

(ii) Measured independently, through individual questionnaires, the customer's willingness to recommend British Gas following contact or a Home Services gas engineer visit.

(iii) Measured as a percentage of average customers over the year, UK only.

Operational Performance

We have continued to build on the strong 2024 operational performance across Retail. Complaints fell across all businesses, while NPS increased, including a record high in UK Home Energy Supply of 33, supported by the completion of customer migration onto our more flexible Ignition platform. We are progressing the migration of our SME business customers onto Ignition, with 44% now migrated, while we continue to review plans for our Irish customers. Once completed we expect this will help unlock further operational and financial efficiencies across the Retail portfolio.

We continue to address the root causes of customer contact by investing in, and simplifying, customer journeys, while further operational improvements supported continued low reschedule rates in Home Services of 4% (2024: 4%). The Trustpilot score for British Gas reflects these improvements, increasing to 4.4 stars, while we were awarded the Uswitch Energy Awards Best Overall Improvement winner for the second consecutive year.

Home Energy Supply customer numbers grew 1% to 7.96m, in the year, with 7.50m UK energy customers (2024: 7.46m) and 0.46m customers in Ireland (2024: 0.45m). We welcomed 91,000 UK customers through the Supplier of Last Resort ("SoLR") process following the failures of Rebel Energy in April and Tomato Energy in November, with 64,000 remaining on supply at the end of the year. These gains offset a small decrease in underlying customers. We saw increased levels of customer switching during the year, with more customers opting to move onto fixed priced tariffs. 32% of our UK customer base is now on a fixed price product, compared with 25% at the end of 2024. This trend is expected to continue, and we will remain focused on pricing efficiently and sustainably, with long-term value our key priority.

In Home Services, we are starting to see the benefit of better commercial innovation. Total customer numbers grew by 10,000 over 2025, as we began taking steps to transform our commercial offerings and diversify our customer portfolio, including offering our unique field force as a service in new partnerships with original equipment manufacturers, which added 71,000 customers.

Our traditional protection portfolio declined by 3%, although retention rates improved to 87% (2024: 86%). We continue to build new channels to support contract growth, with on-demand volumes increasing 28% compared to 2024, while we also increased boiler installs by 5% in the year, supported by new sales channels and optimising the end-to-end sales journey.

Our British Gas membership scheme is also growing quickly, with almost 600,000 members, helping to build stronger customer engagement to support further commercial growth, with conversion of around 7% to a paid protection contract.

In Business, customer sites increased by 1%, as we continue to focus on growing our SME portfolio.

Financial Performance

Retail delivered adjusted EBITDA of £574m and adjusted operating profit of £424m (2024: £611m and £458m respectively).

UK Home Energy Supply adjusted EBITDA was £224m and adjusted operating profit was £163m (2024: £331m and £269m respectively), with performance impacted by several factors. Warmer than normal weather was an £80m headwind, while the shape of the commodity curve also negatively impacted profitability. These headwinds were broadly offset by several regulatory reconciliations and other cost phasing items, including £42m from the final reconciliation of revenues under the Energy Price Guarantee scheme and a £41m benefit from lower Feed-in-Tariff costs than previously recognised.

Additionally, customers moving to fixed price products, typically at a discount to the standard variable tariff, reduced profitability compared to 2024.

In UK Home Services, strong efficient operations supported an improved result, with adjusted EBITDA of £169m and adjusted operating profit of £114m (2024: £114m and £67m respectively). Building on the momentum from the first half of 2025, top-line revenue grew 7% for the year, supported by our improved customer offerings and improving sales journeys, alongside increased smart installation volumes.

Operating margin improved 2.5ppts to 6.8%, with a sharp focus on efficiency, including improved engineer productivity and management of material and contractor spend. This more than offset the impact of increases in labour costs driven by the rise in employer National Insurance contributions.

Business Energy Supply in the UK delivered another strong performance in 2025, with adjusted EBITDA of £150m and adjusted operating profit of £138m (2024: £163m and £136m respectively). This was supported by growing customer sites and strong commercial performance in the optimisation of commodity costs and risk management of pricing in the year. Additionally, we made strong progress in embedding cost efficiencies through the streamlining of our organisational structure and reducing the use of third-party data and sales teams.

Reflecting good progress on cost efficiency driven by the transformation programme, Retail operating costs excluding bad debt and depreciation were 5% lower at £1,474m (2024: £1,559m).

Bad debt remains a focus, with the charge increasing in the year to £418m (2024: £369m), despite good progress on control initiatives. Within this UK Home Energy Supply bad debt increased to £277m (2024: £237m) and UK Business Energy Supply bad debt increased to £132m (2024: £120m) reflecting continued industry-wide challenges in both sectors, with the value of domestic debt owed to energy suppliers increasing to £4.5bn (page 10 of Ofgem's January 2026 State of the Market Report).

Optimisation

Centrica Energy

Year ended 31 December	2025	2024	Change
<i>Operational</i>			
Renewable and flexible capacity under management (GW) ⁽ⁱ⁾	19.5	16.7	17%
<i>Financial</i>			
Adjusted EBITDA (£m)	196	381	(49)%
Adjusted operating profit (£m)	155	339	(54)%
Adjusted operating profit margin (%)	2.6%	5.2%	(2.6)ppt

All 2025 metrics and 2024 comparators are for the 12 months ended 31 December unless otherwise stated.

(i) Including assets that have signed contracts but are not yet operational.

Operational Performance

Centrica Energy, which now includes the optimisation activities previously reported within Bord Gáis Energy, continues to build its diverse portfolio of contracted physical positions, while leveraging its risk management and optimisation capabilities to add further value across the Group.

In our Renewable Energy Trading and Optimisation ("RETO") business, managed renewable and flexible capacity increased 17% to 19.5GW across the Nordics, Central and Southern Europe, the Baltics, and the UK. This growth reflects Centrica Energy's ongoing investment in skills and technology, which enables partners to access otherwise unavailable ancillary service markets. In-line with typical tendering and renewals activity, we expect assets under management to decline in the first half of 2026, before growing again in the second half of the year.

Our LNG business continued to perform well in 2025, proactively hedging our Sabine Pass offtake while continuing to expand the global portfolio. As such, we are well-positioned for an expected period of gas oversupply, with the portfolio now fully hedged to 2028 and over 80% hedged to the end of the decade through a range of physical LNG, pipeline gas and financial deals. Centrica Energy retains physical optionality in the event of market volatility.

Leveraging the knowledge built up from our North American LNG and pipeline gas deals, we opened our first North American office in New York during the year. Initially focusing on building a physical gas business, we see the potential to build an integrated optimisation business in North America over time, in-line with our incremental approach to expansion. Centrica Energy also continues to explore other geographical markets where the business model can be implemented.

Our Gas and Power Trading business, which typically benefits from price dislocations based on market fundamentals, faced gas markets driven by short-term geopolitical news flow and speculative capital disrupting fundamentals. European gas storage economics were also impacted by mandatory volume targets imposed by the EU to ensure sufficient gas in store ahead of winter. This reduced the storage capacity we chose to contract at the start of the year and our opportunity to optimise energy flows based on fundamentally driven price dislocations.

Financial Performance

Adjusted EBITDA was £196m and adjusted operating profit was £155m (2024: £381m and £339m respectively). Geopolitical uncertainty and EU storage targets heavily impacted the Gas and Power Trading result for the year, as we proactively reduced our activity levels, focusing on capital preservation and remaining disciplined rather than pursuing high-risk strategies. Performance improved in the second half of the year, with European summer/winter gas price spreads widening, however, they remain below longer-term averages, and structural changes in European gas storage regulation, despite now being more flexible, will continue into 2026.

The LNG and RETO businesses performed well, with LNG benefitting from hedged exposure in advance of delivery through a combination of physical and financial deals protecting the business from the emergent lower European-North American price spread.



Infrastructure

Infrastructure consists of our Power, Gas and Customer Asset businesses. This includes our investments in the UK's current operational nuclear fleet and Sizewell C, our Irish power assets and other flexible and renewable assets, alongside our 69% ownership in Spirit Energy, Centrica Energy Storage+ ("CES+") which is the operator of Rough, our 50% ownership of Grain LNG and our Meter Asset Provider ("MAP").

Year ended 31 December	2025	2024	Change
Operational			
Power			
Nuclear generation (TWh)	6.6	7.5	(12)%
Nuclear achieved power price (£/MWh)	90	132	(32)%
Whitegate power generation (TWh)	2.1	2.3	(9)%
UK Asset availability (%)	93%	93%	nm
Spirit Energy			
Total production volumes (mmbœ)	10.5	13.3	(21)%
Of which: Retained production volumes (mmbœ)	3.3	3.7	(11)%
Average achieved gas sales prices (p/therm)	107	132	(19)%
Lifting and other cash production costs (£/boe) ⁽ⁱ⁾	28.4	25.3	12%
Centrica Energy Storage+ ("CES+")			
Volume in Rough reservoir (bcf) ⁽ⁱⁱ⁾	8	41	(80)%
Customer Assets			
Centrica smart meters under management ('000)	1,620	446	263%
Financial			
Sizewell C equity investment (£m) ⁽ⁱⁱⁱ⁾	(376)	-	nm
Adjusted EBITDA (£m)	728	1,357	(46)%
Adjusted operating profit (£m)	314	799	(61)%
Capital expenditure (£m)	(1,134)	(388)	192%

All 2025 metrics and 2024 comparators are for the 12 months ended 31 December unless otherwise stated.

(i) Lifting and other cash production costs are total operating costs and cost of sales excluding depreciation and amortisation, dry hole costs, exploration costs and profit on disposal. Unit DDA rate is £18.5/boe (2024: £20.4/boe).

(ii) As at year end. 2025 closing volume consists of 8bcf of indigenous gas only (2024: 14bcf indigenous gas).

(iii) £376m equity investment into Sizewell C for 15% ownership. Regulatory asset base for Sizewell C funded with 35% equity and 65% debt. Group capital expenditure recognised in relation to Sizewell C of £387m includes transaction fees.

Operational Performance

Power

Nuclear output was 6.6TWh (2024: 7.5TWh), driven by unplanned outages, largely at Hartlepool, which was offline for the second half of 2025, with one reactor at the station returning to service at the start of February 2026, and the second reactor due to return to service by early March (as at 17th February 2026).

In Ireland, our 445MW combined cycle gas turbine (CCGT) Whitegate power station performed in line with expectations generating 2.1TWh in the year based on availability of 90%. Our two 100MW flexible natural gas peaking plants under construction in Athlone and Dublin experienced delays relating to gas and grid connections. With commissioning now expected to complete by around the middle of 2026, we have secured an extension to the start date of the 10-year capacity market contracts to mitigate potential associated losses on these projects against the ~€380m total investment (unchanged; Centrica share ~80%). We have also secured a 10-year capacity market contract of €56m p.a., to be fulfilled through a 334MW Open Cycle Gas Turbine (OCGT) at Cashla in Galway, Ireland. Planning is currently underway for the project with FID expected to be taken in early 2027. Once approved, this will take our power generation capacity in Ireland to ~1GW.

Gas

We disposed of Spirit Energy's remaining production assets in the Southern North Sea and the Netherlands through two transactions announced during 2025, generating expected cash proceeds of £180m, and transferring £129m of gross decommissioning liabilities. In October, we completed the sale of a 46.25% interest in the Cygnus gas field for a final consideration of £123m and the transfer of £85m of decommissioning liabilities. This was followed in December by the announced sale of the remaining 15% interest in Cygnus, and all other producing assets in the Greater Markham Area and Southern North Sea. Completion is expected in the second half of 2026, subject to regulatory approvals, for a headline consideration of £57m and the transfer of £44m of decommissioning liabilities. Following completion, the Morecambe Hub will become Spirit's principal producing asset, with retained reserves of 9mmbbl. The decommissioning provision balance for Spirit Energy was £961m as at the 31 December 2025, reflecting the impact of disposals, and includes £159m of decommissioning retained relating to the disposal group at the year-end date. For more information on the disposals see note 12.

Going forward, Spirit Energy's focus will be on producing its remaining reserves safely and efficiently, and on decommissioning post-production facilities and wells while minimising the environmental impact. We have completed a series of activities at the Morecambe Hub to boost gas production and maximise economic recovery from the fields, which are expected to continue production through to around the end of the decade. Longer-term, the focus is on progressing the exciting opportunity to transform Morecambe into a carbon storage facility through the Morecambe Net Zero project, with the UK government identifying the project as a priority to reach FID during this parliament.

Total Spirit Energy production volumes were 21% lower in 2025 compared to 2024, with disposals accounting for half of the decline, alongside outages at Morecambe.

At Rough, having paused gas storage operations in 2025 owing to uneconomic seasonal gas price spreads, we await the conclusion of the UK Government's consultation on the future security of gas supply, which was published in November 2025 and closed on 18 February 2026. The consultation seeks to directly address the future role of gas storage, the resilience of supply infrastructure, and the commercial models needed to support assets such as Rough. A decision from the Government is expected in the first half of 2026.

In November, we completed the acquisition of the Isle of Grain LNG terminal for an enterprise value of £1.5bn, with our equity investment being approximately £200m for a 50% share. Since the acquisition completed we have been working closely with our partners ECP and the management team to set up Grain LNG as an efficient standalone business, while continuing to deliver best-in-class safety, reliability and efficiency for capacity holders. In collaboration with ECP, we have established strategic priorities and business goals for Grain LNG, focused on operational excellence, accelerating growth potential and creating long-term value for shareholders as we support the UK's energy transition. The terminal is 100% contracted until 2029, over 70% contracted until 2039 and over 50% contracted to 2045, resulting in highly visible, long-term earnings and cash flow. This supports an expected unlevered, post-tax nominal IRR of ~9% and an equity IRR of ~14%+.

Customer Assets

The MAP financed a further 1.2m smart meters in 2025, maximising our strong capital deployment and installation capabilities through British Gas. We now have over 1.6m smart meters under management, an increase of 263% from 2024, having only installed our first meter ~24 months ago. Using our experience of financing smart meters we have developed capabilities in small asset tracking and financing and we continue to explore adjacent market opportunities for further growth.

Financial Performance

Total Infrastructure adjusted EBITDA fell to £728m with adjusted operating profit of £314m (2024: £1,357m and £799m respectively), reflecting lower commodity prices and the pausing of storage operations, as well as outages in gas and power assets.

Within this, Nuclear adjusted EBITDA fell to £337m (2024: £610m), with adjusted operating profit of £180m (2024: £353m), predominantly driven by lower achieved prices and output, net of associated impacts from associate tax and the Electricity Generator Levy.

Spirit Energy adjusted EBITDA was £380m (2024: £707m) and adjusted operating profit of £166m (2024: £434m), with the decline year on year driven predominantly by lower achieved prices and production as outlined above.

Rough delivered a better than expected EBITDA loss of £45m and an adjusted operating loss of £45m (2024: £17m EBITDA profit and £2m adjusted operating profit) with strong operational reliability through the year supporting indigenous gas production, optimisation of commercial contracts and a range of cost efficiency measures which helped to offset the impact of uneconomic spreads and the pausing of gas storage operations.

Grain LNG adjusted EBITDA loss of £8m and adjusted operating loss of £15m for the period following transaction completion in

November reflected transaction and financing fees, with adjusted EBITDA moving forwards from 2026 expected to be around £100m per annum (Centrica share).

Our MAP saw adjusted EBITDA grow to £25m with adjusted operating profit of £8m (2024: £2m and £nil respectively) as the business continues to scale rapidly. We deployed £224m of capex in the year, performing strongly and exceeding our target of £200m investment for the year. This is after the MAP consolidation adjustment of £47m (2024: £19m) which reduces the capital expenditure recognised in Group reporting for the internal margin and indirect costs on smart meter installations across the Group.

Details of our forward hedging positions for 2026 and 2027 are outlined below:

Nuclear	2026	2027
Volume hedged (TWh)	4.8	1.8
Average hedged price (£/MWh)	76	73
Production volume ⁽ⁱ⁾ (TWh)	6.5-7.5	

(i) 2026 forecast generation volume.

Spirit Energy	2026	2027
Volume hedged (mmths)	137	83
Average hedged price (p/th)	120	86
Production volume ⁽ⁱ⁾ (mmths)	405-430	

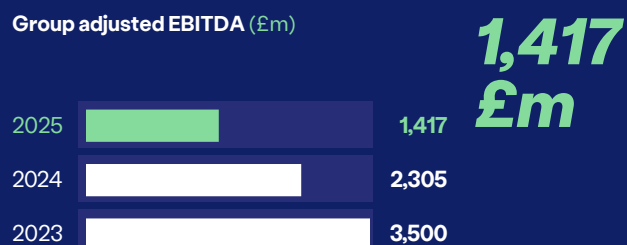
(i) 2026 forecast production volume includes ~170-180mmths relating to assets held for sale

Key performance indicators

Our key performance indicators (KPIs) help the Board and executive management team assess performance against our strategy.

Financial

Group adjusted EBITDA (£m)



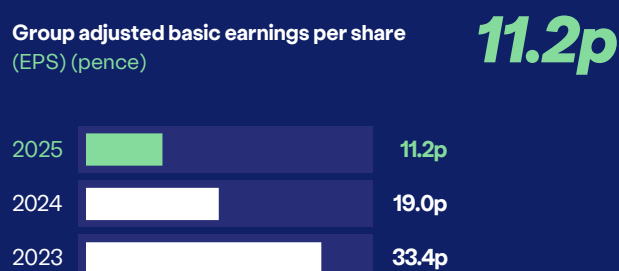
Group adjusted EBITDA reflects earnings before interest, tax, depreciation and amortisation and includes the Group's share of EBITDA from joint ventures and associates.

Group adjusted operating profit (£m)



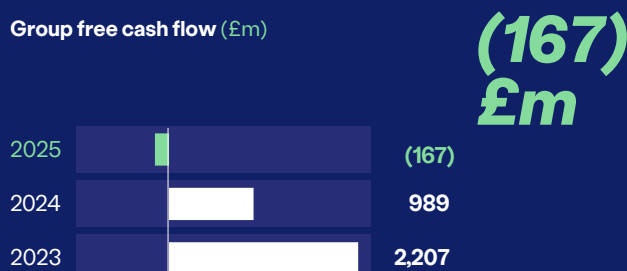
Group adjusted operating profit is one of our fundamental financial measures.

Group adjusted basic earnings per share (EPS) (pence)



EPS is a standard measure of corporate profitability. Adjusted EPS is used to measure the Group's underlying performance against its strategic financial framework.

Group free cash flow (£m)



Free cash flow is the Group's primary measure of cash flow. It reflects the cash generation of the business after taking into account the need to continue to invest.

- [Read more](#) about our strategy on pages 14 to 17 and our financial performance on pages 18 to 29
- [Read more](#) about our non-financial performance on pages 42 to 57 and 253 to 255

Non-financial

Home Services UK Engineer Net Promoter Score (NPS)⁽¹⁾



Providing a great customer service builds trust and lasting relationships. With operational improvements and low reschedule rates, customer satisfaction continued to rise. Accordingly, NPS increased by 3 points.

Total Retail customers (m)⁽²⁾



Our ability to attract and retain customers underpins growth. Strong operational performance, greater levels of customer satisfaction and the Supplier of Last Resort process, led to customer numbers growing across our retail businesses by 1%.

Total recordable injury frequency rate (TRIFR)



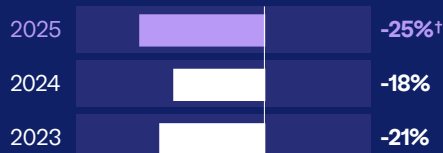
Safety is a top priority. We focused on preventative measures and process reviews, which drove a 3% improvement in TRIFR per 200,000 hours worked. Most incidents related to minor slips, trips and musculoskeletal injuries.

Colleague engagement⁽³⁾



An engaged team drives business success. Although top quartile performance was maintained for most of the year, uncertainty arising from organisational changes contributed to engagement landing at 0.1 points below the top quartile for our sector and 0.2 points lower than last year.

Total greenhouse gas (GHG) emissions – 50% reduction by 2032 and net zero by 2040 (Base year 2019)⁽⁴⁾



Net zero is key to the future of our business and planet. Reductions in GHG emissions are on track and grew from 18% to 25%. This followed a decrease in emissions from Liquefied Natural Gas shipping, power generation and gas production including an unplanned outage at Barrow Terminal.

† Included in DNV's independent limited assurance report. See page 253 or centrica.com/assurance for more.

(1) Measured independently, through individual questionnaires, the customer's willingness to recommend British Gas following a Home Services gas engineer visit. For wider Retail NPS, see page 25.

(2) Includes Home Energy Supply and Home Services households and Business customer sites. 2024 restated to align with scope. Comparable 2023 data is not available. For a wider breakdown, see page 25.

(3) Engagement is based on an average score out of 10 and measures how colleagues feel about the Company.

(4) The goal measures Scope 1 (direct) and 2 (indirect) GHG emissions based on operator boundary and is normalised to reflect acquisitions and divestments in line with changes in Group structure against a 2019 base year of 2,120,446tCO₂e. See more on page 45.

Our Principal Risks and Uncertainties

Effective risk management safeguards Centrica by helping to maintain a resilient, sustainable and well-governed business. It also provides insight into Principal Risks and uncertainties, strengthening strategic decision-making as we pursue our strategy, and supporting long-term value creation for our stakeholders.

Risk management and internal control framework

Centrica's Group risk management and internal control framework is designed to ensure that risks are identified, assessed, monitored and managed in line with our strategic objectives and stakeholder expectations, enabling informed decision-making and effective oversight of risk and control effectiveness. The Board retains ultimate responsibility for determining the Group's risk appetite, overseeing the effectiveness of Centrica's risk management framework and ensuring the ongoing alignment between our risk profile and strategic priorities.

Risk governance framework

Our risk governance framework defines the roles, responsibilities and purpose of risk management across the Group. Our Approach to Enterprise Risk Management Policy clearly articulates the role of the Board and its Committees. The following governance bodies operate within a structured monitoring and escalation framework:

- The Audit and Risk Committee (ARC);
- The Safety Environment and Sustainability Committee (SESC);
- The Centrica Leadership Team (CLT); and
- The Group Risk, Control and Compliance Forum (GRCCF).

These bodies receive regular reports to evaluate Principal Risks, determine alignment with risk appetite, review the effectiveness of mitigation strategies and track the progress of any improvement actions.

The Board is responsible for setting the tone from the top and aligning the Group's appetite with our long-term objectives, balancing our approach to pursuing opportunities while managing potential adverse impacts. Centrica operates in a complex and dynamic environment characterised by geopolitical uncertainties, a challenging cyber threat landscape, regulatory changes and rapid technological advancements. Understanding the nature of the risks and their potential to impact the sustainability of the Group enables us to develop a proportionate and resilient response. Our risk appetite reflects a balanced approach to risk and reward, guided by our commitment to maintaining a resilient, safe and sustainable business, operating in compliance with applicable laws, regulations and internal policies.

The Board has overall responsibility for ensuring that a sound approach to risk management and internal controls is maintained across Centrica. The Board reviews Principal Risks: those which could potentially threaten Centrica's business model, future performance and reputation, as part of its annual strategy and business planning process, thereby ensuring that our risk profile remains aligned with the Group's objectives and with the expectations of stakeholders.

Bi-annually, the Board, in conjunction with the ARC, assesses the Company's Principal and Emerging Risks, their alignment with the Group's risk appetite, and the Board annually approves all risk-related disclosures in the Annual Report and Accounts. Significant risk exposures or breaches of risk appetite are escalated and reviewed by the ARC and Board as required.

The ARC reviews the evolution of the Principal Risks on a quarterly basis, supplemented with quarterly 'deep dive' risk and control reviews of business units and functions on a rotational basis. The enterprise risk management process that underpins these responsibilities is reviewed annually by the ARC.

Management is responsible for monitoring adherence to risk appetite and ensuring appropriate mitigation strategies are in place, supported by action plans, monitoring, reporting and escalation to the relevant Governance forums.

Outcome for 2025:

Our Principal Risks and Risk Appetite Statements were reviewed and updated during 2025 to reflect the changing nature of our business and external environment. Refer to the Principal Risks section below.

A standardised methodology is in place to identify, assess, treat, monitor, escalate and report on risks across the Group in a consistent manner. A risk toolkit including guidance documents, templates, a risk glossary, as well as tools and training, support the application of risk management.

Our risk management process is set out in the diagram on page 33.

Group risk governance and oversight framework

The Board

- Overall responsibility for the Group's strategy and risk management
- Approves risk appetite in line with Group strategy and sets the tone from the top
- Approves the Group's Risk Management Framework

Safety, Environment and Sustainability Committee

- Oversees and monitors significant safety, health, environmental and other sustainable development risks
- Reviews climate-change-related reporting and disclosures

Centrica Audit and Risk Committee

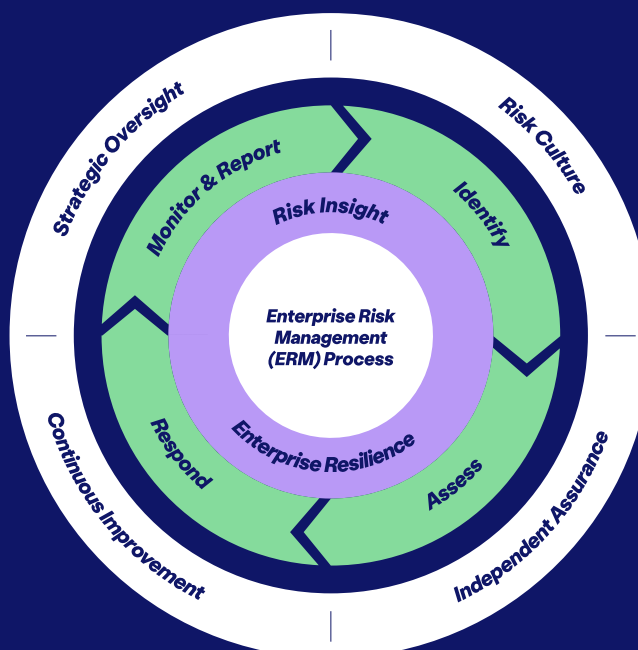
- Oversees the overall effectiveness of the Group's risk management and internal controls framework
- Reviews quarterly risk and control reporting (including deep dives and significant escalations)
- Approves the annual Internal Audit Plan

Centrica Leadership Team (CLT)

- Owns management of the Group's Principal Risks and recommends Risk Appetite Statements for Board approval
 - Embeds risk-informed decision-making and culture
 - Reviews and challenges business unit and functional risk profiles
- Decides management actions and escalates significant appetite breaches to the ARC/Board

Structured risk review and escalation

- Independent Enterprise Risk team advise, challenge and report
- Escalation of significant and emerging risks, appetite breaches, control failures
- Internal Audit coverage
- Quarterly Group Risk, Control and Compliance Forum (GRCCF) chaired by General Counsel and attended by CFO, CRO and representatives from across the lines of defence



Risk appetite and forward-looking risk insight

- Board-approved Risk Appetite Statements and management of associated tolerances
- Trend analysis and forward-looking risk measures and key risk indicators (KRIs) with defined triggers
- Stress testing and scenario analysis to assess resilience

Business units

- Ownership and accountability for assessing and managing risks within approved tolerances
- Quarterly business unit Risk and Control Committees review risk and control performance
 - Escalation of significant and emerging risks, appetite and control failures

Group functions

- Set and maintain policies and procedures for Group functions that benefit from central policy oversight
- Monitor adherence and support business units, providing subject matter expertise functional risk insight and challenge
- Communicate significant risk and control themes and emerging risks to CLT, SESC and ARC

A top-down and bottom-up approach is followed for risk identification. A programme of strategic risk workshops informs our top-down risks which are supplemented by bottom-up risks. These are discussed at Risk and Control Committees (RACCs) which are held within each business unit and key function. These committees form an essential governance layer, providing structured oversight of risk profiles, including the completeness of risk identification, evaluating the likelihood and potential impact of risks. The Committees also review the status and effectiveness of controls and mitigation plans, as well as any incidents, near misses or compliance breaches.

The Group's approach to identifying emerging risks forms part of the overall risk management framework, incorporating both external and internal factors such as, continuing geopolitical volatility, sector insights, macroeconomic trends, regulatory developments and inputs from key stakeholders. Emerging risks are considered as part of both the executive level strategic planning process and the risk identification process at the operational level.

In our viability assessment we evaluate a range of 'severe but plausible' scenarios linked to the Group Principal Risks. This includes assessing the potential operational, financial and reputational impacts and the effectiveness of the mitigating actions available to the Group. The outputs of this analysis inform both our going concern and viability conclusions. For further information regarding the Group's resilience to Principal Risks please see the viability statement on page 40.

Internal controls

Our internal control framework is designed to anticipate, evaluate and mitigate risks within the Group's established risk appetite, supporting delivery of our strategic priorities. The framework is built on a comprehensive set of policies, principles and processes that guide business conduct and reinforce operational discipline. It provides a high degree of confidence in the accuracy, reliability and integrity of both financial and non-financial reporting, while ensuring adherence to applicable laws, regulations and internal requirements.

These controls are operated by skilled and experienced teams, enabled by our technology platforms, and strengthened through ongoing review and enhancement. This approach fosters informed decision-making, protects resources and sustains confidence among stakeholders.

The framework incorporates Entity-Level Controls (ELCs), which provide consistent governance, form the foundation for all controls and promote a strong control culture across the Group. They include a range of activity not limited to:

- Board and Management Committee oversight;
- Group-wide policies and standards;
- Delegation of authority framework; and
- Training and awareness programmes for relevant teams.

The internal control framework also includes specific measures for financial reporting and other key financial processes, with fundamental controls including:

- Monitoring new accounting standards and assessing their impact;
- Review of Group accounting judgements periodically;
- Monthly consolidation and balance sheet reconciliations;
- Monthly performance reviews comparing against forecasts and prior periods;

- Regular monitoring and sensitivity analysis of forecasted performance against budgets and thresholds;
- Review of IT general controls (user access, change management, segregation of duties); and
- Review and approval of external financial disclosures.

Confidence over the effectiveness of the internal control framework is obtained through the following regular internal activities:

- **First-line control self-attestation:** All key financial controls are periodically self-attested in our Governance, Risk and Compliance (GRC) tool by control owners. In addition, an annual attestation is obtained from management confirming the adequacy of their control environment and compliance with key controls.
- **Second-line assurance:** Independent testing of ELCs and significant financial controls by the Group controls function on a cyclical basis, with reporting on results and remediation plans.
- **Third-line Audit outcomes:** Reviews of selected financial and non-financial processes, with reporting on findings and actions. As needed, these are supplemented with external views, such as ISO certifications.

Principal Risks

The Group undertakes an annual review to ensure its Principal Risks remain strategically aligned, reflect shifts in the operating environment and capture emerging threats and opportunities.

During 2025, the Group completed a comprehensive refresh of its Principal Risks to ensure they provide a clear and forward-looking view of the most significant risks to Centrica's successful delivery of its strategy. This has helped to strengthen the foundations for enhanced internal control oversight, assurance and disclosure in anticipation of the forthcoming material control declaration requirements.

Notable changes that followed from the Principal Risk refresh are summarised below.

Updated Principal Risk	Comments
New Strategic resource allocation and deployment	Focuses on governance and delivery of the Group's strategic transformation and investments
Refined Customer	Reflects how evolving customer needs and priorities are supported through innovation, new technologies and ways of delivering value
Refined Safety and asset integrity	Blends safety and operational asset integrity
Refined Cyber, technology and resilience	Highlights broader technology and resilience perspective
New Third-party and supply chain resilience	Combining third-party/supply chain risk factors and considers resilience to operational disruption

In parallel, the Group's qualitative Risk Appetite Statements were updated to reflect the Board's expectations regarding acceptable levels of risk-taking in line with our Principal Risks and the areas most critical to our strategy, including strategic resource allocation, innovation, operational excellence, customer outcomes and financial discipline. This supports a balanced approach to risk and opportunity as we progress towards achieving the strategic ambitions set out in our strategy.

Throughout the following Principal Risk disclosure the stated risk trend indicates whether the level of risk exposure is considered to have improved, deteriorated or remained stable.

Strategic resource allocation and deployment

Risk trend Improved

Risk description

Centrica's ability to deliver its strategy depends on the timely, well-governed allocation of capital, talent and capabilities to the right opportunities. Ineffective allocation and/or deployment of capital, resources or transformational change initiatives may mean that capital is not employed in the planned timeframe or against strategic priorities, which could lead to increased costs, delayed delivery or reduced returns for shareholders.

Key drivers

- To differentiate Centrica from its competitors by investing in opportunities that are closely aligned with our strategic priorities, deliver attractive returns for shareholders and maintain an appropriate balance of risk.
- To ensure that all investment opportunities are evaluated within the context of our balance sheet and established investment guardrails, safeguarding Centrica's strong financial position.
- Rapid innovation within the energy sector necessitates acting on timely insight into market trends and emerging opportunities to drive strategic advantage.

Mitigations

Policies and frameworks

- The Centrica Investment Framework (CIF) sets clear guardrails on return expectations, financial impact and net zero alignment, with the strategic planning process governing capital allocation and transformation investment.

Governance and monitoring

- The Centrica Investment Committee (CIC) ensures that investment decisions align with the Board-approved risk appetite and the CIF.
- A monthly Enterprise Portfolio Board (EPB) ensures the delivery of the transformation programme is in line with Centrica's strategic goals, with significant opportunities escalated to CIC where appropriate.

Processes and controls

- The CIC oversees post-investment evaluations and reviews learnings.
- The CIC reviews and approves Group level assumptions that impact investment appraisals and capital allocation, including the central view of economic and fundamental assumptions (the 'Centrica House View') and Group and asset-specific Weighted Average Cost of Capital (WACC).

External relationship management

- Stakeholder engagement, market monitoring and active management of investor relations to ensure capital allocation is aligned to strategy and externally communicated commitments.

Credit and liquidity risk

Risk trend Stable

Risk description

Potential loss arising from a counterparty failing to meet its obligations in accordance with the agreed terms, and the risk of increased liquidity requirements affecting Group as well as counterparty performance.

Key drivers

- Commodity price risk exposes Centrica to both counterparty credit risk and liquidity risk, as well as customer debt risks.

- Commodity market volatility and high energy prices can increase cash and working capital requirements for both Centrica and our counterparties, increasing the risk of counterparty default and further contagion. This can also result in an increased likelihood of non-payment by both residential and business retail customers.

Mitigations

Policies and frameworks

- The Group Credit Risk Policy and Financing and Treasury Policy are reviewed and approved annually to ensure risk limits and guidelines reflect Board risk appetite.

Governance and monitoring

- The credit and liquidity risk appetite is approved by Centrica's Board, monitored monthly by the Centrica Leadership Team (CLT) via Group Finance reporting and managed by the monthly Financial Risk, Controls and Compliance forum (FRCC).
- The Board may request a risk capital reserve against Centrica's debt headroom, based on forecast balance sheet trajectories and informed by monthly risk capital reporting.
- Monthly Financial Performance Reviews monitor the forecast versus actual customer debt position, and the bad debt provision.

Processes and controls

- Daily monitoring of credit risk versus established limits, including credit exposures per counterparty and portfolio level reporting of Credit Value at Risk (CVaR), and defined escalation processes.
- Monitoring of liquidity risk versus established limits with defined escalation criteria alongside review of Group liquidity position, liquidity stress testing and committed liquidity.

Customer relationship management

- Active engagement to manage exposures and support customers with debt repayment, including tailored assistance for vulnerable customers, alongside continuing development and enhancement of customer debt management capabilities.

Sources of liquidity

- Access to diversified sources of committed and uncommitted liquidity, with Group liquidity underpinned by £5bn of committed liquidity from relationship banks.

Market risk

Risk trend

Stable

Risk description

Potential for financial loss due to factors that affect the overall performance of financial markets, such as shifts in energy prices and volatilities, interest rate changes and foreign exchange fluctuations.

Key drivers

- Commodity exposures arise from Centrica's Retail, Infrastructure and Optimisation businesses, across power, gas and Liquefied Natural Gas (LNG) positions.
- Movements in commodity prices can impact revenue on sale of asset production, valuation of asset portfolios as well as revenue from the optimisation business.
- Short-term commodity exposures can arise when realigning established hedges to account for either changes in customer demand or unplanned supply outages from ageing infrastructure.

Mitigations

Policies and frameworks

- Hedging policies and trading risk limits are approved by the Group Risk Hedging Policy Committee.

Governance and monitoring

- Annual reviews and limit calibrations by the Group Risk Hedging Policy Committee.
- Monthly Finance Performance Review meetings monitor hedge decisions and risk exposures.
- Demand forecasting performance and hedge performance is monitored monthly by the Downstream Energy Margin Meeting.
- Centrica Energy's monthly Operational Performance and Oversight Committee (OPOC) reviews the end-to-end trading lifecycle.

Processes and controls

- Daily monitoring of trading risk versus established limits, including Value at Risk (VaR), position limits, and profit and loss drawdowns, and defined escalation processes.

Weather risk

Risk trend

Stable

Risk description

Variations in weather patterns influence customer demand, generation supply and commodity prices, creating volatility in weather-related earnings and operational asset performance. Unseasonal temperatures or adverse weather events can result in lost sales margin, higher balancing costs (selling back excess commodity at a lower price or buying at a higher price) or impact asset availability.

Key drivers

- During periods of warm weather customers often consume less energy, thus reducing revenue. The financial impact can be compounded by selling back excess hedges at a loss, especially if commodity prices have fallen.
- In adverse cold weather scenarios, customers consume more energy, increasing costs and driving the need to procure additional volumes to meet the higher demand. If wholesale prices have risen to above residential and business customer price levels, Centrica will lose margin on these incremental volumes as the cost is higher than that charged to customers.

Mitigations

Governance and monitoring

- The monthly Downstream Energy Margin Meeting reviews weather impact analysis, hedging proposals and performance. This takes into account the dynamic hedging strategy implemented to manage the exposure to weather risk.

Processes and controls

- Forecasting of weather and the associated impact on demand with consideration given to historical norms, data provided by external meteorological services and elasticity of demand. These forecasts inform expected demand profiles with a feedback mechanism in place to adjust hedging positions and strategies.
- Options to mitigate extreme weather risk in our downstream businesses, including the consideration and decision on use of financial instruments.

External, regulatory, geopolitical and conduct

Risk trend

Deteriorated

Risk description

Centrica's ability to operate and compete effectively is influenced by external political, regulatory and geopolitical conditions, as well as our own standards of conduct. Escalating geopolitical tensions, conflict and protectionist policies may disrupt global energy markets and supply chains, heighten compliance exposure and constrain the Group's agility to enter or exit key markets. Regulatory and policy changes can alter the attractiveness and our ability to participate in markets, affect financial returns or impose new compliance burdens that weaken investment confidence. In parallel, material breaches of law, regulation or Centrica's Code of Conduct could undermine trust, damage reputation and lead to legal or financial consequences. Together, these factors could constrain growth, increase costs and affect Centrica's ability to deliver its strategic objectives and serve customers reliably.

Key drivers

- Heightened scrutiny in UK retail energy and insurance sectors.
- Geopolitical instability and trade barriers complicate international operations.
- International climate policy shifts heighten strategic uncertainty.
- Growing unpredictability from affordability pressures and shrinking public finances.
- Any material failure to follow Centrica's standards of conduct or address Speak Up issues would undermine trust in our business.
- British Gas remains under investigation by Ofgem in relation to its legacy arrangements for the installation of prepayment meters under warrant. The investigation is ongoing and British Gas continues to engage extensively with the regulator with a view to securing a conclusion to this issue.

Mitigations

Policies and frameworks

- Centrica's Code of Conduct which emphasises commitment to integrity and compliance.

- Global Speak Up helpline for reporting misconduct, malpractice or broader unethical behaviour where employees and business partners can raise concerns without fear of retaliation.

Governance and monitoring

- Board oversight of the political and regulatory strategy and ARC oversight of standard of conduct.
- Disclosure Committee, which meets as is deemed necessary, to ensure full compliance with the requirements to make timely and accurate disclosure of information externally which includes, but is not limited to, identifying insider information.
- The quarterly GRCCF reviews regulatory, conduct and geopolitical matters including but not limited to those escalated from the bottom-up RACCs and the Centrica Energy Compliance and Regulatory Committee.
- Monitoring and oversight provided by the Legal, Regulatory, Ethics, Compliance and Secretariat (LRECS) leadership team.
- Compliance Assurance provides independent oversight of compliance and conduct risks through risk-based reviews, issue escalation and delivery of the annual assurance plan.

Processes and controls

- Corporate Affairs and Regulatory teams monitor legal and regulatory developments across jurisdictions and maintain an active dialogue with all regulators including with Ofgem, the Financial Conduct Authority and the Prudential Regulation Authority.
- Increased horizon scanning on emerging regulations and energy transition policies.
- Enhanced understanding of country risks, policy frameworks and opportunities to support geographic diversification.
- Define and maintain adequate regulatory frameworks to support investments in energy security.
- Integration of policy and regulatory affairs insights into the strategy definition and investment assessment process.
- The Financial Crime team monitors threats and adequacy of response to anti-money laundering and the threat of bribery and corruption.

Customer

Risk trend

Stable

Risk description

Failure to understand and respond to changing customer needs may constrain Centrica's ability to deliver differentiated, value-adding products and services that are competitive and responsive to customer demands. This could lead to customer attrition, reputational damage, regulatory scrutiny and reduced operational and strategic agility.

Key drivers

- Customer expectations continue to evolve, driven by the energy transition, increased cost sensitivity, heightened service and reliability expectations, and the influence of digital-first experiences.
- Complexity of adopting and integrating innovative enabling technologies (including AI), management of legacy systems and effective use of data impact responsiveness to customer demands.
- Skilled engineer availability and ability to match net zero demand with delivery combine to influence customer experience and brand perception.
- Energy prices, price cap changes and retail competition challenge customer retention.

Mitigations

Governance and monitoring

- Management focus on customer experience and outcomes with robust oversight and governance at all levels of the organisation through to the Energy and Services Subsidiary Boards.

Processes and controls

- Significant ongoing transformational investments in customer relationship management, billing and supply chain systems and processes via internal transformation programmes. A Single Customer View has been developed in 2025 with further developments underway across all retail businesses to optimise benefit.
- Enhancements to our customer interaction are being made through Gen AI.
- Ongoing implementation of the strategic labour strategy ensuring availability of skills to service developing propositions and markets.

External relationship management

- Centrica Home remains highly engaged with Ofgem and government agencies to seek to address the cost of living crisis and to better support customers who are vulnerable and/or in significant debt.

People culture and workforce

Risk trend

Stable

Risk description

Failure to align workforce planning with commercial growth, ensuring the right people are in the right roles at the right time, combined with an inability to consistently foster a culture of ownership, one team and a growth mindset, may lead to challenges in attracting, developing and retaining the talent and leadership required to deliver our Purpose and strategic objectives. This misalignment could constrain competitiveness, limit growth opportunities and erode investor confidence.

Key drivers

- A competitive labour market, especially for emerging skills, creates challenges in attracting, developing and retaining critical capabilities for future needs.
- Workforce wellbeing issues – physical and mental – can impact productivity and engagement.
- Maintaining a competitive support package with salary, bonuses, pensions, health benefits, flexible working and development opportunities.

Mitigations

Governance and monitoring

- Key metrics on absence, health, wellbeing, attrition, diversity and inclusion are monitored and inform our response to any deterioration in workforce wellbeing.

Processes and controls

- Strategic Workforce Planning and capability analysis guides investments, retention and succession decisions.
- Regular performance reviews and Centrica's Talent Framework ensure critical roles are filled, succession plans are robust and career development is intentional.
- Wellbeing is supported through health initiatives and colleague-led networks.
- A colleague-centric property portfolio fosters productivity, collaboration and future-ready workspaces in sustainable, accessible locations.

Climate change

Risk trend

Stable

Risk description

Inadequate governance or ineffective implementation of Centrica's Climate Transition Plan, including its published commitments, targets and supporting processes, may impair the Group's ability to respond to regulatory or market changes, and misleading disclosures, resulting in commercial and reputational damage, stakeholder distrust and potential regulatory or legal consequences.

Key drivers

- Sustained pressure from government, investors and customers to commit to meaningful carbon reduction targets set against recognition of the need for continued use of fossil fuels, due to slower than anticipated transition to low carbon alternatives.
- Market and affordability pressures may constrain the pace of low carbon investment.
- Emerging regulations in which Centrica, and its subsidiary businesses, will be legally obligated to comply with UK, European Union or international sustainability management and reporting requirements.
- Increased focus on 'greenwashing' and greater rigour on how organisations market low carbon products and propositions.

Mitigations

Policies and frameworks

- Our Climate Transition Plan includes targets and ambitions out to 2050 which guide our approach to achieving a low carbon future.
- CIF contains a net zero guardrail to ensure alignment with our Climate Transition Plan, including our green-focused investment commitment (see page 54).
- Centrica businesses are required to comply with Group climate and sustainability reporting standards.
- Green Claims Principles provide guidance to manage and avoid 'greenwashing' risk across the Group.

Governance and monitoring

- SESC, chaired by an independent Non-Executive Director, reviews climate change information and monitors progress in the implementation of Centrica's Climate Transition Plan.

- Progress against the Climate Transition Plan is incorporated into executive remuneration.
- Climate-related disclosures are prepared in line with the international Greenhouse Gas (GHG) Protocol and UK Transition Plan Taskforce (TPT) requirements, with reporting subject to internal review and external assurance to ensure accuracy and completeness.

Processes and controls

- Regular engagement with stakeholders including investors, governments, regulators and others, to evolve insight and inform approach.
- Ongoing monitoring, modelling and scenario analysis, ensures progress and that plans remain appropriate and effective.
- External disclosures subject to policies, standards, review and approval.

Safety and asset integrity

Risk trend

Stable

Risk description

Centrica's diverse and asset-intensive operations carry varying health, safety and environmental (HSE) risk profiles. Failure to maintain effective asset integrity and HSE management through robust design, maintenance, inspection and operational safety standards and associated controls across the Group's operations could lead to serious injury, environmental harm, regulatory sanctions, asset impairment or prolonged downtime, impacting financial performance and stakeholder trust. As Centrica expands and introduces new green technologies, assets and operational models, the complexity of the risk landscape continues to increase. Maintaining scalable, integrated frameworks and governance arrangements for asset integrity, process safety and assurance is essential to protect people, the environment and business value.

Key drivers

- Management and operation of an ageing asset base increases the focus required on HSE and asset integrity to ensure safety issues, environmental harm, outages and impaired performance do not materialise.
- Changes, upgrades and additions to Centrica's asset base that may require new skills or safety protocols.

Mitigations

Policies and frameworks

- A mature HSE framework supported by robust management systems, training and assurance.
- Group-wide policies and standards, periodically reviewed and updated by a safety working group, set out the minimum HSE requirements which all business units are required to adhere to.

Governance and monitoring

- SESC provides Board oversight of relevant performance metrics, assurance activity and the approach to HSE risk management across business units.
- Performance monitoring and regular reviews of HSE frameworks and safety risks through CLT meetings.
- Regular review of our HSE risks by the HSE RACC.
- Centrica's presence on the Board of EDF Energy Nuclear Generation Group Limited allows oversight of the operational performance and strategic decisions related to the nuclear fleet.

Processes and controls

- Regular inspection and maintenance programmes, contingency planning for outages, and oversight of operations to ensure asset reliability and compliance throughout the asset lifecycle.
- Standardising and scaling best practice processes across assets and undertaking regular assurance to maximise reliability and availability.
- Ongoing collaboration with key regulators including the Health and Safety Executive and Environment Agency to ensure legal compliance for all Centrica operations.

Cyber, technology and resilience

Risk trend

Stable

Risk description

Insufficient cyber defences and response capabilities, inadequate user access management or weaknesses in technology change control, could expose Centrica to cyber threats, data breaches or prolonged system outages. Increased digital dependency within Centrica, combined with escalating complexity and the frequency of cyber threats, may lead to a breach of critical systems, resulting in loss of service, theft of confidential data,

customer detriment, brand damage, financial loss, fines and regulatory intervention.

Key drivers

- Increase in the frequency and complexity of cyber-attacks targeting critical energy infrastructure.
- Rising ransomware sophistication and potential for misuse of AI for complex attacks.
- Increased digital connectivity and use of operational technology across Centrica can increase supply chain and operational vulnerabilities.
- Evolving nature and reach of regulations beyond the jurisdictional border of the legal entity.

Mitigations

Policies and frameworks

- Business continuity plans have been developed and implemented.
- Business units adhere to a suite of cyber and technology standards and frameworks.

Governance and monitoring

- Monitoring and oversight by the Cyber Steering Committee, and the Technology Risk and Control Committee.
- Procurement Resilience Governance Forums review controls for supplier continuity and resilience.

Processes and controls

- Ongoing threat intelligence gathering, collaboration and information sharing with industry peers and the National Cyber Security Centre.
- Cyber-attack simulations build security capabilities and improvements in controls.
- Cyber-awareness and training programmes, which strengthen the operating effectiveness of access and change management controls.

Third-party and supply chain resilience

Risk trend

Stable

Risk description

Centrica's ability to deliver its strategy and maintain reliable operations depends on the resilience, performance and integrity of its supply chain and critical third-party partners. Reliance on

outsourced delivery models, specialist contractors and global suppliers heightens exposure to disruption, cost escalation and compliance risks. Weaknesses in supplier resilience, assurance or oversight could lead to operational disruption, financial loss or reputational harm.

Key drivers

- Increasing supply chain complexity.
- Reliance on outsourced delivery models, specialist contractors and global suppliers heightens exposure to disruption, cost escalation and compliance risks.
- Third-party weaknesses introduce risks to business continuity, operational reliability (including cyber compromise) and to Centrica's reputation.

Mitigations

Policies and frameworks

- The Procurement Policy and standards provide a consistent framework for procurement of goods and services that encourages competition while maintaining a strong focus on risk management.
- The Procurement Controls Framework sets out the key control practices that manage procurement-related risks, underpin the delivery of business objectives and establish minimum control requirements. It provides structured controls that span all principal and operational risk areas.
- Operational resilience, contingency, crisis and continuity readiness is maintained across Group operations and third parties.

Governance and monitoring

- Group Procurement Risk and Control Committee is held quarterly to review risks and controls.
- Resilience Governance Forums review business unit controls for business continuity and resilience including supplier resilience and continuity of supply.

Processes and controls

- Key process controls from within the Procurement Controls Framework monitored by management.
- Tender exception monitoring ensures contracts are tendered competitively to increase confidence in supplier capability and deliver value for money.

Assessment of viability

Viability statement

In accordance with provision 31 of the UK Corporate Governance Code, the Directors have assessed the long-term prospects and viability of the Group over the three-year period to 31 December 2028. In forming this assessment, the Board have considered the Group's business model (as set out in the Strategic Report on pages 14 to 15), liquidity and credit metric projections, and the Principal Risks (pages 32 to 39).

The Board and its Committees review the viability assessment methodology, key assumptions, scenario analysis and results on a bi-annual basis. The Financial Risk, Controls and Compliance Forum (FRCCF) provided challenge on the 'severe but plausible' thresholds, scenario design and liquidity outcomes, ensuring the assessment reflects a realistic and appropriately stretching set of conditions.

Assessment of prospects

In making this assessment, the Directors have considered the following factors, both in relation to the Group's strategic plan and its current competitive position, and in the longer-term assessment of the Group's prospects:

- The Principal Risks (set out on pages 32 to 39) which are believed to cause the most material financial impact and hence form the basis of the scenarios modelled on the following page
- Our purpose and strategic ambition to energise a greener, fairer future
- Climate-related risks, which underpin our enhanced climate commitments as outlined in our Climate Transition Plan (page 55). These are incorporated in the strategic plan and are reflected in long-term investment allocations and operational assumptions
- Market trends, including commodity price volatility, customer behaviour, the macroeconomic environment, competitive pressures and the wider political and regulatory landscape.

Assessment period

The Directors continue to monitor the viability of the Group over a three-year period, aligned with the Group's financial planning cycle. This period represents the

time horizon over which the Board has reasonable operational and market visibility. Furthermore, the Group's most significant risks continue to be shorter-term in nature including commodity prices, trading performance, margin cash requirements, weather and asset performance.

Key assumptions

The model used for this assessment incorporates the following assumptions:

- No material acquisitions or disposals beyond those already announced
- Continued access to diversified funding sources and successful refinancing of facilities maturing within the period, reflecting the Group's strong relationships with its banking group
- Pension scheme payments remain in line with the agreed deficit recovery plan.

The Directors have assessed the impact of a stressed high and low commodity price environment on the Company. Based on current positions held, the Directors determined that a prolonged low-price environment has a more material impact on Group headroom than a high-price environment. In assessing the impact of a significant low commodity price environment, the following assumptions have been adopted as a severe but plausible forecast.

Low price environment	2026	2027	2028
NBP Gas (p/th)	40	39	36
Baseload Power (£/MWh)	38	37	36

Assessment process

The Directors reviewed analysis assessing the Group's resilience to a range of external shocks by evaluating the liquidity headroom under a range of stressed conditions.

The Group maintains a strong liquidity position supported by a well-diversified financing profile and access to multiple sources of term funding. As at 31 December 2025, the Group has total committed credit facilities of £5.0bn (£3.1bn undrawn), of which £1.5bn reach maturity within the viability period in 2028, in addition to cash and cash equivalents of £4.3bn.

Centrica's liquidity management framework is designed to ensure resilience

under a range of operating and market conditions. Robust processes exist to manage and monitor liquidity requirements, with a focus on trading entities and the possible impacts of stressed market conditions. This involves ensuring flexibility in accessing a broad suite of funding sources, including committed credit facilities, uncommitted letters of credit, commercial paper programmes and other short-term funding options. Further detail on the Group's liquidity position, including its indebtedness and available committed facilities, is provided in note 25 of the financial statements.

Three 'severe but plausible' stress scenarios, outlined on the following page, have been applied to the underlying business plan, each combining multiple Principal Risks. An additional 'extreme case', combining all risks occurring simultaneously, was also reviewed.

For each scenario, the Directors evaluated the projected impact on headroom in the three-year period. Whilst the 'Economic Downturn and Adverse Retail Market' scenario saw the greatest impact, the Group maintained sufficient headroom in all scenarios without the need for mitigations. However, mitigations could be deployed to accelerate headroom recovery and reduce the risk of credit downgrade. Suitable actions could include reductions in operating or capital expenditure and the temporary suspension or reduction of returns of capital to shareholders.

Reverse Stress Testing identified theoretical extreme conditions that could exhaust the Group's financial resources. The combination of events required to reach this point is considered highly implausible given the Group's current financial strength and diversified risk portfolio. As such, we believe that these conditions do not constitute a 'severe but plausible' threat to the Group's viability.

Conclusion

Based on the results of this analysis, the Directors have a reasonable expectation that the Company will be able to continue to operate and meet its liabilities as they fall due, throughout the period to at least 31 December 2028.

Multi-risk scenarios modelled		Level of severity reviewed	Links to Principal Risks
Scenario 1 Economic Downturn and Adverse Retail Market	→	A prolonged low commodity price environment, reducing Infrastructure asset profitability and increasing margin cash requirements, is compounded by warm weather risk and broader retail market challenges	• Market risk • Credit and liquidity risk • Weather risk • Customer • External, regulatory, geopolitical and conduct
Scenario 2 Operational Disruption	→	Extended operational downtime driven by cyber threats, supply chain failures, unexpected asset outages or industrial action	• Safety and asset integrity • Cyber, technology and resilience • Third-party and supply chain resilience • People culture and workforce
Scenario 3 Trading and Hedging Underperformance	→	Underperformance of Optimisation business coupled with credit risk associated with financial loss due to counterparty default	• Market risk • Credit and liquidity risk
*Credit rating downgrade (applied across all scenarios)	→	Increased collateral requirement arising from a single-notch credit rating downgrade	• Credit and liquidity risk
Transformation delivery (applied across all scenarios)	→	Risks to delivery of strategic transformation benefits embedded in the baseline financials used for this assessment	• Strategic resource allocation and deployment

* Whilst our current credit metrics show no cause for concern with regards to a credit rating downgrade, for each risk scenario considered, an additional impact from a single-notch credit rating downgrade has been assumed.

People and Planet

Supporting communities, our planet and each other.

Launched in 2021, our People & Planet Plan consists of five Group-wide goals that support the United Nations Sustainable Development Goals and accelerate action on issues that matter deeply to our business and society – from achieving net zero and creating the diverse and inclusive team we need to get there, to making a big difference in our local communities.

In 2025, we continued to make steady progress against most of our goals but are behind on others. This reflects the reality that transformation takes time and that we have had to adapt plans in line with the changing needs of customers during the energy crisis alongside evolving business priorities.

Looking ahead, we remain confident that we will achieve our goals. We look forward to working with our stakeholders to energise a greener, fairer future.

- **Read more** about our non-financial performance on pages 253 to 255
- **Read more** in our wider reports at centrica.com/performanceandreports

Our People & Planet Plan

Supporting communities,
our planet and each other



People

Supporting every colleague to be themselves to better serve our customers and communities.

We want to:

GOAL 1 – Create an engaged team that reflects the full diversity of the communities we serve by 2030⁽¹⁾

GOAL 2 – Recruit 3,500 apprentices and provide career development opportunities for under-represented groups by 2030 (2,000 apprentices by the end of 2025)

GOAL 3 – Inspire colleagues to give 100,000 days to build inclusive communities by 2030 (35,000 days by the end of 2025)



Planet

Supporting every customer to live more sustainably.

We want to:

GOAL 4 – Help our customers be net zero by 2050 (28% greenhouse gas intensity reduction by the end of 2030)

GOAL 5 – Be a net zero business by 2040 (50% greenhouse gas reduction by the end of 2032)

Doing business responsibly

Underpinned by strong foundations to ensure we act fairly and ethically – from customer service to human rights

⁽¹⁾ All company and senior leaders to reflect latest 2021 Census data for working populations. This means 48% women, 18% ethnically diverse, 20% disability, 3% LGBTQ+ and 4% ex-service by 2030 (40% women, 16% ethnically diverse, 10% disability, 3% LGBTQ+ and 3% ex-service by the end of 2025).

People



Supporting every colleague to be themselves to better serve our customers and communities.

Goal 1

By 2030, we want to:

Create an engaged team that reflects the full diversity of the communities we serve, with all company and senior leaders to be 48% women, 18% ethnically diverse, 20% disability, 3% LGBTQ+ and 4% ex-service (40% women, 16% ethnically diverse, 10% disability, 3% LGBTQ+ and 3% ex-service by the end of 2025)⁽¹⁾

2025 Progress against goal:

	On track	Behind
	All company ⁽²⁾	Senior leaders ⁽²⁾
Women	30%	34%
– Excluding Field engineers	43%	34%
Ethnically diverse	16%	10%
Disability	6%	6%
LGBTQ+	4%	2%
Ex-service	2%	3%

(1) Aligns with latest 2021 Census data for working populations.

(2) Beyond gender, data is based on voluntary disclosure of 94% ethnically diverse, 53% disability, 61% LGBTQ+ and 4% ex-service. All company relates to everyone who works for Centrica. Senior leaders include colleagues above general management and spans senior leaders, the Centrica Leadership Team and the Board.

To get to net zero, we need the best team – a diverse mix of people and skills, where everyone feels welcome and able to succeed. Following the launch of our goals in 2021, leadership shared an open letter with colleagues outlining plans to attract, promote and retain more diverse talent. Progress has followed, with improvements of up to 6ppts since 2021 and 1ppt during 2025 (see page 253). Initial gains were driven by stronger recruitment and retention practices, whilst recent efforts have centred on building a more inclusive culture and strengthening succession planning – initiatives that take longer to show measurable impact. Like many in our sector, increasing women in engineering remains a focus given our team reflects the male-dominated market, which impacts our overall gender representation that is otherwise on track. Diversifying senior levels and growing disability representation are also key areas we continue to work on.

In 2025, we strengthened inclusion by:

- Embedding our Every Colleague Counts Action Plan and associated inclusion campaign to drive progress and accountability;
- Running targeted campaigns to attract more women into engineering via our award-winning apprenticeship programme (see Goal 2), including a collaboration with social media influencer Holly Hobbs to break down barriers to entry;

- Creating an environment where colleagues can thrive – from expanding learning and development opportunities and introducing new preventative sexual harassment training, to launching more inclusive policies that support wellbeing and were enabled through collaboration with our diversity networks and trade unions. This includes in the UK, extending paternity leave from two to eight weeks fully paid and developing a sector-first Transgender Inclusion Policy for colleagues undergoing gender-affirming treatment.

In 2026, we will continue to embed our Action Plan to help every colleague feel they belong, are counted and included. We also hope to encourage more colleagues to disclose their diversity information so that we can better support our people and track progress more effectively. To grow momentum, 2025 milestones will be superseded with 2028 milestones for our team to be 45% women, 17% ethnically diverse, 15% disability, 3% LGBTQ+ and 3% ex-service.

Top 50

Ranked in The Times Top 50 Employers for Gender Equality for the fourth consecutive year and the Glassdoor Top 50 Best Places to Work in the UK for the first time since 2017

Wider gender breakdown⁽³⁾

	2025		2024	
	Women	Men	Women	Men
Board	46% (6)	54% (7)	45% (5)	55% (6)
Senior executives and direct reports	29% (28)	71% (67)	32% (23)	68% (49)
Senior leaders	34% (142)	66% (277)	34% (149)	66% (289)
All company	30% (6,110)	70% (14,463)	31% (6,425)	69% (14,613)

(3) Relates to direct Centrica employees. Total headcount differs from elsewhere as Spirit Energy, Centrica Business Solutions Services International, ENSEK and Swyft Energy employees and contractors are not included above. See pages 82 to 83 for Board diversity.

Goal 2

By 2030, we want to:

Recruit 3,500 apprentices and provide career development opportunities for under-represented groups (2,000 apprentices by the end of 2025)⁽¹⁾

2025 Progress against goal:



(1) Base year 2021.

We want to harness talent from under-represented groups to build a future that is greener and fairer. That's why we will hire the equivalent of one apprentice every day over the course of this decade to achieve our 2030 goal.

In 2025, we welcomed 410 apprentices to our team which brings our total to 1,947 apprentices since 2021. Although intake increased by 21% during 2024–25, changes in business requirements and phasing alongside the need to provide operational stability during the energy crisis, reduced hiring opportunity in recent years and meant we fell slightly short of our 2025 milestone. Likewise, this affected the number of women in our Field-based engineering apprenticeships, with representation dipping from 19% to 15%. Performance remains, however, significantly better than the 0.3% national average for trained female gas engineers, demonstrating the positive progress being made to diversify engineering through our ambition for women to make up 50% of our engineering apprentices by 2030. Meanwhile, we continued to provide career development opportunities for wider under-represented groups (see Goal 1), alongside dedicated pathways for ex-forces personnel and athletes.

We expect to get back on track with our forward-facing plans, supported by targeted recruitment and marketing campaigns. As our 2025 milestone retires, we will now set our sights on achieving our new milestone of 3,000 apprentices by the end of 2028.

Goal 3

By 2030, we want to:

Give 100,000 days to build inclusive communities (35,000 volunteering days by the end of 2025)⁽²⁾

2025 Progress against goal:



(2) Base year 2019.

We channel the power of our people to create inclusive communities because stronger communities, are key to a more sustainable future.

In 2025, colleagues donated 10,465 days which was broadly similar to 2024. With cumulative progress totalling 42,104 days since 2019, we have surpassed our 2025 milestone and are on track to deliver our 2030 goal. Gains have been made possible by making volunteering a big part of our culture. This was achieved through The Big Difference, our local community programme that inspires colleagues to get involved in local causes they care passionately about – whether that's running energy support pop-ups with partners like the British Gas Energy Trust, or inspiring the next generation to be greener via the Get Set for Positive Energy schools programme delivered in partnership with Team GB and ParalympicsGB.

To deliver the step up needed out to 2030, our 2025 milestone will be replaced with a new 2028 milestone of 75,000 volunteering days. We will endeavour to achieve this by continuing to expand volunteering opportunities and embed annual targets in team plans to drive take-up.

In addition to volunteering in 2025, we supported communities with donations, fundraising and wider contributions totalling around £500m⁽³⁾. A substantial part of this spend goes towards helping customers and communities with their energy bills through industry initiatives.

Alongside the hundreds of millions of pounds spent each year on industry initiatives like the Warm Home Discount, our £140m voluntary energy support package established during the peak of the energy crisis in 2022–23, continued to be utilised. This is the largest voluntary support package provided by an energy company in the UK and Ireland, and is mainly distributed via British Gas for households and businesses through initiatives including 'You Pay: We Pay' (see page 46), alongside dedicated funds via charity partners like the British Gas Energy Trust in the UK as well as Focus Ireland and the Money Advice and Budgeting Service in Ireland.

Organisations like these are at the heart of our communities and are effective in reaching people with the greatest social need. We therefore maintained our wider investment in the British Gas Energy Trust to ensure customers and non-customers alike could receive extra help with their energy bills. This allowed the Trust to not only provide direct energy advice and grants, but enabled dedicated support at over 40 funded community projects including via Citizens Advice.

(3) Comprises £505.4m in mandatory and £42.8k in voluntary contributions to support vulnerable customers and communities with their energy through schemes like the Warm Home Discount and Energy Company Obligation, alongside £4.8m in charitable contributions. See more on page 255.

>400

Apprentices welcomed to our team during the year

30%

Proportion of colleagues who volunteered

>£230m

Cumulative invested in the British Gas Energy Trust, helping over 830,000 people with their energy bills since 2004

Planet



Supporting every customer to live more sustainably.

Goal 4

By 2050, we want to:

Help our customers be net zero (28% greenhouse gas intensity reduction by the end of 2030)⁽¹⁾

2025 Progress against goal:



(1) Net zero goal measures the greenhouse gas (GHG) intensity of our customers' energy use including electricity and gas with a 2019 base year of 182gCO₂e/kWh. Target is normalised to reflect acquisitions and divestments in line with changes in Group customer base. It's also aligned to the Paris Agreement and based on science to limit global warming, corresponding to a well below 2°C pathway initially and 1.5°C by mid-century.

The biggest thing we can do to tackle climate change, is to help our customers transition to lower carbon and sustainable energy use. This is because around 90% of our total GHG emissions (Scope 1, 2 and 3) comes from gas and electricity consumed by customers (Scope 3).

Towards this in 2025, our energy, services and solutions helped reduce the GHG intensity of our customers' energy use by 18% against the 2019 base year – equivalent to the annual emissions of 1.5m homes. Savings since 2019 have predominantly been driven by the continued decarbonisation of the energy we sell alongside energy efficiency and optimisation solutions like Hive smart thermostats and electric vehicle (EV) chargers. Savings were up from the 10%⁽²⁾ reduction achieved in 2024, mainly as a result of the zero carbon content of our reported electricity fuel mix increasing from 77% to 90% against the UK national average of 58%. We are currently ahead of our goal glidepath and remain on track to achieve our mid-and long-term goals.

(2) Restated due to availability of improved data.

During the year, we helped customers decarbonise power, heat and transport by:

- Enabling a route-to-market for renewable and flexible capacity under management which totalled 19.5GW (81% renewable);
- Expanding market-leading capability to make low carbon technology more affordable and accessible – whether through initiatives like heat pump performance guarantees that supported the sale of 2,400 heat pumps last year, or enabling third-party eco-tech to be managed alongside our own solutions which resulted in 3m devices being connected via the Hive app; and
- Empowering over 1.3m customers to shift energy use away from peak demand with PeakSave, helping cut carbon, costs and pressure on the grid.

As set out in our Climate Transition Plan (see page 55), we remain committed to helping customers reduce emissions, including via 2030 climate ambitions to connect 5m devices to the Hive platform and supply 100% renewable or zero carbon power in the UK and Ireland.

Goal 5

By 2040, we want to:

Be a net zero business (50% GHG reduction by the end of 2032)⁽³⁾

2025 Progress against goal:



† Included in DNV's independent limited assurance report. See page 253 or centrica.com/assurance for more.

(3) The net zero goal measures Scope 1 (direct) and 2 (indirect) GHG emissions based on operator boundary. Comprises emissions from all operated assets and activities including the shipping of Liquefied Natural Gas (LNG) alongside the retained Spirit Energy assets in the UK and the Netherlands. Non-operated nuclear emissions are excluded. Target is normalised to reflect acquisitions and divestments in line with changes in Group structure against a 2019 base year of 2,120,446tCO₂e. It's also aligned to the Paris Agreement and based on science to limit global warming, corresponding to a well below 2°C pathway initially and 1.5°C by 2040.

In early 2025, we published our updated Climate Transition Plan which accelerated our net zero target from 2045 to 2040 – putting us a decade ahead of global expectations for delivering net zero. Good progress has been made with a 25% emissions reduction against our 2019 base year. This was up on the 18% reduction achieved in 2024 following lower emissions from LNG shipping, power generation and gas production including an unplanned outage at Barrow Terminal. Sustainable savings were also delivered from rolling out EVs across our road fleet and optimising property energy use, supported by our flexible approach to working which lets colleagues work from home or the office.

Although we are ahead of our glidepath and broadly on track to meet our mid- and long-term goals, our path to net zero won't be linear. This is because we must balance reducing emissions with ensuring a reliable and affordable energy supply to guard against geopolitical risk and intermittency as renewables scale. In 2025, we therefore continued to invest in renewable and low carbon capacity alongside gas and LNG supplies whilst constructing four peaking power plants that will initially run on gas until hydrogen is ready. With gas expected to remain a key part of the energy transition in the near-to-mid-term, these actions are necessary but mean our emissions are likely to rise from 2026 before falling again from 2029.

Further emission reductions will be driven by climate ambitions in our Climate Transition Plan (see page 55) – from net zero gas production by 2035, to net zero baseload power generation by 2034–39.

Our foundations

Our People & Planet Plan is underpinned by strong foundations to ensure we act fairly and ethically.

Customers

Positive progress has been made in delivering stronger customer service. Continued investment in training for engineers and contact centre colleagues alongside customer service systems, resulted in lower complaints and higher Net Promoter Scores across our Retail businesses (see pages 25 and 31). In recognition that energy bills remained a real worry for customers, we prioritised ongoing support during 2025. This included 'You Pay: We Pay', a first-of-its-kind initiative which commits us to match energy payments from struggling customers and is funded by our £140m energy support package created during 2022–23 (see page 44). In just over a year since launching 'You Pay: We Pay', over 16,000 customers are benefitting from the initiative with a commitment of nearly £13m to be matched in payments.

Colleagues

We want every colleague to feel safe, valued and engaged. In 2025 we kept safety front of mind, achieving zero workforce fatalities alongside improvements in our total recordable injury frequency rate which fell by 3% to 0.61 per 200,000 hours worked (see page 31). We did, however, experience a Tier 1 process safety event at the Rivers Terminal operated by Spirit Energy. The event related to hydrocarbon containment loss and fortunately resulted in no injuries. In 2026, we will continue to strengthen safety culture among colleagues and contractors by focusing on preventing containment losses, mitigating gas and electrical risks, as well as enhancing contractor management and road safety practices.

Alongside physical health, we prioritised mental health and wellbeing. Throughout 2025, we encouraged colleagues to speak openly about how they were feeling and promoted both proactive and reactive support – from our company-funded healthcare plan and 24/7 emotional helpline and GP access, to our wellbeing app and 180-strong network of colleague Mental Health First Aiders (see page 102). This commitment to accessible and in-the-moment support, led to over 100,000 mental health and wellbeing interactions during the year.

Focus was maintained on fair reward practices – whether that's paying at least the Real Living Wage in the UK or upholding equal pay and reducing pay gaps (see pages 102 to 103). Our UK gender pay gap remains largely driven by more men working in higher paid jobs like engineering, and more women working in valued but lower paid roles like customer service. Our median gender pay gap increased slightly from 13% to 16% during 2024–25. Our ethnicity pay gap which we publish voluntarily remained at 7% median, and is due to similar factors as the gender pay gap. We remain committed to reducing our pay gaps over time as we work to transform our business, sector and society to make it more inclusive (see pages 43 to 44 and 47).

Proactive action like this is crucial for positive colleague engagement and productivity. We are encouraged that despite significant organisational changes underway to simplify our business and improve customer outcomes, we saw only minor changes in colleague engagement. We maintained our top quartile performance for the majority of the year, with our year-end position landing at 7.9 out of 10. This is 0.1 points below top quartile for our sector and 0.2 points lower than our 2024 score. In 2026, we will continue to support our colleagues as we focus on delivering our strategy whilst ensuring everyone feels valued, included and motivated to energise a greener, fairer future. Understanding Company performance is a key element of this, so we will share our financial results and strategic updates with colleagues throughout the year at townhalls and via other channels, just as we did in 2025.



Mental health leader

Investor group CCLA, ranked us as a UK leader for our approach and disclosure on mental health for the fourth year running

Underpinning our approach to colleagues, is our commitment to equality. Our policies lay the foundation in helping us uphold equal opportunities across the full employment cycle – from recruitment and development, to performance reviews and career progression. These policies and associated processes and training, enable us to strive towards the elimination of discrimination, harassment and victimisation, whilst promoting fair and objective decision-making based on work-related criteria and individual merit.

As part of our commitment to equality, we recognise the particular need for greater national and global progress to ensure equal access to employment, development and progression for people with disabilities. That is why our People & Planet Plan (see page 42), is actively focused on increasing disability representation across the Company.

Positive progress has been made to support people with disabilities. This includes providing inclusive recruitment, reasonable adjustments and access to wider support and wellbeing initiatives – all whilst building a more inclusive culture across the Company to ensure every colleague feels counted and included. Our approach is continually strengthened through active engagement. For example, we engage forums such as our 10+ colleague networks and specifically our Neurodiversity and Diverse-ability networks who support and celebrate the physiological and neurological diversity of colleagues, alongside our external membership with the Business Disability Forum. Although there is more progress to be made, these activities have helped us maintain our Level 2 Disability Confident Employer status and increased disability representation by 5ppts at an all company and senior leadership level since our People & Planet Plan was launched in 2021.

Ethics

Our Code and Values set out the standards we expect for anyone who works for us or with us. This enables us to operate in a mutually beneficial way for colleagues and our communities.

At the heart of Our Code, is our commitment to uphold and contribute positively to advancing internationally recognised human rights standards, which include but are not limited to the United Nations (UN) Global Compact and UN Guiding Principles on Business and Human Rights. Consequently, we take action to ensure colleagues and supply chain workers never knowingly cause or contribute to human rights abuses and are protected themselves through activities such as employment checks, risk-based training, ongoing due diligence, and monitoring of supplier selection and renewal.

Like many other companies, our greatest risk to human rights is within our supply chain. If suppliers receive a high-risk rating relating to the country where they operate and/or the products or services provided via our due diligence checks, we consider appropriate action which may include undertaking a third-party audit to better understand the level of risk and collaborating to raise standards. If suppliers cannot or will not improve, we reserve the right to report the abuse and end the relationship.

In 2025, we conducted 35 on-the-ground site inspections alongside remote worker surveys. The audits spanned workwear as well as the manufacturing of solar panels, battery systems, smart meters and wider electrical products across Cambodia, China, India, Malaysia, Thailand, Tunisia, Turkey and the UK. We did not identify instances of human rights abuses such as modern slavery but found 249 non-compliances across labour as well as health and safety practices. None of the non-compliances were 'business critical'. Improvement plans have been agreed with suppliers and remediation activity identified for 72% of non-compliances, with the remainder subject to ongoing monitoring to ensure remediation during 2026.

Due diligence and monitoring across supplier selection and contract renewal, also ensured compliance with sanctions on Russia during 2025.

Clear guidance on bribery and corruption is additionally provided via Our Code as well as our Anti-Fraud and Anti-Bribery and Corruption (ABC) Statement. As part of our approach, we prohibit any improper payments such as facilitation payments, regardless of value or jurisdiction, and exchange gifts and hospitality responsibly which includes declaring them on a register. Following the introduction of the Economic Crime and Corporate Transparency Act 2023, we also delivered briefings on beneficiary fraud and associated mitigation responsibilities for senior managers during the year, which complemented wider ABC training. A register is additionally used to help record and manage potential or actual conflicts of interest.

In 2025, 97% of colleagues completed annual training on Our Code and confirmed they would uphold its principles. If anyone suspects contravention across matters such as safety, equality, human rights or ABC, an independent and confidential 24/7 Speak Up phone and online helpline is available. During 2025, 236 reports were received via Speak Up which is in line with the external benchmark for a company our size. An additional 226 grievances were raised directly with HR which likewise reflects a culture where colleagues feel able to raise concerns without fear of retaliation. The majority of reports raised across Speak Up and grievance channels, related to interpersonal relations, with each report thoroughly investigated. Periodic monitoring is undertaken quarterly by the Board's Audit and Risk Committee to ensure process and controls remain effective.

Environment

Alongside GHG emissions, we monitor and manage our wider environmental impact (see page 255). During 2025, our water consumption remained relatively consistent with 2024, decreasing by 2% to 348,958m³. Meanwhile, our waste increased by 39% to 23,109 tonnes. The rise was mainly due to construction of the 30MW Dyce battery storage plant in Aberdeen which is due to be fully operational in 2026.

— **Read more** about our Modern Slavery Statement at centrica.com/modernslavery

— **Read more** in our wider reports at centrica.com/performanceandreports

Non-Financial and Sustainability Information Statement

In line with the Non-Financial Reporting Directive and Section 414CB of the Companies Act 2006, as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 Companies Act 2006, we have set out where the relevant information we need to report against can be located.

This includes an explanation of the relevant Group policies which relate to the stated matters below, together with an overall summary of their effectiveness, including specific examples of how the policies are implemented alongside due diligence processes conducted and associated outcomes.

Reporting requirement	Section
Business model	• Business overview and Our strategic drivers – Pages 14 to 17
Reporting requirement and policy position Our Code sets out our position on key issues by providing a high-level summary of key policies that form the foundation for how we do business. — Read more at centrica.com/ourcode	Due diligence and outcome
Colleagues Our policy states that we work collaboratively to create a workplace that has a respectful and inclusive culture whilst offering fair reward and recognition. We're also committed to working safely and provide proactive support to ensure colleagues' health and wellbeing.	• Chair's statement – Page 5 • Group Chief Executive's statement – Pages 8 to 9 • Our stakeholders – Page 12 • Our Principal Risks and uncertainties: External, regulatory, geopolitical and conduct, People culture and workforce, Safety and asset integrity, and Cyber, technology and resilience – Pages 37 to 39 • People and Planet – Pages 43 to 44, 46 to 47 and 51 to 52 • Key performance indicators (KPIs) – Pages 31, 43 to 44, 46 to 47, 56 and 253 to 255
Environmental matters This policy sets out that we endeavour to understand, manage and reduce our environmental impact. Towards this, we will play our part in the transition to net zero.	• Chair's statement – Page 5 • Group Chief Executive's statement – Pages 8 and 10 • Our stakeholders – Pages 12 to 13 • Our business structure, Our market trends and Our strategic drivers – Pages 15 to 17 • Business review – Pages 26 to 28 • Our Principal Risks and uncertainties: Weather risk, External, regulatory, geopolitical and conduct, Customer, People culture and workforce, Climate change, and Safety and asset integrity – Pages 36 to 39 • People and Planet including TCFD – Pages 45, 47 and 49 to 57 • KPIs – Pages 26 to 28, 31, 45, 47, 54 to 56, 253 and 255
Social matters Our policy states that we will treat all of our customers fairly. As part of this, we strive to provide services and solutions that meet their needs as well as care for customers who need extra support. We also want to make a big difference by helping to create more inclusive and sustainable communities. We partner with community and charity organisations on key issues and inspire colleagues to volunteer and fundraise.	• Chair's statement – Pages 4 and 6 • Group Chief Executive's statement – Pages 7 and 9 to 10 • Our stakeholders – Pages 12 to 13 • Our business overview, Our market trends and Our value drivers – Pages 15 to 17 • Business review – Page 25 • Our Principal Risks and uncertainties: External, regulatory, geopolitical and conduct, Customer, Safety and asset integrity, Cyber, technology and resilience and Third-party and supply chain resilience – Pages 37 to 39 • People and Planet – Pages 44 to 47 • KPIs – Pages 25, 31, 44 to 47, 56 and 253 to 255
Human rights Our commitment to human rights ensures that wherever we work in the world, we respect and uphold the fundamental human rights and freedoms of everyone who works for us or with us, or is a customer of ours.	• Our stakeholders – Pages 12 and 13 • Our Principal Risks and uncertainties: External, regulatory, geopolitical and conduct, People culture and workforce, Safety and asset integrity, Cyber, technology and resilience, and Third party and supply chain resilience – Pages 37 to 39 • People and Planet – Pages 43 and 46 to 47 • KPIs – Pages 43, 46 to 47 and 254 to 255
Anti-bribery and corruption Our policy commits us to working with integrity, within the laws and regulations of all the countries in which we operate and in accordance with recognised international standards. This includes not offering or accepting bribes or other corrupt practices. We will not tolerate any form of bribery or corruption from suppliers or others.	• Our Principal Risks and uncertainties: External, regulatory, geopolitical and conduct – Page 37 • People and Planet – Page 47 • Based on materiality, KPIs specific to anti-bribery and corruption are not reported externally

Task Force on Climate-related Financial Disclosures

Our strategy drives the energy transition forward, helping our customers, communities and our business journey to net zero.

We play a key role in tackling climate change by focusing on providing lower carbon energy, services and solutions. This transition alongside physical climate change, brings risks and opportunities for our business. We follow the Task Force on Climate-related Financial Disclosures (TCFD) framework (see page 57) to effectively disclose our approach to governance, risk management and strategy alongside metrics and targets, in relation to our business' climate-related risks and opportunities. We have achieved full compliance with TCFD since mandatory reporting was introduced in 2022.

Governance

Tackling climate change is core to our Purpose and strategy, which is why governance over climate matters is fully embedded across the business. The Board is supported in its duty to oversee climate-related matters via a series of Board-level and executive-level committees (see page 50). In 2025, climate matters were reviewed by the Board and its Committees at a number of meetings, including all three meetings of the Safety, Environment and Sustainability Committee (SESC), as well as via the Board Strategy Review and Strategic Financial Plan process.

The Board's ability to oversee climate matters relies on strong collective capability. Capability is reviewed annually by the Nominations Committee and supported by an annual Board performance review process to identify strengths alongside improvement areas (see pages 81 to 82). 'Climate change and sustainability' is a key criterion in the Skills Matrix employed, covering climate science, risk, mitigation and stakeholder expectations.

In 2025, over 60% of the Board had climate-related competencies, enabling effective governance (see pages 62 to 66).

To build expertise, climate change continued to be integrated into Board training with deep dives run on the impact of US politics on sustainability, progress of key net zero policies and emerging sustainability regulation. Regular management updates on performance, risks and opportunities, supplemented training for the Board and wider leadership team. As the transition deepens, climate expertise will continue to be strengthened.

Effectiveness in tackling climate change is embedded in remuneration for Executive Directors and colleagues (see pages 86 to 115). We assess performance in tackling climate change or issues arising via two reward schemes:

- **The Annual Incentive Plan** has targets and weightings set annually by the Remuneration Committee and considers progress against our Climate Transition Plan which forms one of 18 metrics, with a total combined weighting of 37.5%; and
- **The Restricted Share Plan** has a three-year vesting and two-year holding period, with the Committee making decisions on targets and performance subject to a performance underpin for the consideration of sanctions, fines, major incidents, poor financial performance, and lack of progress against our Climate Transition Plan or wider sustainability performance.

Listing rule compliance

We have complied with the requirements of UKLR 6.6.6R, by including climate-related financial disclosures that are consistent with the four TCFD pillars and the 11 recommended disclosures that are set out on page 57. Our climate-related financial disclosures additionally comply with the requirements of the Companies Act 2006, as amended by the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022.



Our governance and disclosure approach is guided by our materiality assessment over sustainability topics and the impact this has on our business and stakeholders. The assessment identifies material issues and relevant regulations, enabling management to measure, manage and disclose effectively.

Our climate governance framework

The Board

Has ultimate responsibility for climate change and delegates authority to its Committees

Sets People and Planet strategy and integrates climate considerations into business planning whilst overseeing progress on climate targets and risk management. Approves annual reporting. Chaired by Kevin O'Byrne, Company Chair, with attendance including the Group Chief Executive who has overall accountability for climate change (see pages 59 to 71).



Challenge

Report



Board Committees

Provides challenge and reviews updates from senior leaders, with outputs shared with the Board

Audit and Risk Committee (ARC)

Meets quarterly to review mitigations for Principal Risks like climate change. Oversees process of audits as well as financial statements and non-financial disclosures. Chaired by Nathan Bostock, Independent Non-Executive Director (INED), with a successor to be announced during 2026 (see pages 72 to 80).

Nominations Committee

Meets three times a year to ensure the Board and its Committees maintain the right balance of skills, knowledge and experience including climate-related expertise. Chaired by Kevin O'Byrne (see pages 81 to 82).

Safety, Environment and Sustainability Committee (SESC)

Meets three times a year to support the Board on climate oversight. Responsibilities include approving net zero proposals, monitoring progress, risks and opportunities, reviewing climate-related reporting such as TCFD whilst considering stakeholder views. Chaired by Heidi Mottram, INED, who will be succeeded in 2026 by Amber Rudd, INED (see pages 84 to 85).

Remuneration Committee

Meets four times a year to ensure Executive Directors are appropriately rewarded, factoring progress against the Climate Transition Plan. Chaired by Carol Arrowsmith, INED, and is due to be succeeded by Sue Whalley, INED, in May 2026 (see pages 86 to 115).



Challenge

Report



Centrica Leadership Team (CLT)

Ensures ongoing oversight and challenge on climate strategy

Meets as needed across 11 annual meetings chaired by the Group Chief Executive. Monitors progress on net zero targets, ambitions and Principal Risks. Its sub-committee, the Centrica Investment Committee, reviews investment opportunities for their impact on delivering net zero.



Challenge

Report



Sub-groups

Supports leadership on integrating climate change into strategy

TCFD working group⁽¹⁾

Ongoing engagement led by Group Sustainability with engagement across Group Strategy, Risk, Finance and Reward, to ensure reporting requirements and climate strategy is embedded Group-wide.

Group Risk, Control and Compliance Forum (GRCCF)

Meets quarterly to monitor Group risks, including Principal Risks and controls. Chaired by the Group General Counsel with the Group Chief Financial Officer, Group Chief Risk Officer and business representatives in attendance (see page 33).

⁽¹⁾ Group Head of Sustainability develops and socialises the Company's Climate Transition Plan and related progress, whilst co-ordinating and influencing related activities. Director of Corporate Business Strategy embeds climate change into our strategic planning and investment frameworks. Group Head of Enterprise Risk Management (ERM) integrates climate risk into the ERM Framework. The Group Head of Accounting, Reporting and Tax supports the business to understand the financial impacts of net zero. The Group Head of Reward integrates sustainability targets into remuneration frameworks.

Risk management

Climate change became a Principal Risk in 2021 and remained so in 2025. Climate and other risks are managed through our Enterprise Risk Management (ERM) Framework, ensuring consistent identification, assessment and response. Principal Risks are assessed over 0-5 years, with Emerging Risks feeding into the operational risk identification process and Board strategic planning. A double materiality assessment is undertaken by the Group Sustainability team to help establish what impacts, risks and opportunities (IROs) to test. Key functions across the business input into this process to inform IRO identification, including Group Enterprise Risk to integrate financial impacts.

Climate-related risks are discussed within business unit risk and control meetings, with risks formally considered at the quarterly GRCCF, before being reported up to the CLT and the Board's ARC. This is supported by more detailed climate reports spanning strategy and performance alongside risks and opportunities, shared with the SESC. The Board Strategy Review and Strategic Financial Plan process, further examines external factors such as market, competition, technology and policy alongside strategic plans, enabling the Board to review robustness of strategic proposals and transition plans.

— **Read more** about Risk on pages 32 to 39 and 50

Strategy

Following the initial scenario analysis conducted in 2022, we refreshed our assessment during 2025 in line with best practice to undertake a full update every three years.

The 2025 disclosure is categorised by risk and opportunity type: transition and physical. Given the Group's diversified nature and the resulting uniqueness of transition risks, we have aligned the transition section with our business model, encompassing Retail, Optimisation and Infrastructure, including assets such as Rough which is now in scope due to its potential life extension.

Findings indicate that whilst Centrica faces both transition and physical climate-related risks and opportunities across the Group, we remain well-positioned to manage the transition to a low carbon economy, with an overall net positive outlook across all material risks

and opportunities across assessed scenarios (see pages 53 to 54). The outcome is contingent on the successful execution of our strategic plans alongside broader global progress towards net zero.

Net financial benefit

Our modelling suggests an overall net financial benefit for Centrica across material risks and opportunities

Transition risks and opportunities Retail

To evaluate risks and opportunities for our Retail business, we applied our established in-house model to assess potential positive and negative impacts across key areas. The analysis uses the National Energy System Operator's (NESO's) 2025 Future Energy Scenarios (FES), which contain pathways both above and below 2°C of global warming ('Falling Behind' and 'Holistic Transition' pathways), allowing us to test the resilience of the business under differing rates of decarbonisation. FES provide key assumptions on energy demand, production and use cases, which vary by scenario and timeframe. This allows detailed modelling of potential impacts in the UK and Ireland at the product and commodity level, considering factors such as hydrogen adoption and technology scale-up like EVs. For Ireland, we adapt scenarios to reflect differences – such as a higher proportion of off-grid consumers – whilst keeping the pace of decarbonisation to align with national ambition.

The model covers core business activities included in five-year financial plans, maintaining constant market share and unit margins beyond our plans. This approach enables us to estimate potential gross margin (GM) growth or decline through to 2050, based on the assumption that we deliver our plans and sustain performance levels.

The outcome of our scenario analysis (see page 53) shows an overall net financial benefit across all scenarios assessed, meaning we are well-positioned to respond to transition risks and opportunities as well as physical ones. If warming is limited to 1.5°C, we project a net positive financial impact of

5–10% by 2050 compared to our 2024 Group GM. Meanwhile, in a scenario which leads to 2°C warming, potential gains exceed 10% by 2050. This is because as an integrated energy company, resilience is built into our business model which enables us to adapt to the energy transition at any pace. In any given scenario, the potential for risks to manifest is subject to uncertainty, as are the opportunities and our ability to pivot and capitalise on them.

The key transition risks and opportunities for Retail remain broadly consistent with our 2022 assessment, although there is some variation in scale. The primary transition risk continues to be the gradual phase-out of natural gas for heating which will remain essential until the mid-2030s with an accelerated decline thereafter, affecting British Gas and Bord Gáis Energy. Current scenarios indicate a slower phase-out than previously modelled, which reduces short-term risk.

Since the last analysis, the opportunity from electrification has grown significantly, driven by sectors such as transport and heating. We are confident in our ability to harness these opportunities, supported by systems and capabilities that enable us to transition towards supplying energy, services and solutions for a cleaner future.

For example, we have:

- Restructured around the customer to ensure we deliver tailored and innovative offerings – from our Hive smart thermostat and competitive heat pump performance guarantees to help residential customers save time and money, to our bespoke multi-technology packages that empower commercial customers be more competitive, resilient and advance their net zero ambitions; and
- Equipped our engineers with green skills to meet growing demand for low carbon services and solutions. Against our ambition for 3,000 engineers in the UK and Ireland to have green skills by 2030, we have already cross-skilled 1,900 engineers to deploy technologies like EVs, heat pumps and smart meters via our award-winning training academies.

£35m

Investment in our new state-of-the-art academy and energy transition research lab in Leicestershire – due to open in 2026, the site will strengthen productivity as well as our operational capability and infrastructure needed for net zero

Optimisation

We used our ERM methodology to assess the materiality of risks and opportunities identified through the double materiality process, validating results with high-level quantitative modelling based on NESO's FES view of UK and European markets. Assumptions include delivering our five-year financial plans and maintaining market share.

The analysis indicated that our gas trading and LNG business in aggregate, are inherently resilient across all scenarios, with no material risks identified. Whilst a risk of gas market contraction exists, it is immaterial at the Group level given the relatively limited exposure of our activities in the Optimisation business. The analysis did, however, reveal a material opportunity both in the medium and longer term related to our investment in enabling services such as Power Purchase Agreements (PPAs) alongside energy balancing and storage services as renewable and low carbon generation and production technologies scale-up. In particular, our trading business is well-placed to capitalise on Europe's expanding renewables and storage market, especially under a 1.5°C scenario with projected gains exceeding 10% of GM by 2040. For example, we have 19.5GW of renewable and flexible capacity under management and want to increase this to 30GW by 2030.

Infrastructure

Our Power business strategy is to build a diversified portfolio of power generation, flexibility and storage assets, focusing on contracted and regulated revenues which provide significant resilience to climate-related transition risks and opportunities. We conducted price curve analysis using Aurora's latest 2025 net zero scenario, incorporating commodity and carbon prices across assets with merchant revenue exposure. We reviewed our current portfolio and our future strategy for our power business. The assessment included our battery energy storage

systems, gas peakers, Whitegate power station and Nuclear interests, as well as wind and solar beyond contracted periods, which identified no material risks.

Within our Centrica Energy Storage+ (CES+) portfolio, such as the Rough gas storage facility, Easington Gas Terminal and the Isle of Grain LNG Terminal acquired in partnership with Energy Capital Partners during 2025, we assessed potential risks and opportunities through the ERM process whilst working with subject matter experts to determine potential scale. Given the early-stage nature of some technologies and regulatory frameworks, we mapped internal scenarios to temperature pathways, supported by NESO's assumptions. In a <2°C scenario (High Hydrogen), we identified a significant long-term opportunity to convert Rough and Easington for large-scale hydrogen storage and production, with a positive impact of 5–10% in operating profit by 2050 compared to a baseline natural gas storage extension scenario. This redevelopment depends on government support, without which this opportunity would not transpire, but we remain ready to invest and enhance the UK's low carbon energy security.

Additional opportunities exist within our Infrastructure business, such as converting Morecambe gas fields into a world-class carbon storage facility. As this is contingent on government decisions regarding carbon capture and storage development in the UK, current uncertainty means it is too early to model.

We have taken steps to safeguard our infrastructure business from transition risks. This includes streamlining the portfolio in recent years and divesting Spirit Energy's interests in the Cygnus gas field and other producing assets in the Greater Markham Area and Southern North Sea, which is expected to complete in 2026. These actions reduce potential transition risks for the Group and allow us to focus on opportunities.

Physical risks and opportunities

Across the Group, physical risks and opportunities were assessed and largely considered 'low' in impact over the near and long term. We reviewed acute risks related to short-term events such as wave height and flooding, as well as chronic risks arising from long-term climate shifts like sea level rise or sustained heatwaves. These assessments utilised recognised external

tools, like the WRI Aqueduct platform, to model different timeframes and temperature scenarios. Assessment focused on assets more exposed to physical risks across Infrastructure, spanning CES+, Spirit Energy and Power.

Low risk was confirmed using UK Met Office scenarios from 2024 which predict minimal sea level rise where we operate, reducing the likelihood of production disruption at our offshore and coastal assets, even under extreme conditions. The Isle of Grain LNG Terminal was found to be exposed to flooding although its comprehensive flood defences are designed to offer resilience until at least 2070. As with our previous assessment, the only potential material risk identified was reduced heating demand under an extreme >4°C warming scenario by 2050. This is, however, partly offset by higher cooling demand which creates a natural hedge against many transition risks.

Supply chain risk was reassessed and remained 'low' in significance, effectively managed through supplier engagement, hedging strategies and collaboration. In 2025, 47% of our strategic suppliers completed our assessment. As with our previous analysis, over 90% of responders had resilience plans in place to mitigate risk, reporting storms and extreme weather as the most likely disruptive events. Additional analysis was undertaken to confirm the resilience of our Services business against severe climate-related disruption events that could delay the supply of critical product components, concluding that the overall risk to the Group remains low.

Our asset impairment analysis was refreshed using price forecasts aligned to a <2°C scenario. Some assets were identified as exposed and therefore subject to testing. The Nuclear analysis (excluding Sizewell C) indicated a possible positive impact with an impairment write-back of £157m as net zero forecasts exceeded the impairment base-case baseload power prices. For gas peaking power stations, solar and battery assets, impact was considered relatively low, with potential impairment to rise by £50m due to lower forecast profit capture in the net zero forecasts. With announced Spirit Energy Exploration & Production gas field disposal, the assets are no longer materially sensitive to net zero scenarios. See Notes 3 and 7 for climate-related impacts on financial reporting judgements.

Summary of our most material risks and opportunities

Materiality ● 0-5% (low) | ● 5-10% (medium) | ● >10% (high)

↑ Potential positive financial impact | ↓ Potential negative financial impact

In the analysis which spans over 95% of the Group, the following Retail, Optimisation and Infrastructure tables include our most material risks and opportunities. Whilst less material than all other key risks in the long term, we have also included our material Physical risk which is in our Retail business as it's important to transparently show the impact of Physical risk on GM. Materiality is based on Group GM which has been used for the analysis of all opportunities and risks, aside from the opportunity to convert Rough which uses operating profit to better reflect the nature of the asset (see page 54). 2024 values have been employed for both GM and operating profit, given this was the most recent period available when undertaking the assessment in 2025. Both well-below and well-above 2°C scenarios for global warming have been used to demonstrate the spectrum of rapid and slow progress on climate change in our key markets, and the impact this may have on our business. All listed 'opportunities' result in a potential positive impact on our financials whilst all listed 'risks' correlate to a potential negative impact on the Group. For example, Retail concludes with an overall positive net financial benefit for that part of the Group across all climate scenarios and time periods assessed, whilst significant positive financial impacts are also reported via opportunities in both Optimisation and Infrastructure.

Retail						
Climate-related trend	Potential impact		Materiality (versus 2024 GM)			Strategic response
			2030	2040	2050	
Transition away from fossil fuelled heating (TCFD category: Transition – Policy, Markets and Technology)	Risk: Reduced GM from the sale and servicing of natural gas residential boilers and commercial combined heat and power (CHP) units	>2°C	↓	↓	↓	Strengthen market share in heating installations and sustain our position as the leading provider of heating solutions across the UK and Ireland.
		1.5°C	↓	↓	↓	
Growth in low carbon heating market (TCFD category: Transition – Policy, Markets and Technology)	Opportunity: Increased sales and servicing of electric and hydrogen fuelled heating systems, alongside associated opportunities in fabric upgrade including insulation	>2°C	↑	↑	↑	Continue to focus on delivering our ambition for 20,000 heat pump sales per year by 2030, whilst building bespoke propositions for electric heating.
		1.5°C	↑	↑	↑	
Transition away from natural gas and energy efficiency (TCFD category: Transition – Policy, Markets and Technology)	Risk: Reduced GM from the sale of natural gas and growth in energy efficiency	>2°C	↓	↓	↓	Aim to grow customer numbers in the UK and Ireland energy supply by introducing innovative tariffs and add-ons that enable the transition to low carbon energy.
		1.5°C	↓	↓	↓	
Growth in low carbon heating market (TCFD category: Transition – Policy, Markets and Technology)	Opportunity: Increased sales of electricity and clean gas for heating	>2°C	↑	↑	↑	Positioned with systems and capabilities to capture rising demand and deliver tailored energy propositions, with ambition to have 33% of customers engaged in green or flexible energy in the UK by 2030.
		1.5°C	↑	↑	↑	
Growth of EV transport market (TCFD category: Transition – Markets)	Opportunity: Access to new and growing value pools related to EV charging installations, operation and maintenance, as well as energy supply	>2°C	↑	↑	↑	Strategy to capture growing electricity demand from EVs, offer bespoke solutions including demand-side response via Hive, and achieve our ambition to connect 5m devices to the Hive platform by 2030.
		1.5°C	↑	↑	↑	
Growth in demand for renewable energy (TCFD category: Transition – Energy Source)	Opportunity: Growth in behind-the-meter solar and battery markets, driven by decarbonisation and flexible services	>2°C	↑	↑	↑	Positioned to support home generation solutions like solar and battery storage via the Hive platform and Bord Gáis Energy in Ireland, whilst serving the commercial sector with multi-tech solutions to help reduce energy costs and achieve energy independence.
		1.5°C	↑	↑	↑	
	Retail net position across material risks and opportunities	>2°C	↑	↑	↑	Analysis indicates a net financial benefit for the Group across all scenarios, supported by our strategic plans, portfolio and capabilities.
		1.5°C	↑	↑	↑	
Rising mean temperatures (TCFD category: Physical Chronic)	Risk: Reduced sales of natural gas and electricity for heat (less material than all other key risks but included for transparency as our only material Physical risk)	>4°C	↓	↓	↓	Strategic aim to grow UK and Ireland energy supply and home services, including selling cooling technology.
		<2°C	↓	↓	↓	

Materiality ● 0-5% (low) | ● 5-10% (medium) | ● >10% (high)

↑ Potential positive financial impact | ↓ Potential negative financial impact

Optimisation

Climate-related trend	Potential impact		Materiality (versus 2024 GM)			Strategic response
			2030	2040	2050	
Growth in demand for renewable energy (TCFD category: Transition – Energy Source)	Opportunity: Growth in renewable and low carbon generation and production technologies, alongside the need for enabling services such as PPAs, balancing services and battery storage	>2°C	↑	↑	↑	Established renewable energy trading and optimisation capability with PPAs across Europe, managing 15.7GW of renewables and 3.8GW of flexible assets across 13 markets, with the ambition for 30GW of third-party assets under management by 2030.
		1.5°C	↑	↑	↑	

Infrastructure

Climate-related trend	Potential impact		Materiality (indexed against 2024 operating profit)			Strategic response
			2030	2040	2050	
Growth in demand for renewable energy (TCFD category: Transition – Energy Source)	Opportunity: To convert Rough gas storage facility to store hydrogen and produce hydrogen at scale ⁽¹⁾	<2°C	↓	↑	↑	Depending on government support, we are ready to invest in transforming Rough to store hydrogen and advancing plans to deliver 3GW of hydrogen production capacity at Easington Terminal, enabled via Humber Hydrogen Hub partnerships.

(1) An operated joint venture structure has been assumed for the conversion of Rough. Materiality is indexed against operating profit instead of GM to better reflect investment levels required for redevelopment and depreciation over the asset's lifetime. Materiality illustrates the within year difference between a natural gas storage scenario which serves as the baseline, with a hydrogen storage scenario which represents the <2°C scenario.

All scenarios showed significant market disruption as the energy transition progresses, requiring adaptability. We note, however, that long-term scenarios involve significant uncertainties and dependencies, particularly relating to the development of supportive government policy as well as the development and take-up of new and existing technologies, which should be considered when reviewing insights from the analysis.

To seize the opportunities presented by the energy transition, our investment strategy is targeting £4bn in total from 2023–28, with over 50% for green projects. This is a big rise from less than 9% in 2022. To align investment with our net zero targets, we have a net zero guardrail in our Board-approved investment framework. This involves the Group Head of Sustainability being a member of the Centrica Investment Committee, and the Group Sustainability team reviewing all investment proposals for impact as well as attributing 'green' classification.

Meanwhile, our internal carbon price is used as relevant, to guide commercial decisions aligned with our Climate Transition Plan (see page 55) – from bidding in the energy market auction for new assets and PPAs, to hedging in a way that supports fuel mix decarbonisation.

Metrics and targets

We have a best practice approach to GHG reporting and setting climate targets. In line with TCFD, we disclose metrics, targets and ambitions relevant to our business and stakeholders, enabling effective management and mitigation.

Our metrics cover global GHG Scope 1, 2 and 3 emissions alongside energy consumption (see page 55). Following a decrease in emissions from LNG shipping, power generation and gas production in 2025, our Scope 1 and GHG intensity reduced. Scope 2 emissions rose mainly as a result of higher electricity demand from new battery storage systems becoming operational and increased EV fleet activity. Scope 3 emissions reduced largely due to the zero carbon content

of our electricity fuel mix increasing. Total GHG emissions and energy use KPIs have undergone annual limited external assurance since 2012.

Our targets introduced in our People & Planet Plan are focused on being a net zero business by 2040 and helping our customers be net zero by 2050 (see page 45). Based on science⁽¹⁾ and aligned with the Paris Agreement, they support UK and EU net zero targets. Our business target achieves net zero ahead of a 1.5°C pathway whilst our customer target aligns with a well-below 2°C pathway in the short term and 1.5°C in the long term. Within the trajectory of our customer target, we have needed to reflect the slower than expected pace of heating decarbonisation. Across our targets, we will responsibly manage hard-to-remove residual emissions which are expected to be significantly less than 10% of our emissions in the 2040s, with our carbon trading team executing high-quality removal projects like tree planting.

(1) We cannot progress Science Based Target initiative (SBTi) validation due to ongoing delays in Oil and Gas guidance, which the SBTi believes applies to us.

Our targets receive limited external assurance on a rotational basis every three years and in 2025, we remained on track with both our customer and business net zero targets (see page 45).

Our ambitions set out in our Climate Transition Plan (see right) advance progress towards our People & Planet net zero targets, addressing key risks and opportunities. They are embedded into budgets, business plans and accounting assumptions. Most of our climate ambitions are on track (see page 56). We have, however, revised our ambition for a zero emission van fleet by 2030 due to continued slow growth in public EV rapid charging infrastructure and the risk charging delays pose to customer service. From 2026, we will instead work towards a zero emission van order book by 2030 which remains aligned with best practice and national targets.

Although our metrics, targets and ambitions relate to our most material climate-related risks and opportunities, we also track less material environmental metrics such as water and waste (see pages 47 and 255). Our reporting will evolve in line with best practice.

Climate Transition Plan

We published our updated Climate Transition Plan at the start of 2025 to go further and faster towards net zero, whilst increasing transparency around the steps we intend to take.

In line with best practice, we provide a full update on our Climate Transition Plan every three years. In our latest Plan, we accelerated our target to be a net zero business by 2040 (five years earlier than planned) and maintained our target to help our customers be net zero by 2050. We also created a new suite of expanded climate ambitions to drive meaningful progress towards our targets over the next five-to-ten years – from connecting 5m devices to the Hive platform by 2030, to supplying 100% renewable or zero carbon power in the UK and Ireland by 2030 (see page 56 for a full list of our ambitions).

We continue to engage government, partners, investors, customers and others, to ensure we maintain an open dialogue on the considerations needed for net zero. This approach will ensure we don't leave anyone behind as we journey to net zero.

93.44%

Shareholder advisory approval rate achieved at the Annual General Meeting in 2025

— Read more about our Plan at centrica.com/climatetransition

Our energy use and GHG emissions	2025	2024
Total GHG emissions (Scope 1 and 2) ⁽¹⁾	1,580,933tCO₂e⁽²⁾ †	1,732,328tCO ₂ e ^{(3), (4)}
Scope 1 GHG emissions	1,571,517tCO₂e⁽⁵⁾ †	1,725,987tCO ₂ e ^{(3), (6)}
Scope 2 GHG emissions	9,415tCO₂e⁽⁷⁾ †	6,341tCO ₂ e ^{(3), (8)}
Scope 3 GHG emissions ⁽⁹⁾	18,294,835tCO₂e	21,860,510tCO ₂ e
Total GHG intensity by revenue ⁽¹⁰⁾	8tCO₂e/£m⁽¹¹⁾	87tCO ₂ e/£m ⁽¹²⁾
Total energy use	7,177,638,803kWh⁽¹³⁾ †	7,925,163,679kWh ⁽¹⁴⁾

Read more about our performance on pages 45 and 54. Reporting practices for environmental metrics are drawn from the WRI/WBCSD Greenhouse Gas Protocol and Defra's Environmental Reporting Guidelines. Reporting is additionally based on operator boundary which is the more commonly used approach for reporting environmental matters, and includes all emissions from our shipping activities relating to LNG alongside the retained Spirit Energy assets in the UK and Netherlands. Non-operated nuclear emissions are excluded.

† Included in DNV's independent limited assurance report. See page 253 or centrica.com/assurance for more.

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

(2) Comprises UK 604,640tCO₂e and non-UK 976,293tCO₂e.

(3) Restated due to availability of improved data.

(4) Comprises UK 579,094tCO₂e and non-UK 1,153,234tCO₂e.

(5) Comprises UK 595,709tCO₂e and non-UK 975,808tCO₂e.

(6) Comprises UK 572,985tCO₂e and non-UK 1,153,002tCO₂e.

(7) Market-based, comprises UK 8,931tCO₂e and non-UK 485tCO₂e. Sum of constituent parts does not align with total due to rounding. Location-based is 16,492tCO₂e.

(8) Market-based, comprises 6,109tCO₂e and non-UK 232tCO₂e. Location-based is 17,347tCO₂e.

(9) Includes emissions from the following Scope 3 categories defined by the Greenhouse Gas Protocol: purchased goods and services, capital goods, fuel and energy related activities, waste generated in operations, business travel, employee commuting, upstream and downstream transportation and distribution, use of sold product and investments. All emissions are calculated in line with the methodologies set out by the Greenhouse Gas Protocol's technical guidance, apart from working from home emissions which are based on methodology set out in EcoAct's homeworking emissions whitepaper. Other categories spanning upstream leased assets, processing of sold products, end-of-life treatment of sold product, downstream leased assets and franchises, are not included because they are not relevant to our business.

(10) Carbon intensity of revenue is employed as our intensity measure because it is the most meaningful intensity measure for our diverse business and is the most widely used and understood measure for climate-related stakeholders such as CDP. Based on statutory revenue.

(11) Comprises UK 38tCO₂e/£m and non-UK 266tCO₂e/£m.

(12) Comprises UK 36tCO₂e/£m and non-UK 314tCO₂e/£m. Non-UK value has been restated due to availability of improved data.

(13) Comprises UK & Offshore 2,006,825,467kWh and non-UK energy use 5,170,813,337kWh.

(14) Comprises UK & Offshore 1,812,987,689kWh and non-UK energy use 6,112,175,991kWh. Sum of constituent parts does not align with total due to rounding.

Our climate transition dashboard – progress against our Climate Transition Plan

Includes our net zero targets, supported by our climate ambitions

2025 Progress against targets and ambitions:

● On track | ● Behind

Targets and ambitions ⁽¹⁾	2025 Progress
Help our customers be net zero by 2050 (28% GHG intensity reduction by 2030)	18% reduction
5m devices connected to the Hive platform by 2030	3.0m
20,000 heat pumps sold to customers per annum by 2030	2.4k
80% of electricity customers with access to smart services in the UK by 2030 ⁽²⁾	69%
33% of customers engaged in green or flexible energy in the UK by 2030	19%
100% supply of renewable or zero carbon power in the UK and Ireland by 2030	90%
3,000 engineers with green skills in the UK and Ireland by 2030	1.9k
Be a net zero business by 2040 (50% GHG reduction by 2032)	25% reduction*
Net zero baseload power generation by 2034–39	— ⁽³⁾
Net zero gas production by 2035	
Net zero gas storage by 2035	
Net zero LNG shipping by 2035	
Zero emissions vehicle fleet – Cars: 100% by 2026	91%
Zero emissions vehicle fleet – Vans: 100% by 2030 ⁽⁴⁾	33%
Over 50% green investment from 2023-28	49%

† Included in DNV's independent limited assurance report. See page 253 or centrica.com/assurance for more.

(1) Climate ambitions listed were introduced via our updated Climate Transition Plan published in 2025 (see page 55). They replace the previously reported ambitions set out in our first Climate Transition Plan published in 2021, which were reported against for the last time in our Annual Report and Accounts 2024. As this is the first year of reporting against our new ambitions, prior year 2024 performance is not available across the full suite. 2024 performance where available and where previously reported includes: Customer net zero target GHG intensity: 10% reduction, heat pumps sold: 3.2k, business net zero target GHG reduction: 18%, zero emission car fleet: 83%, zero emission van fleet: 32%, and green investment: 37%. With the introduction of our new ambitions, it's worth noting that our previous heat pump ambition has been extended from 2025 to 2030 - this better reflects the pace of heat decarbonisation and heat pump adoption as we seek to grow our share of the addressable heat pump market whilst building in appropriate stretch. The glidepath trajectory for ambitions is not linear as they were modelled around the expectation that demand would increasingly grow, resulting in accelerated delivery as we near the target date.

(2) Working electricity smart meter.

(3) Progress is not measured quantitatively. Progress is instead measured through a range of factors including operational efficiencies as well as the development of policies, permits, licences, technology and partnerships needed to achieve net zero by the ambition date. A summary of 2025 progress is as follows. Power generation ambition: We are evaluating emerging decarbonisation technologies at Whitegate power station including the role of ammonia and hydrogen production. Gas production ambition: Spirit Energy has met milestones for emissions reduction. Gas storage ambition: Engagement with government on Rough redevelopment for hydrogen storage and production continues. LNG shipping ambition: Efficiency upgrades of long-term chartered vessels has resulted in exceeding the efficiency improvement milestone for 2025.

(4) The ambition for our van fleet will be revised in 2026 to focus on having a zero emission van order book by 2030. Progress will be reported against the revised ambition in our Annual Report and Accounts 2026 (see page 55).

Task Force on Climate-related Financial Disclosures

The table below sets out the 11 TCFD recommendations and where the related information can be found.

— **Read more** about each of these areas in our Climate Transition Plan at centrica.com/climatetransition

Recommendation	Recommended disclosure	Pages
Governance	a) Describe the Board's oversight of climate-related risks and opportunities	•Pages 5, 8, 12, 49 to 50 and 59 to 71
	b) Describe management's role in assessing and managing climate-related risks and opportunities	•Pages 49 to 51, 54 to 55, 71 to 82 and 84 to 107
Risk management	a) Describe the organisation's processes for identifying and assessing climate-related risks	•Pages 32 to 34 and 50 to 54
	b) Describe the organisation's processes for managing climate-related risks	•Pages 32 to 34, 36 to 39 and 51
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	•Pages 32 to 34, 36 to 39 and 51
Strategy	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	•Pages 51 to 55, 144 to 148 and 155 to 159
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	•Pages 51 to 55, 144 to 148 and 155 to 159 •CDP 2025 submission centrica.com/CDP25
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	•Pages 51 to 55
Metrics and targets	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	•Pages 51 to 56 •Data centre at centrica.com/datacentre
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks	•Pages 51 to 55
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	•Pages 45 and 54 to 56

The Strategic Report has been approved by the Board and signed on its behalf by:

Raj Roy
Group General Counsel
& Company Secretary
18 February 2026

Governance

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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 4.15R 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)

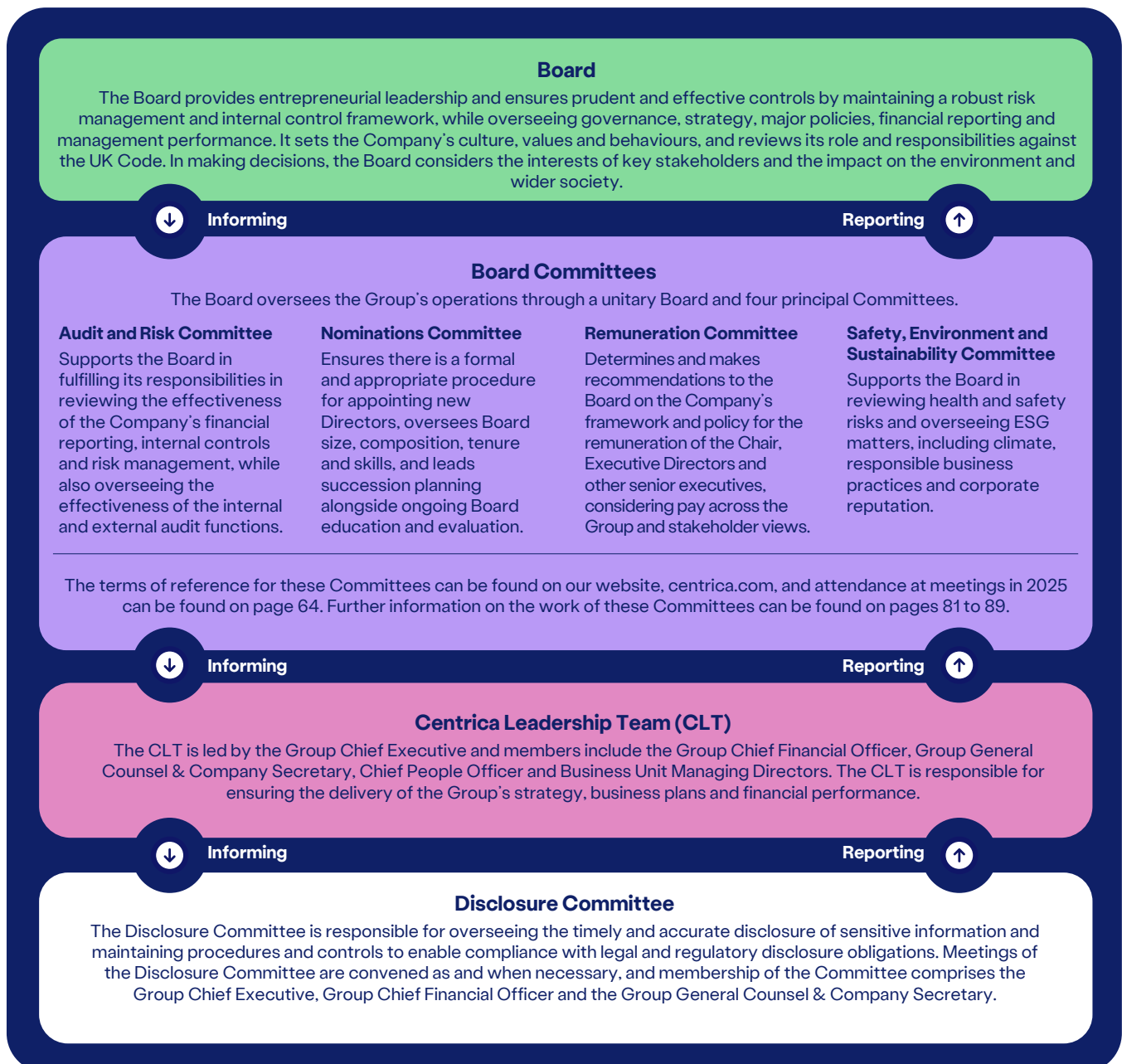
Governance framework

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 CEPSA (Compañía Española de Petróleos SA), the Spanish multinational oil and gas, chemicals and renewable energy business, from 2019 to 2021. Before joining CEPSA, 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.

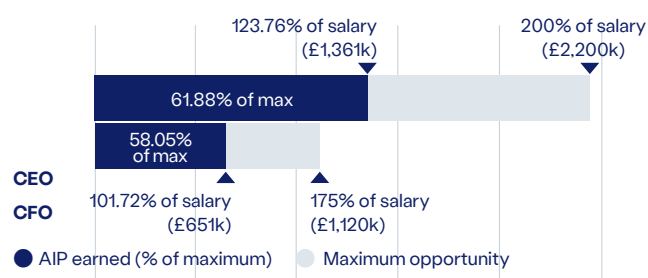
Due to continued slow growth in public electric vehicle rapid charging infrastructure and the risk charging delays pose to customer service, we have however revised our ambition for a zero emission van fleet by 2030 and from 2026 onwards, we will instead work towards having a zero emission van order 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

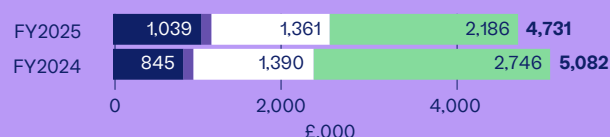
Full year dividend per share

Investors
520.4m

Shares repurchased in 2025

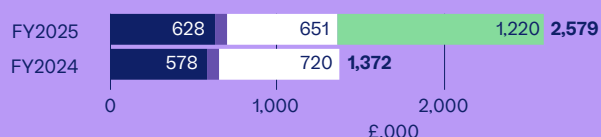
Single figure of total remuneration in FY2025

Group Chief Executive



● Salary ● Pension and Benefits ● AIP ● LTIP

Group Chief Financial Officer



— 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.

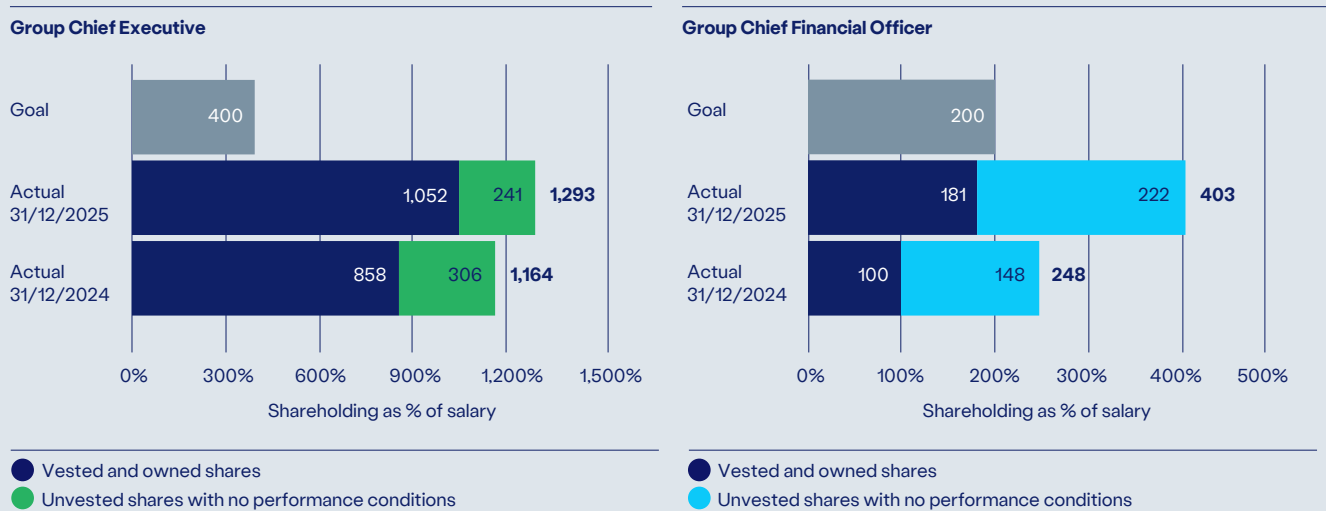
Group Chief Executive			Group Chief Financial Officer		
	Chris O'Shea	Median FTSE 100 benchmark		Russell O'Brien	Median FTSE 100 benchmark
Salary	£1,100,000	£1,009,000	Salary	£640,000	£646,000
Target Total Remuneration ⁽¹⁾	£4,510,000	£4,450,000	Target Total Remuneration ⁽¹⁾	£2,064,000	£2,378,000

(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 mmbœ	10.5 mmbœ
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.

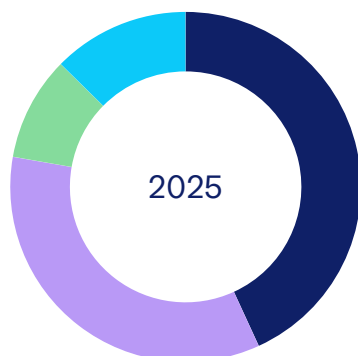
2025 deferred AIP

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.

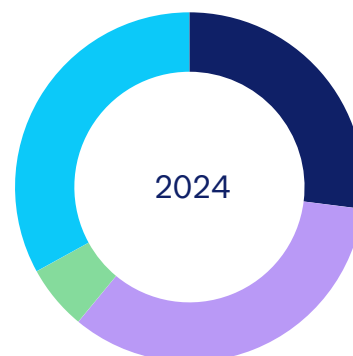
	Plan	Award type	Number of shares	Face value of award £000	Vesting date
Chris O'Shea	AIP	Deferred shares	467,574	694,687	March 2028
Russell O'Brien	AIP	Deferred shares	241,990	359,531	March 2028

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.

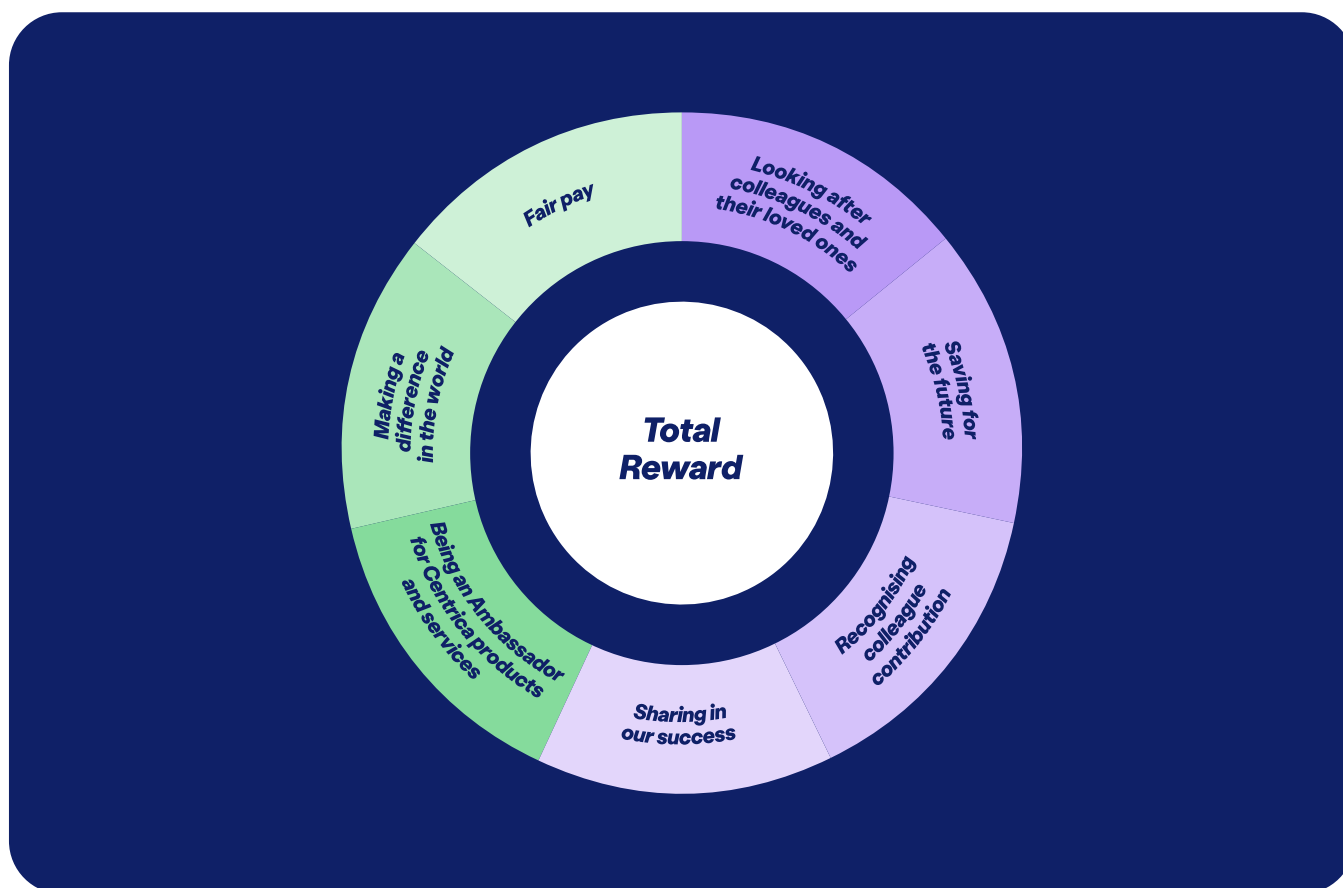
<i>For our colleagues, we aim to provide reward that is:</i>	<i>For our business, we aim to provide reward that is:</i>
Market competitive	Sustainable
Fair and consistent	Agile
Simple	Flexible
Supports wellbeing	Compliant

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

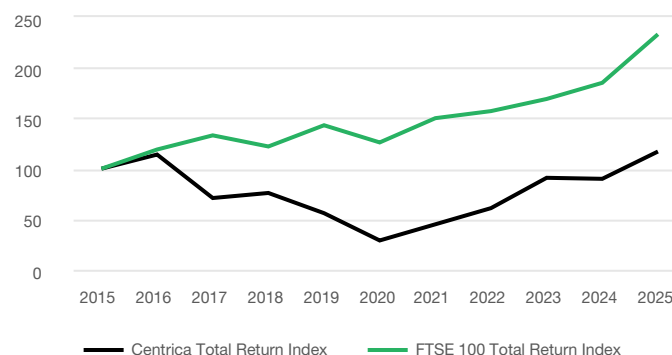
The table below shows the CEO's total remuneration over the last 10 years and the achieved annual short-term and long-term incentive pay awards as a percentage of the plan maximum.

	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></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
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%)																																	
	No change																																	
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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

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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

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Independent Auditor's Report

Report on the audit of the financial statements

1. Opinion

In our opinion:

- the financial statements of Centrica plc (the 'Company') and its subsidiaries (the 'Group') give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2025 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with United Kingdom adopted international accounting standards;
- the Company financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Group Income Statement;
- the Group Statement of Comprehensive Income;
- the Group Statement of Changes in Equity;
- the Group Balance Sheet;
- the Group Cash Flow Statement;
- the related notes to the Group financial statements 1 to 27;
- the supplementary notes S1 to S11 of the Group financial statements;
- the Company Statement of Changes in Equity;
- the Company Balance Sheet; and
- the notes I to XVII to the Company financial statements.

The financial reporting framework that has been applied in the preparation of the Group financial statements is applicable law and United Kingdom adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the Company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

2. Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. The non-audit services provided to the Group and Company for the year are disclosed in note S9 to the financial statements. We confirm that we have not provided any non-audit services prohibited by the FRC's Ethical Standard to the Group or the Company.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

3. Summary of our audit approach

Key audit matters	The key audit matters that we identified in the current year were: • valuation of energy supply billed debt provision within British Gas Energy; • revenue recognition in British Gas Energy and CBS Energy Supply; • impairment of the Group's investment in Nuclear (excluding Sizewell C), including estimates of future price assumptions; • the valuation of complex energy derivative contracts; and • the valuation of the decommissioning provision in Spirit Energy. The interpretation and application of the Electricity Generator Levy (EGL) remains a key source of estimation uncertainty, as disclosed by management in note 3 of the financial statements. However, the absence of any significant change in the underlying estimate in the current year meant this is no longer considered a key audit matter. Within this report, key audit matters are identified as follows: ! Newly identified △ Increased level of risk ◁▷ Similar level of risk ▽ Decreased level of risk
Materiality	The materiality that we used for the Group financial statements was £68.0m (2024: £79.8m), determined using a blend of adjusted profit before tax and total assets, rather than determined solely based on adjusted profit before tax as in previous years. Adjusted profit before tax is the pre-tax profit adjusted for the impact of exceptional items and certain re-measurements as presented in the Group Income Statement. The blend of this measure with the total assets measure reflects a more stable base which is aligned to the interests of stakeholders and to the business strategy and consistent with the level of business activity.
Scoping	Other than the components presented below, all components of the Group were subject to an audit of the component's financial information. The following components were subject to an audit of specified account balances: • British Gas Services and Solutions; • Centrica Business Solutions – Assets; • Bord Gáis; and • Centrica Energy Storage+. Centrica Business Solutions – New Energy Services continues to be subject of further audit procedures at the Group level.
Significant changes in our approach	Other than the change in key audit matters discussed above. There were no significant changes in our audit approach when compared to 2024.

4. Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the Group's and Company's ability to continue to adopt the going concern basis of accounting included:

- assessing the Group's future cash flow forecasts, by considering actual cash flow performance in 2025, the current commodity price environment, historical accuracy of the Group forecasts and key assumptions underpinning the Group's going concern assessment;
- agreeing the level of committed undrawn facilities of £3.1bn (2024: £3.3bn) to signed facility agreements, the key terms of which have been reviewed by our treasury specialists;
- obtaining an understanding of the relevant controls over the going concern assessment;
- testing the clerical accuracy of the cash flow forecasts and assessing the appropriateness of the model used to prepare the forecasts;
- assessing the sensitivities run by the directors and the linkage of these sensitivities to the Group's principal risks disclosed on pages 32 to 39 of the Group's annual report and accounts. These sensitivities include the impact of increased margin outflows, a reduction in the Group's credit rating, a continuing impact of a low commodity price environment, adverse weather and worsening macroeconomic factors, a reduction in commodity trading performance, operational disruption such as cyber risk and the resultant impact on cashflows;
- assessing the mitigating actions that could be taken by the directors to maximise liquidity headroom including a reduction in capital expenditure and a reduction in discretionary spend; and
- assessing the appropriateness of the going concern disclosures in light of the above assessment.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the reporting on how the Group has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

5. Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team.

These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

5.1 Valuation of energy supply billed debt provisions within British Gas Energy ◀▶

Key audit matter description

The Group supplies gas and power to residential customers in the UK through its British Gas Energy business. Of the Group total of £4,008m (2024: £3,270m) billed trade receivables, UK residential energy customers make up £1,443m (2024: £1,146m).

Cost of living challenges, including increased energy bills and mixed macroeconomic conditions, continue to affect customers' ability to pay their bills. This, coupled with the continued suspension of prepayment meter fitting activity, has led to an increased level of overdue debt. As a result, there continues to be significant judgement in determining the recoverability of customer debt, which raises the risk of material misstatement in determining the billed debt provision at 31 December 2025. Credit losses of £1,038m (2024: £799m) have been recognised on UK residential billed trade receivables, of which £812m (2024: £609m) relate to customer balances in excess of 360 days old.

During the course of 2025, migration of UK residential customers from the historic SAP billing system to the new Ensek system continued, with all such customers migrated by year end.

To determine the billed debt provision, certain key assumptions and judgements are made. These include:

- the appropriateness of historical cash collection data in the new Ensek billing system as a basis for a key provision input, given that historical data in the Ensek system for the most recently migrated customer cohorts is limited; and
- the accuracy of the mechanics of the bad debt provision model, which is an Ensek model being applied for the first time rather than the previous, well established, SAP model.

Further details on billed debt provisions relating to trade receivables can be found in notes 3 and 17. These matters are also considered by the Audit and Risk Committee in its report on pages 72 to 80.

How the scope of our audit responded to the key audit matter

- We obtained an understanding of the controls relevant to the estimation and determination of bad debt provision model assumptions and inputs. With involvement of our data analytics specialists, we tested the completeness and accuracy of the underlying debt books, including the recalculation of management's provision rates based on historical cash collection. This involved validation of key metrics such as debt ageing and historical recovery rates by customer class, and independent recalculation of provision rates.
- We assessed historical debt collection patterns over 2024 and 2025 in order to estimate an expected profile of the recovery of 31 December 2025 balances. We then applied this profile to 31 December 2025 debt and assessed the impact of these changes on the billed debt provision estimate.
- We considered the extent to which the final provision determined by management adequately factored in the current macroeconomic environment and its likely impact on future cash collection. We assessed the appropriateness of the disclosures provided relating to this key source of estimation uncertainty, and the range of sensitivities disclosed.

Key observations

We are satisfied that the billed debt provisions in relation to British Gas Energy receivables, and the disclosures in relation to the provisions as a key source of estimation uncertainty, are appropriate.

5.2 Revenue recognition in British Gas Energy and CBS Energy Supply <D>

Key audit matter description

UK energy supply revenue of £15,261m (2024: £15,823m) is a matter of significant audit focus due to its materiality to the Group's financial statements. Following the migration of all British Gas Energy customers from the legacy SAP system to the Ensek platform during the year, all UK residential revenue and a portion of UK small business revenue is now processed through the Ensek platform. As highlighted in the Audit and Risk Committee's report at page 73, the Ensek control environment has continued to develop during the year.

ISA(UK) 240: "The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements", requires us to presume a risk of fraud within revenue recognition. We have pinpointed this risk to the accuracy and completeness of unread revenue processed through Ensek, given the evolving nature of the controls over this new system and the consumption estimations required to be made in respect of unread meters. Unread revenue comprises both billed and unbilled revenue.

In addition, given the ongoing enhancement of general IT controls, as highlighted in section 7.2 of this report, we performed additional audit tests to respond to the general IT control findings in the legacy SAP billing environment, where CBS Energy Supply customers continue to be housed.

Given the above factors we have determined British Gas Energy unread revenue (Ensek) and CBS Energy supply revenue (SAP) to be a key audit matter.

Further details on revenue recognition relating to unread revenue can be found in notes 3 and 4. These matters are also considered by the Audit and Risk Committee in its report on page 79.

How the scope of our audit responded to the key audit matter

- We obtained an understanding of the relevant Ensek controls, including those regarding the completeness and accuracy of estimated consumption data. We did not plan to place reliance on these controls due to the developing maturity of the control environment.
- For the legacy SAP application, our procedures included obtaining an understanding of and testing the underlying revenue controls. Having identified user access security control deficiencies in the Group's SAP estate, we performed a combination of additional procedures, including but not limited to testing of compensating manual controls to gain comfort over the accuracy and completeness of revenue.
- We performed tests of detail over the Ensek unread energy (billed) supply volume and pricing revenue data, agreeing amounts back to contractual tariffs and recalculating estimated volume using industry data.
- We evaluated an expectation of the British Gas Energy and CBS Energy Supply revenue, comparing differences to predetermined thresholds, and tested the completeness and accuracy of the key inputs to the expectation.
- We worked with our data analytics specialists to recalculate unbilled revenue and tested the completeness and accuracy of the underlying data used in management's calculation.
- We performed a historical accuracy assessment by comparing prior period unbilled revenue estimates to subsequent billed activity to evaluate the accuracy of management's prior period estimation.

Key observations

We are satisfied that unread revenue recognised through British Gas Energy, and revenue recognised through CBS Energy Supply, including the methodology to generate the unbilled revenue estimate, is appropriate.

5.3 Impairment of the Group's investment in Nuclear (excluding Sizewell C), including estimates of future price assumptions <=>

Key audit matter description

The Group makes judgements in considering whether the carrying amount of its investment in Nuclear (excluding Sizewell C) is recoverable, and applies estimates and assumptions in determining its recoverable amount. Key assumptions in the determination of recoverable amount include: forecast future commodity prices; forecast cashflows including forecast production and capital expenditure; life extensions and discount rates. We identified a key audit matter around the determination of the recoverable amount of this investment.

The Group's balance sheet includes a net book value of £578m (2024: £794m) interest in its Nuclear investment. In the Infrastructure segment, an impairment of the Nuclear investment of £251m (2024: £48 million) has been recorded within the Exceptional items and certain re-measurements column of the Group Income Statement.

The details on the key sources of estimation uncertainty underpinning the impairment for this investment can be found in note 3. Details on the sensitivity of the above impairment assessment to changes in key assumptions such as commodity prices are disclosed in note 7. This includes sensitivities associated with the Group's commodity price curves if these curves were aligned with a Net Zero scenario ('Net Zero curve') which assumes governmental policies are put in place to achieve the temperature and net zero goals by 2050. The matter is also considered by the Audit and Risk Committee in its report on pages 77 to 78.

How the scope of our audit responded to the key audit matter

- We understood management's process for identifying indicators of impairment and for performing their impairment assessment.
- We obtained an understanding of the relevant controls relating to the investment impairment model, the underlying forecasting process and the impairment reviews performed.
- We evaluated the forecast future cash flows including key assumptions and inputs into the impairment model, which included performing sensitivity analysis, to evaluate the impact of selecting alternative assumptions. We also, where relevant, assessed judgements made in respect of life extensions, capital expenditure and production outages.
- We evaluated changes in key assumptions, in particular the refinement of the estimation methodology applied to forecasting commodity price assumptions. We worked with our commodity pricing specialists to derive an acceptable range against which we assessed the Group's forecast commodity prices. We also performed sensitivity analysis with alternative future prices. These alternative scenarios included one which assumes governmental policies are put in place to achieve the temperature and net zero goals by 2050. We assessed management's disclosures relating to the sensitivity of the Group's impairment tests to reduced commodity prices, including the Net Zero scenarios.
- With the involvement of our valuation specialists, we evaluated the discount rates, which involved benchmarking against available market views and analysis.
- We tested the arithmetical accuracy of the impairment model.
- We assessed the appropriateness of disclosures of the key assumptions and sensitivities including the presentation of the impairment cost within the Exceptional items and certain re-measurements column of the Group Income Statement, and consistency with the Group's accounting policy.

Key observations

We are satisfied that the key assumptions used to determine the recoverable amount of the Group's investment, including forecast future commodity prices, forecast cashflows including forecast production and capital expenditure, life extensions and discount rates, are within a reasonable range. The Group's future commodity price estimates generally fall within the acceptable range.

We consider the sensitivity disclosures related to the impact of future commodity price estimates arising from climate change on the Group's impairment assessment to be appropriate.

We are satisfied that the impairment charge recognised by the Group for the year is appropriate and we found the presentation of this cost under the Exceptional items and certain re-measurements column of the Group Income Statement to be consistent with the Group's exceptional items accounting policy.

5.4 The valuation of complex energy derivative contracts <=>

Key audit matter description

Note 7 of the financial statements discloses a re-measurements loss of £345m for the year (2024: profit of £421m) on energy derivative contracts. Details on the Group's energy contracts can be found in note 19 and note S3. The key sources of estimation uncertainty associated with energy contracts can be found in note 3 with further details on the presentation of certain re-measurement arising on derivatives disclosed in note 2. The matter is also considered by the Audit and Risk Committee in its report on page 76.

The Group undertakes proprietary trading activities and enters into forward commodity contracts to optimise the value of its production and generation assets, as well as to meet the future needs of its customers. Certain of these arrangements entered into are accounted for as derivative financial instruments and are recorded at fair value.

We identified a key audit matter related to the valuation of complex derivative trades performed internally by management's valuation specialists, including new hedging contracts entered into in the year to hedge long-term LNG supply arrangements. Valuing complex energy derivative contracts requires judgement, particularly where there are bespoke contractual terms, modelling complexity and significant unobservable inputs that are not corroborated by market data. Management use these with internally developed methodologies that result in their best estimate of fair value (level 3 in accordance with IFRS 13 'Fair Value Measurement'). Given the judgement involved and the potential for management bias in the modelling, we identified a potential risk of fraud.

Level 3 complex energy derivative financial assets of £80m (2024: £164m) were recognised at 31 December 2025 and £140m (2024: £131m) level 3 complex energy derivative financial liabilities.

How the scope of our audit responded to the key audit matter

- We obtained an understanding of the Group's processes, including user access and segregation of duties controls, for authorising and recording commodity trades.
- We obtained an understanding of and tested the relevant controls relating to the valuation of complex energy derivatives within the Group's Centrica Energy business. As a result of the user access security deficiencies identified in the valuation system, we performed additional substantive procedures to mitigate the risks presented by the deficiencies.
- We assessed the competence, capability and objectivity of management's internal valuation specialists.
- With the involvement of our financial instrument specialists, we assessed the value of material complex trades, either by creating an independent valuation or by testing how management developed their estimate. Particular emphasis was made to assess any new material models and material changes to relevant models and we performed additional procedures to assess the reasonableness and appropriateness of these.
- We assessed the movement in the fair values based on the change in significant inputs, and tested these inputs, where relevant.
- We considered the appropriateness of the relevant complex derivative energy contracts disclosures, including the key source of estimation uncertainty disclosures.

Key observations

We are satisfied that the valuation of complex energy derivative contracts is materially appropriate.

5.5 The valuation of the decommissioning provision in Spirit Energy ◀▶

Key audit matter description

A provision is recognised for the estimated cost of decommissioning at the end of the producing lives of gas fields in the Spirit Energy business unit within the Infrastructure segment. During the year there were disposals of Spirit Energy's interest in various gas fields (as explained in note 12 of the Group's financial statements) however, the Group has continued to hold decommissioning provisions of £1,302m (2024: £1,459m) as at 31 December 2025 and of these £961m (2024: £1,139m) are related to Spirit Energy. The liability arises in respect of both assets operated directly by Spirit Energy and assets operated by third-party operators (Spirit Energy non-operated assets).

The decommissioning cost estimates include assumptions related to discount rates, management costs, wells costs, rates and norms that are sensitive and where a reasonably possible change would lead to a material difference in the provision. Management has involved specialists to assess and calculate the decommissioning obligations. Given the level of management judgement applied throughout the recognition of decommissioning provisions, we have identified this as a key audit matter and an area of fraud risk. Further details on decommissioning provisions can be found in notes 3 and 21. These matters are also considered by the Audit and Risk Committee in its report on pages 72 to 80.

How the scope of our audit responded to the key audit matter

- We obtained an understanding of the relevant controls around the valuation of the decommissioning provision.
- With the involvement of our data analytics specialists, we identified the key assumptions to which the decommissioning model is most sensitive and performed focused audit procedures on the most sensitive inputs including corroborating and benchmarking those inputs to independent documentation, where available.
- We evaluated the discount rates used by management, which involved benchmarking against available, relevant market data, including US and UK government bond yields and peer data.
- We assessed the objectivity, capability and competence of the experts employed by management to assess and calculate the decommissioning obligations. For non-operated assets, we assessed the competence of each operator.
- For non-operated assets we agreed the estimated decommissioning liability to the third-party operator estimate. Where management has not adopted the operator estimate, they produce their own estimate, and we have assessed the appropriateness of management's estimates.
- We performed a retrospective review of costs incurred to assess the historical accuracy of decommissioning provision estimates.
- We assessed the methodology applied in determining the decommissioning cost and the disclosures of the key sources of estimation uncertainty concerning the decommissioning provision in the Group accounts.

Key observations

We are satisfied that decommissioning provisions, key assumptions employed to derive these provisions and the associated methodology to assess them, are appropriate.

6. Our application of materiality

6.1 Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Company financial statements
Materiality	£68.0m (2024: £79.8m)	£30.6m (2024: £35.8m)
Basis for determining materiality	We determined materiality using a blend of adjusted profit before tax and total assets, rather than solely based on adjusted profit before tax as in previous years. Adjusted profit before tax is the pre-tax profit adjusted for the impact of exceptional items and certain re-measurements as presented in the Group Income Statement. The blend of this measure with the total assets measure reflects a more stable base which is aligned to the interests of stakeholders and to the business strategy and consistent with the level of business activity. The determined materiality figure is 8.3% of adjusted profit before tax (2024: 5.0%) and 0.4% of total assets (2024: represented 0.4%).	We determined materiality based on 3.0% (2024: 3.0%) of net assets but capped materiality at 45% (2024: 45%) of the Group materiality. Our final materiality constituted 0.4% of net assets (2024: 0.5% of net assets).
Rationale for the benchmark applied	We considered the blended basis for materiality to be the most appropriate benchmark to measure the performance of the Group. This blended basis reflects a more stable base which is aligned to the interest of the stakeholders and to the business strategy.	We considered net assets to be the most appropriate benchmark given the primary purpose of the Company is a holding company.

6.2 Performance materiality

We set performance materiality at a level lower than materiality to reduce the probability that, in aggregate, uncorrected and undetected misstatements exceed the materiality for the financial statements as a whole.

	Group financial statements	Company financial statements
Performance materiality	70% (2024: 70%) of Group materiality	70% (2024: 70%) of Company materiality
Basis and rationale for determining performance materiality	The factors we considered in setting performance materiality at 70% of Group and Company materiality included: • The overall quality of the control environment and that we were able to rely on controls in certain of the Group's businesses. • The nature, size and number of uncorrected misstatements identified in previous audits and management's willingness to correct those adjustments.	

6.3 Error reporting threshold

We agreed with the Audit and Risk Committee that we would report to the Committee all audit differences in excess of £3.4m (2024: £3.9m), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit and Risk Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

7. An overview of the scope of our audit

7.1 Identification and scoping of components

Our audit was scoped by obtaining an understanding of the Group and its environment, including Group-wide controls, and assessing the risks of material misstatement at the Group level. Our assessment of components is driven by the underlying profit centre structure through which the management accounts are reported, rather than the segments disclosed in the Group's annual report and accounts. The component performance materiality levels that were used ranged from £21.4m to £26.1m (2024: £24.5m to £35.4m). Having performed this assessment, we established the following audit scope for each of the Group's businesses.

Components	Audit scope
British Gas Energy	Audit of the component's financial information
British Gas Services and Solutions	Audit of specified account balances of the component
CBS Energy Supply	Audit of the component's financial information
Centrica Business Solutions – Assets	Audit of specified account balances of the component
Centrica Business Solutions – New Energy Services	Further audit procedures performed at the Group level
Bord Gáis	Audit of specified account balances of the component
Centrica Energy (London)	Audit of the component's financial information
Centrica Energy (Aalborg)	Audit of the component's financial information
Nuclear	Audit of the component's financial information
Centrica Energy Storage+	Audit of specified account balances of the component
Spirit Energy	Audit of the component's financial information

This scoping resulted in 97% of Group revenue, 95% of Group adjusted profit before tax and 88% of Group shareholders' equity being subject to audit, excluding those where the Group engagement team performed specific further audit procedures. The equivalent figures in 2024 were 98% of Group revenue, 96% of the adjusted profit before tax and 93% of shareholders' equity.

The design of our audit approach reflects the Group structure, utilising data extracted from the Group's systems, to effectively address risks of material misstatement. We have deployed and utilised data analytics across the Group, providing a more detailed understanding of the flow of transactions, enabling us to focus our risk assessment and design targeted audit testing procedures. We embed technology throughout our audit to improve quality and effectiveness, including in the areas of planning, project management, risks and controls assessment, substantive testing and reporting insights to management and the Audit & Risk Committee.

To support our iterative risk assessment process, across significant account balances, we have used our data analytical tools to scrutinise large transactional data sets for unusual trends, characteristics, outliers or transaction flows to support our identification of audit risks.

Across the Group we have used our process analytics to automate audit testing in order to enhance both the quality and effectiveness of the audit. For example:

- In British Gas Energy we substantively recalculate the unbilled revenue estimate, comparing to management's system estimate (refer to 5.2). In respect of the billed debt provision for residential customers, we also use analytics to independently recalculate management's provision (refer to 5.1).
- In Centrica Energy (London), we use data analytics to substantively test gas and power trades from trade confirmations through to cash settlement, providing close to 100% coverage in evidencing the trading results.
- In the Spirit Energy business, we use modelling analytics to recalculate the decommissioning provision and to identify the key assumptions to which the decommissioning model is most sensitive. This enables the audit team to focus on corroborating and benchmarking the most material assumptions to audit evidence (refer to 5.5).

Across the whole Group, we continued to use profiling technology to identify journal entries that exhibit potential fraud characteristics in testing the appropriateness of journal entries and other adjustments as part of our response to the risk of management override of controls.

7.2 Our consideration of the control environment

Our audit strategy was designed such that general IT controls reliance is placed over certain processes within the more established businesses of the Group (such as revenue within British Gas Services and Solutions and Bord Gáis), and over the Group's central expenditure processes, with a non-controls reliance approach assumed in less-established areas of the business (for instance, the control environment around the Ensek platform).

Given the importance of IT to the recording of financial information and transactions, we tested general IT controls with the involvement of our IT specialists. The key IT systems we included in scope include the Group's SAP estate, including the billing platform within British Gas Energy, general ledger, and consolidation financial reporting systems, the SAP reporting system in Bord Gáis, the Endur trading system in Centrica Energy (London and Aalborg), and Workday which is used to manage the Group's payroll processes. As noted by the Audit and Risk Committee on page 73, there is an ongoing enhancement of general IT controls including in areas such as access management and segregation of duties. As a result of the status of this upgrade, we were able to place reliance on general IT controls over certain systems but not others. Where we did not obtain control reliance we revisited our risk assessment, and planned and performed additional audit tests to respond to the general IT control findings.

In Centrica Energy (London) we obtained an understanding of relevant controls over financial reporting and tested controls over Complex Level 3 valuations. We adopted a fully substantive approach using our data analytics technology which enables us to test close to 100% of all Level 2 trades. For Complex Level 3 valuations we followed a controls reliance approach.

As noted in the Audit and Risk Committee report on page 73, the Group continues to prepare to make an appropriate declaration under provision 29 of the UK Corporate Governance Code.

7.3 Our consideration of climate-related risks

Management performed an assessment of the resilience of their annual strategic and financial planning process in the face of climate-related issues. This included assessing the potential impact of the material risks and opportunities and its Climate Transition Plan on both the current balance sheet position and its accounting policies.

Management identified higher risks of material misstatement on the impact of the Net Zero price scenario on the Nuclear investment (excluding Sizewell C) and Power asset impairment tests. In response, management performed further sensitivities based on forecast prices aligned to net zero price curves. The net zero price curves for Nuclear (excluding Sizewell C) and Power assets, consider prices from third party experts in forecast curves.

We reviewed management's climate change risk assessment and evaluated the completeness of the identified risks and impact on the financial statements. We also considered climate change within our audit risk assessment process in conjunction with our assessment of the balances.

To mitigate the Net Zero price scenario risk for the Group's investment in Nuclear and Power Assets, we performed the following procedures:

- Assessed the reasonableness of management's net zero prices by comparing these to credible third-party net zero price curves.
- Evaluated the price providers' data utilised by the Group to assess whether net zero price curves are appropriate.
- Verified the mathematical accuracy of the conversion to Nominal 2025 prices by adjusting the raw external price forecast data for inflation.

With the involvement of our climate specialists, we:

- evaluated the financial statement disclosures to assess whether climate risk assumptions underpinning specific account balances were appropriately disclosed as well as climate related disclosures in note 3 Critical accounting judgements and key sources of estimation uncertainty; and
- read the climate change-related statements (as disclosed in the 'People and Planet' section in the Strategic Report on page 42 and considered whether the information included in the narrative reporting is materially consistent with the financial statements and our knowledge obtained in the audit.

7.4 Working with other auditors

All components except for Bord Gáis and Centrica Energy – Aalborg ("Aalborg") are audited from the UK and we oversee all component audits through regular meetings and direct supervision. We visited both Bord Gáis and Aalborg during the year to support our overarching direction, supervision and oversight procedures. The Group audit team was directly involved in overseeing the component audit planning and execution, through frequent conversations, virtual and in person meetings, debate, challenge and review of reporting and underlying work papers. We held a two-day planning meeting with all component teams and specialists to discuss audit execution and our risk assessment, including risks of material misstatement due to fraud. In addition to our direct interactions and detailed instructions to our component audit teams, Jane Boardman, as lead audit partner, was also the lead audit partner for the British Gas Energy component. This enabled direct Group supervision on one of the most significant components of the Group.

We are satisfied that the level of involvement of the lead audit partner and Group audit team in the component audits has been extensive and has enabled us to conclude that sufficient appropriate audit evidence has been obtained in support of our opinion on the Group financial statements as a whole.

8. Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

9. Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

10. Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

11. Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

11.1 Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- the Group's own assessment of the risks that irregularities may occur either as a result of fraud or error including the Group's fraud risk programme;
- results of our enquiries of management, internal audit, the directors and the Audit and Risk Committee about their own identification and assessment of the risks of irregularities, including those that are specific to the Group's sector;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations.
- the matters discussed among the audit engagement team including the component audit teams and relevant internal specialists, including tax, valuations, pensions, climate, treasury, data analytics, commodity pricing, financial instrument and IT, regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

- valuation of energy supply billed debt provision within British Gas Energy;
- revenue recognition in British Gas Energy and CBS Energy Supply;
- the valuation of complex energy derivative contracts; and
- the valuation of the decommissioning provision in Spirit Energy.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory framework that the Group operates in, focusing on provisions of those laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, the UK Listing Rules, the Electricity Generator Levy, pensions and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These included the regulations set by the Office of Gas and Electricity Markets (Ofgem) and Regulations by the UK Financial Conduct Authority (FCA) and Prudential Regulatory Authority (PRA).

11.2 Audit response to risks identified

As a result of performing the above, we identified the following as key audit matters related to the potential risk of fraud: (1) valuation of energy supply billed debt provision within British Gas Energy; (2) revenue recognition in British Gas Energy and CBS Energy Supply; (3) the valuation of complex energy derivative contracts; and (4) the valuation of the decommissioning provision in Spirit Energy. The key audit matters section of our report explains the matters in more detail and also describes the specific procedures we performed in response to those key audit matters.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the Audit and Risk Committee, in-house legal counsel and the Group's ethics team concerning actual and potential litigation and claims;
- reviewing the reporting to the Audit and Risk Committee, on matters relating to fraud and potential non-compliance with laws and regulations including the Group's whistleblowing programme;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with HMRC, Ofgem, the FCA and the PRA; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, including internal specialists and component audit teams, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Report on other legal and regulatory requirements

12. Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

13. Corporate Governance Statement

The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the Group's compliance with the provisions of the UK Corporate Governance Code specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- the directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 118;
- the directors' explanation as to its assessment of the Group's prospects, the period this assessment covers and why the period is appropriate set out on page 40;
- the directors' statement on fair, balanced and understandable set out on page 119;
- the board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 32;
- the section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 72; and
- the section describing the work of the Audit & Risk Committee set out on pages 72 to 80.

14. Matters on which we are required to report by exception

14.1 Adequacy of explanations received and accounting records

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

14.2 Directors' remuneration

Under the Companies Act 2006 we are also required to report if in our opinion certain disclosures of directors' remuneration have not been made or the part of the directors' remuneration report to be audited is not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

15. Other matters which we are required to address

15.1 Auditor tenure

Following the recommendation of the Audit and Risk Committee, we were reappointed by the shareholders on 28 July 2025 to audit the financial statements for the year ending 31 December 2025 and subsequent financial periods. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 9 years, covering the years ending 31 December 2017 to 31 December 2025.

15.2 Consistency of the audit report with the additional report to the Audit & Risk Committee

Our audit opinion is consistent with the additional report to the Audit & Risk Committee we are required to provide in accordance with ISAs (UK).

16. Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

As required by the Financial Conduct Authority (FCA) Disclosure Guidance and Transparency Rule (DTR) 4.1.15R – DTR 4.1.18R, these financial statements will form part of the Electronic Format Annual Financial Report filed on the National Storage Mechanism of the FCA in accordance with DTR 4.1.15R – DTR 4.1.18R. This auditor's report provides no assurance over whether the Electronic Format Annual Financial Report has been prepared in compliance with DTR 4.1.15R – DTR 4.1.18R.

Jane Boardman FCA (Senior statutory auditor)

For and on behalf of Deloitte LLP

Statutory Auditor

London, United Kingdom

18 February 2026

Group Income Statement

Year ended 31 December	Notes	2025			2024		
		Business performance £m	Exceptional items and certain re-measurements £m	Results for the year £m	Business performance £m	Exceptional items and certain re-measurements £m	Results for the year £m
Group revenue	4,7	21,566	(2,873)	18,693	23,836	(4,723)	19,113
Insurance revenue	4,S7	799	—	799	800	—	800
Total Group revenue		22,365	(2,873)	19,492	24,636	(4,723)	19,913
Cost of sales before insurance service expenses ⁽ⁱ⁾	5,7	(18,757)	7,318	(11,439)	(20,368)	9,064	(11,304)
Insurance service expenses recognised in cost of sales	5,S7	(474)	—	(474)	(460)	—	(460)
Re-measurement and settlement of derivative energy contracts	5,7	—	(4,748)	(4,748)	—	(4,062)	(4,062)
Gross profit/(loss)	4,7	3,134	(303)	2,831	3,808	279	4,087
Operating costs before insurance service expenses, credit losses on financial assets and exceptional items	5	(1,772)	—	(1,772)	(1,833)	—	(1,833)
Insurance service expenses recognised in operating costs	5,S7	(288)	—	(288)	(306)	—	(306)
Credit losses on financial assets	5,17	(418)	—	(418)	(373)	—	(373)
Exceptional items	7	—	(405)	(405)	—	(128)	(128)
Operating costs	5	(2,478)	(405)	(2,883)	(2,512)	(128)	(2,640)
Results relating to joint ventures and associates, net of interest and taxation	6	158	—	158	256	—	256
Group operating profit/(loss)	4	814	(708)	106	1,552	151	1,703
Financing costs	7,8	(237)	—	(237)	(269)	(68)	(337)
Investment income	8	243	—	243	313	—	313
Net finance income/(cost)	8	6	—	6	44	(68)	(24)
Profit/(loss) before taxation		820	(708)	112	1,596	83	1,679
Taxation on profit/(loss)	7,9	(265)	102	(163)	(553)	239	(314)
Profit/(loss) for the year		555	(606)	(51)	1,043	322	1,365
Attributable to:							
Owners of the parent		534	(606)	(72)	984	348	1,332
Non-controlling interests		21	—	21	59	(26)	33
Earnings per ordinary share							
				Pence			Pence
Basic	10			(1.5)			25.7
Diluted	10			(1.5)			25.1
Interim dividend paid per ordinary share	11			1.83			1.50
Final dividend proposed per ordinary share	11			3.67			3.00

(i) Cost of sales includes a £42 million credit (2024: £142 million debit) relating to movements in onerous contracts provisions within the certain re-measurements column. See notes 2 and 7.

The notes on pages 139 to 234 form part of these Financial Statements.

Group Statement of Comprehensive Income

Year ended 31 December	Notes	2025 £m	2024 £m
(Loss)/profit for the year		(51)	1,365
Other comprehensive income			
Items that will be or have been reclassified to the Group Income Statement:			
Impact of cash flow hedging, net of taxation	S4	(5)	2
Exchange differences on translation of foreign operations ⁽ⁱ⁾	S4	24	(49)
Exchange differences reclassified to the Group Income Statement on disposal	S4	2	—
Share of other comprehensive loss of joint ventures related to cash flow hedging, net of taxation	14,S4	(8)	—
Items that will not be reclassified to the Group Income Statement:			
Net actuarial losses on defined benefit pension schemes, net of taxation	S4	(324)	(84)
Losses on revaluation of equity instruments measured at fair value through other comprehensive income, net of taxation	S4	(5)	(27)
Share of other comprehensive income of associates relating to defined benefit pension schemes, net of taxation	14,S4	4	38
Other comprehensive loss, net of taxation		(312)	(120)
Total comprehensive (loss)/income for the year		(363)	1,245
Attributable to:			
Owners of the parent		(384)	1,211
Non-controlling interests	S11	21	34

(i) Exchange differences on translation of foreign operations includes £24 million of gains (2024: £50 million of losses) attributable to the equity holders of the parent, and £nil (2024: £1 million of gains) attributable to non-controlling interests.

The notes on pages 139 to 234 form part of these Financial Statements.

Group Statement of Changes in Equity

	Share capital £m	Share premium £m	Retained earnings £m	Other equity £m	Total £m	Non-controlling interests £m	Total equity £m
1 January 2024	365	2,394	3,274	(2,156)	3,877	356	4,233
Profit for the year	—	—	1,332	—	1,332	33	1,365
Other comprehensive (loss)/income	—	—	—	(121)	(121)	1	(120)
Total comprehensive income/(loss)	—	—	1,332	(121)	1,211	34	1,245
Employee share schemes and other share transactions	—	—	(8)	41	33	—	33
Share buyback programme (note S4)	—	—	—	(480)	(480)	—	(480)
Shares cancelled in the year (note 26)	(21)	—	(400)	421	—	—	—
Dividends paid to equity holders (note 11)	—	—	(219)	—	(219)	—	(219)
31 December 2024	344	2,394	3,979	(2,295)	4,422	390	4,812
(Loss)/profit for the year	—	—	(72)	—	(72)	21	(51)
Other comprehensive loss	—	—	—	(312)	(312)	—	(312)
Total comprehensive (loss)/income	—	—	(72)	(312)	(384)	21	(363)
Employee share schemes and other share transactions	—	—	(12)	66	54	—	54
Share buyback programme (note S4)	—	—	—	(770)	(770)	—	(770)
Shares cancelled in the year (note 26)	(31)	—	(681)	712	—	—	—
Dividends paid to equity holders (note 11)	—	—	(237)	—	(237)	—	(237)
31 December 2025	313	2,394	2,977	(2,599)	3,085	411	3,496

The notes on pages 139 to 234 form part of these Financial Statements.

Group Balance Sheet

	Notes	31 December 2025 £m	31 December 2024 £m
Non-current assets			
Property, plant and equipment	13	1,488	1,859
Interests in joint ventures and associates	14	1,171	794
Other intangible assets	15	318	318
Goodwill	15	504	478
Deferred tax assets	16	659	339
Trade and other receivables, and contract-related assets	17	254	179
Derivative financial instruments	19	276	267
Retirement benefit assets	22	12	129
Other investments	24	121	87
Securities	25	105	139
		4,908	4,589
Current assets			
Trade and other receivables, and contract-related assets	17	4,675	5,204
Other intangible assets	15	256	319
Inventories	18	339	904
Derivative financial instruments	19	600	1,309
Current tax assets		90	70
Securities	25	2	—
Cash and cash equivalents	25	4,307	6,338
		10,269	14,144
Assets of disposal groups classified as held for sale	12	238	—
		10,507	14,144
Total assets		15,415	18,733
Current liabilities			
Derivative financial instruments	19	(693)	(932)
Trade and other payables, and contract-related liabilities	20	(5,581)	(6,392)
Insurance contract liabilities	S7	(122)	(175)
Current tax liabilities		(113)	(181)
Provisions for other liabilities	21	(318)	(368)
Bank overdrafts, loans and other borrowings	25	(232)	(854)
		(7,059)	(8,902)
Liabilities of disposal groups classified as held for sale	12	(175)	—
		(7,234)	(8,902)
Non-current liabilities			
Deferred tax liabilities	16	(2)	(88)
Derivative financial instruments	19	(343)	(455)
Trade and other payables, and contract-related liabilities	20	(138)	(175)
Provisions for other liabilities	21	(1,271)	(1,493)
Retirement benefit obligations	22	(307)	(150)
Bank loans and other borrowings	25	(2,624)	(2,658)
		(4,685)	(5,019)
Total liabilities		(11,919)	(13,921)
Net assets		3,496	4,812
Share capital	26	313	344
Share premium		2,394	2,394
Retained earnings		2,977	3,979
Other equity	S4	(2,599)	(2,295)
Total shareholders' equity		3,085	4,422
Non-controlling interests	S11	411	390
Total shareholders' equity and non-controlling interests		3,496	4,812

The Financial Statements on pages 134 to 234, of which the notes on pages 139 to 234 form part, were approved and authorised for issue by the Board of Directors on 18 February 2026 and were signed below on its behalf by:

Chris O'Shea **Russell O'Brien**
Group Chief Executive **Group Chief Financial Officer**

Centrica plc Registered No: 03033654

Group Cash Flow Statement

Year ended 31 December	Notes	2025 £m	2024 £m
Group operating profit including results relating to joint ventures and associates		106	1,703
Deduct results relating to joint ventures and associates, net of interest and taxation	6	(158)	(256)
Group operating (loss)/profit before results relating to joint ventures and associates		(52)	1,447
Add back/(deduct):			
Depreciation and amortisation	13,15	428	473
Impairments	4,7	519	98
Gain on disposals	12	(74)	(4)
(Decrease)/increase in provisions		(129)	110
Cash contributions to defined benefit schemes in excess of service cost income statement charge		(150)	(208)
Employee share scheme costs		56	47
Unrealised losses arising from re-measurement of energy contracts		362	96
Operating cash flows before movements in working capital relating to business performance and payments relating to taxes, exceptional charges and operating interest		960	2,059
Decrease in inventories		546	164
Decrease in trade and other receivables and contract-related assets relating to business performance		413	241
Decrease in trade and other payables and contract-related liabilities relating to business performance		(795)	(657)
Operating cash flows before payments relating to taxes, exceptional charges and operating interest		1,124	1,807
Taxes paid	9	(375)	(636)
Operating interest paid	8	(16)	(16)
Payments relating to exceptional charges in operating costs	7	(38)	(6)
Net cash flow from operating activities		695	1,149
Purchase of businesses and assets, net of cash acquired	12	(22)	(92)
Sale of businesses and interests in joint operations, including receipt of deferred consideration	12	119	4
Purchase of property, plant and equipment and intangible assets	4	(554)	(416)
Sale of property, plant and equipment and intangible assets		12	—
Investments in joint ventures and associates	14	(609)	—
Dividends received from joint ventures and associates	14	135	355
Interest received		227	317
Net purchase of other investments	24	(42)	(56)
Settlement of securities	25	57	400
Purchase of securities	25	(13)	(19)
Net cash flow from investing activities		(690)	493
Payments for own shares	S4	(9)	(8)
Share buyback programme	S4	(827)	(499)
Cash inflow from borrowings	25	13	483
Financing interest paid	25	(181)	(283)
Cash outflow from repayment of borrowings and capital element of leases	25	(156)	(1,022)
Equity dividends paid	11	(237)	(219)
Net cash flow from financing activities		(1,397)	(1,548)
Net (decrease)/increase in cash and cash equivalents		(1,392)	94
Cash and cash equivalents including overdrafts as at 1 January		5,693	5,629
Effect of foreign exchange rate changes	25	(29)	(30)
Cash and cash equivalents including overdrafts at 31 December	25	4,272	5,693
Included in the following line of the Group Balance Sheet:			
Cash and cash equivalents	25	4,307	6,338
Overdrafts included within current bank overdrafts, loans and other borrowings	25	(35)	(645)

The notes on pages 139 to 234 form part of these Financial Statements.

Notes to the Financial Statements

Notes to the Financial Statements provide additional information required by statute, accounting standards or Listing Rules to explain a particular feature of the consolidated Financial Statements.

The notes to these Financial Statements focus on areas that are key to understanding our business. Additional information that we are required to disclose by accounting standards or regulation is disclosed in the Supplementary Information (notes S1 to S11).

In addition, for clarity, notes begin with a simple introduction outlining their purpose.

1. Basis of preparation and summary of significant new accounting policies and reporting changes

This section details new accounting standards, amendments to standards and interpretations, whether these are effective in 2025 or later years, and if and how these are expected to impact the financial position and performance of the Group.

The material accounting policies applied in the preparation of these consolidated Financial Statements are set out below and in the Supplementary Information (note S2). Unless otherwise stated, these policies have been consistently applied to the years presented.

(a) Basis of preparation

The consolidated Financial Statements have been prepared in accordance with United Kingdom adopted International Accounting Standards and in conformity with the requirements of the Companies Act 2006.

The consolidated Financial Statements have been prepared on the historical cost basis except for: certain gas inventory, derivative financial instruments, financial instruments required to be measured at fair value through profit or loss or other comprehensive income, and those financial instruments so designated at initial recognition, and the assets of the Group's defined benefit pension schemes that have been measured at fair value; the liabilities of the Group's defined benefit pension schemes that have been measured using the projected unit credit valuation method; and the carrying values of recognised assets and liabilities qualifying as hedged items in fair value hedges that have been adjusted from cost by the changes in the fair values attributable to the risks that are being hedged.

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future, which reflects a period of twelve months from the date of approval of the accounts, with modelled analysis extending to 31 December 2028. The scenarios considered as part of the going concern assessment are consistent with those used in the longer-term viability statement. In particular, cash forecasts for the Group have been stress-tested for different scenarios including reasonably possible increases/decreases in commodity prices and the risk scenarios described in the viability statement, assessing reasonably possible combinations of risks, the largest of which is the increased margin outflows in our trading businesses. Risks considered also include the continuing impact of a low commodity price environment and resultant profitability of the Group's Infrastructure business, significant adverse weather events, increased bad debt charges, trading and hedging underperformance and operational disruption including cyber risk, supply chain failures, asset outages or industrial action. The Group's strong liquidity position, coupled with its ability to deploy effective mitigating actions, ensures resilience against a volatile external risk

environment. The Group continues to manage the Group's financing profile through accessing a diverse source of term funding and maintaining access to carefully assessed levels of standby liquidity which support the Group's planned financial commitments. The level of undrawn committed bank facilities and available cash resources has enabled the Directors to conclude that there are no material uncertainties relating to going concern. As a result, the Group continues to adopt the going concern basis of accounting in preparing the financial statements. Further information on the Group's strong liquidity position, including its indebtedness and available committed facilities, is provided in note 25.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity and areas where assumptions and estimates are significant to the consolidated Financial Statements are described in notes 2 and 3.

(b) New accounting policies, standards, amendments and interpretations effective or adopted in 2025

From 1 January 2025, the following standards and amendments are effective in the Group's consolidated Financial Statements:

- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' Lack of Exchangeability, effective from 1 January 2025.

This amendment has not had a material impact on the consolidated Financial Statements during the year.

(c) Standards and amendments that are issued but not yet applied by the Group

At the date of authorisation of these consolidated Financial Statements, the Group has not applied the following new and revised standards and amendments that have been issued but are not yet effective:

- Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures', Amendments to the Classification and Measurement of Financial Instruments, effective from 1 January 2026;
- Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures', Contracts Referencing Nature-dependent Electricity, effective from 1 January 2026;
- Annual improvements to IFRS: Amendments to IFRS 1 'First-time Adoption of IFRS', IFRS 7, IFRS 9, IFRS 10 'Consolidated Financial Statements' and IAS 7 'Statement of Cash Flows', effective from 1 January 2026;
- IFRS 18 'Presentation and Disclosure in Financial Statements', effective from 1 January 2027; and
- IFRS 19 'Subsidiaries without Public Accountability', effective from 1 January 2027.

The potential impact of IFRS 18 'Presentation and Disclosure in Financial Statements', and the amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures' in respect of Nature-dependent Electricity are given below.

1. Basis of preparation and summary of significant new accounting policies and reporting changes

IFRS 18 'Presentation and Disclosure in Financial Statements'

IFRS 18 will replace IAS 1 'Presentation of Financial Statements' and become effective on 1 January 2027. IFRS 18 will introduce new requirements on presentation and disclosure in the financial statements, with a focus on the income statement and reporting of financial performance. Income and expenses in the income statement will be classified into five categories – operating, investing, financing, income taxes and discontinued operations. Two new subtotals will be presented: 'Operating profit or loss' and 'Profit or loss before financing and income tax'.

IFRS 18 will also require disclosures about management-defined performance measures in the financial statements and disclosure of information based on enhanced general requirements on aggregation and disaggregation. The Group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with IFRS 18.

The Group has assessed the impact of IFRS 18 and notes that the presentation of the Group's share of profits and losses of joint ventures and associates is expected to be shown within investing activities, rather than Group operating profit or loss. Additionally, the Group's investment income is expected to also be shown within investing activities, rather than Group net finance income/cost. The Group currently intends to present foreign exchange differences on intercompany balances within operating activities; clarification is expected from IFRIC on this matter. Certain other reclassifications have been identified; these are not expected to be material to the Group's financial statements.

The Group has considered the IFRS 18 guidance on aggregated and disaggregated information and is not anticipating any changes to the Group Balance Sheet other than separate presentation of goodwill as a line item. The Group is also evaluating its use of existing non-GAAP measures and their presentation within the income statement to ensure compliance with the requirements of IFRS 18. The Group's assessment is not yet final and further changes upon the implementation of IFRS 18 may be required.

Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures', Contracts Referencing Nature-dependent Electricity

The International Accounting Standards Board (IASB) has introduced targeted amendments to IFRS 9 and IFRS 7 aimed at resolving the challenges in accounting for electricity contracts, such as power purchase agreements, dependent on uncontrollable natural factors, such as weather conditions. The amendments clarify how entities should assess whether these contracts qualify for the 'own-use' exemption available under IFRS 9. Key considerations include whether the entity is a net purchaser over a reasonable time frame, taking into account variability in electricity generation. Amendments to hedge accounting have also been made to allow entities to designate a variable nominal volume of forecasted purchases or sales as the hedged item, provided certain conditions are met.

Management's initial assessment of the Group's own use purchase price electricity agreements is that there is sufficient downstream demand to ensure that the Group remains a net purchaser over a reasonable period of time with sales of unused electricity being incidental. The Group does not designate these contracts as the hedging instrument in a hedge of forecast electricity transactions.

Management does not currently expect the other issued but not effective amendments or standards, or standards not discussed above to have a material impact on the consolidated Financial Statements other than IFRS 18.

(d) Restatements

The Group has re-evaluated its operating and reportable segments during the year following a change in the way the business is organised and financial information is reported. Reportable and operating segments are now defined as:

- Retail;
- Optimisation; and
- Infrastructure

These revised segments reflect the way the Group's operating results are reported to, and regularly reviewed by, the Board to make decisions about resources to be allocated to the segments and assess their performance. Further information on the reportable segments of the Group is shown in note 4.

2. Centrica specific accounting measures

This section sets out the Group's specific accounting measures applied in the preparation of the consolidated Financial Statements. These measures enable the users of the accounts to understand the Group's underlying and statutory business performance separately.

(a) Use of adjusted performance measures

The Directors believe that reporting adjusted measures (revenue, margin, profit, earnings before interest, taxation, depreciation and amortisation, earnings per share and net cash/(debt)) provides additional useful information on business performance and underlying trends. These measures are used for internal performance purposes, are not defined terms under IFRS and may not be comparable with similarly titled measures reported by other companies.

Management uses adjusted revenue, adjusted gross margin and adjusted operating profit to evaluate segment performance. They are defined as revenue/gross margin/operating profit before:

- Exceptional items; and
- Certain re-measurements.

Exceptional items and certain re-measurements are excluded to enable the Directors to convey to the users an enhanced understanding of the Group's business performance. See section (b) of this note for further details. Segmental adjusted gross margin and adjusted operating profit exclude the impact of the colleague profit share because management considers it unrelated to segmental business performance. Similarly, because Segmental adjusted gross margin and adjusted operating profit are presented as managed by the Board, the elimination on consolidation of the internal margin and indirect costs on smart meter installation recognised in Retail and subsequently capitalised in the meter asset provider business within Infrastructure is also excluded.

Adjusted earnings is defined as earnings before:

- Exceptional items net of taxation; and
- Certain re-measurements net of taxation.

A reconciliation of adjusted earnings and adjusted earnings per share is provided in note 10.

Adjusted net cash/(debt) is used by management to assess the underlying indebtedness of the business. Adjusted net cash/(debt) is defined as cash and cash equivalents, net of bank overdrafts, borrowings, leases, interest accruals and related derivatives. This is adjusted for:

- Securities; and
- Sub-lease assets.

(b) Exceptional items and certain re-measurements

The Group reflects its underlying financial results in the business performance column of the Group Income Statement. To be able to provide users with this clear and consistent presentation, the effects of 'certain re-measurements' of financial instruments, and 'exceptional items', are reported in a different column in the Group Income Statement.

The Group is an integrated energy business. This means that it utilises its knowledge and experience across the gas and power (and related commodity) value chains to make profits across the core markets in which it operates. As part of this strategy, the Group enters into a number of forward energy trades to protect and optimise the value of its underlying production, generation, storage and transportation assets and contracts (and similar capacity or offtake arrangements including Liquefied Natural Gas (LNG)), as well as to meet the future needs of its customers (downstream demand). These trades are designed to reduce the risk of holding such assets, contracts or downstream demand and are subject to strict risk limits and controls.

Primarily because some of these trades include terms that permit net settlement, they are prohibited from being designated as 'own use' and so IFRS 9 'Financial Instruments' requires them to be individually fair valued.

Fair value movements on these commodity derivative trades do not reflect the underlying performance of the business because they are economically related to the Group's Infrastructure assets, capacity/offtake contracts or downstream demand, which are typically not fair valued. Similarly, where downstream customer supply contracts or LNG procurement contracts have become onerous as a result of significant market price movements (and the fact any associated commodity hedges have separately been recognised at fair value under IFRS 9 and therefore the onerous supply/LNG contract assessment must reflect the reversal of those gains in subsequent periods). Movements in the required provision are also reflected as a certain re-measurement in the 'Cost of sales' line item and separately disclosed in note 7.

Movements in this provision do not reflect the underlying performance of the business because they are economically related to both the hedges as well as forecast future profitability of the portfolio as a whole, in the case of the supply/LNG procurement contracts. Therefore, these certain re-measurements are reported separately and are subsequently reflected in business performance when realised, which is generally when the underlying transaction or asset impacts profit or loss. This enables the Group to convey the performance of the business both with and without the impact of such items.

The effects of these certain re-measurements are presented within either revenue or cost of sales when recognised in business performance depending on the nature of the contract. They are managed separately from proprietary energy trading activities where trades are entered into speculatively for the purpose of making profits in their own right. These proprietary trades are included in revenue in the business performance column of the Group Income Statement.

The Group's result for the year presents both realised and unrealised fair value movements on all derivative energy contracts within the 'Re-measurement and settlement of derivative energy contracts' line item.

Exceptional items are those items that, in the judgement of the Directors, need to be disclosed separately by virtue of their nature, size or incidence. Again, to ensure the business performance column reflects the underlying results of the Group, these exceptional items are also reported in the separate column in the Group Income Statement. Items that may be considered exceptional in nature include disposals of businesses or significant assets, business restructuring, debt repurchase/refinancing costs, legacy contract costs associated with business activities that have ceased, certain pension past service credits/costs, asset impairments/write-backs, and the tax effects of these items. Also tax impacts associated with legislative changes or as a result of commodity price movements may be considered as exceptional.

The Group distinguishes between business performance asset impairments/write-backs and exceptional impairments/write-backs on the basis of the underlying driver of the impairment, as well as the magnitude of the impairment. Drivers that are deemed to be outside of the control of the Group (e.g. commodity price changes) give rise to exceptional impairments. Additionally, impairment charges that are of a one-off nature (e.g. reserve downgrades or one-time change in intended use of an asset) and significant enough value to influence the understanding of the underlying results of the business are considered to be exceptional. Other impairments that would be expected in the normal course of business are reflected in business performance.

3. Critical accounting judgements and key sources of estimation uncertainty

This section sets out the key areas of judgement and estimation that have the most significant effect on the amounts recognised in the consolidated Financial Statements.

(a) Critical judgements in applying the Group's accounting policies

Management has made the following key judgements in applying the Group's accounting policies that have the most significant effect on the consolidated Group Financial Statements.

Spirit Energy consolidation

The Group judges that through its Board majority, it can control the relevant activities that most significantly influence the variable returns of the Spirit Energy business, including Board Reserved Matters. Consequently, Spirit Energy is fully consolidated. This assessment was carried out when the Group acquired Bayerngas Norge's exploration and production business, and combined this with the Group's existing exploration and production business to form the Spirit Energy business in 2017, and is considered annually to ensure consolidation remains appropriate.

The Group holds a 69% interest in Spirit Energy. The 31% minority interest shareholder does have some influence over decision-making activities, but does not possess any controlling rights over the Spirit Energy business.

Sales of Cygnus, Greater Markham Area and Southern North Sea interests

On 20 May 2025 the Group announced that it had agreed to sell part of Spirit Energy's interest in the Cygnus gas field, reducing its interest from 61.25% to 15%, to a subsidiary of Ithaca Energy plc for consideration of £123 million. The sale had a commercial effective date of 1 January 2025 and completed on 1 October 2025.

On 16 December 2025, the Group further announced that it had agreed to dispose of Spirit Energy's remaining 15% interest in the Cygnus gas field, together with all other gas producing assets in the Greater Markham Area and Southern North Sea to Serica Energy plc for a total value of £101 million. The Group has classified this as a disposal group held for sale at the reporting date with completion expected in the second half of 2026. See note 12 for further details.

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, and hence the Group concluded the disposal group did not constitute a discontinued operation.

Investment in Sizewell C nuclear plant

On 22 July 2025, the Group announced its acquisition of a 15% equity stake in the Sizewell C nuclear power station for committed consideration of £1.3 billion, funded primarily through a shareholder loan agreement provided over the construction phase of the contract. During 2025, £338 million was provided through the shareholder loan agreement, together with a £38 million equity contribution. The transaction completed on 4 November 2025. The loan receivable is presented within investments in joint ventures and associates on the Group Balance Sheet, with the interest thereon presented within adjusted operating profit in the Group Income Statement as it reflects part of the return from this investment.

Although the 15% equity ownership interest in the investee is below the typical threshold of 20% for presumed significant influence under IAS 28 'Investment in Associates and Joint Ventures', the Group has determined that it does have significant influence. Accordingly, the investment is classified as an associate and the Group is applying the equity method of accounting, presenting the investment within the same line items as the shareholder loan above. This judgement is based on qualitative factors demonstrating the Group's ability to participate in the financial and operating policy decisions of the

investee. In particular, the Group holds a Board seat and also possesses specialised industry knowledge that influences strategic and operational matters and it also benefits from the right to enter an offtake agreement once the nuclear plant is operational.

The Group accounts for the shareholder loan agreement under IFRS 9, and presents it as part of the total investment in Sizewell C, with interest received presented within adjusted group operating profit. See notes 6 and 14 for details.

Investment in the Isle of Grain LNG terminal

On 14 August 2025 the Group announced its 50% equity investment in the Isle of Grain liquefied natural gas terminal (through Garden Topco Limited). The transaction completed on 28 November 2025.

The Group has determined that the investment is jointly controlled by the Group and its co-investor, Energy Capital Partners LLP (ECP). This critical judgement is based on a control assessment which determined that decisions affecting the returns of the investment are taken on a unanimous basis. The control assessment determined that both investors participate fully in the decisions affecting the operational decisions of the joint venture which is also governed on a day-to-day basis by its own independent executive management committee. The Group has not acquired additional rights to the LNG terminal services; these are subject to regulatory measures. As a result, the investment is presented as a joint venture and accounted for using the equity accounting method. The investment is presented as an investment in joint ventures and associates within the Group Balance Sheet, with the results of the joint venture presented within the Results relating to joint ventures and associates line item in the Group Income Statement. Were a different judgement reached, that the Group fully controlled the substantive activities of the business (as opposed to joint control), full consolidation of the Garden Topco Limited group would have been required, together with recognition of ECP's 50% non-controlling interest. See note S10(e) for summarised balance sheet and income statement information.

Liquefied Natural Gas (LNG) contracts

The Group is active in the LNG market, both procuring long-term LNG supply arrangements and transacting in shorter-term LNG cargoes. As part of its operations in the market, the Group optimises its contractual positions in order to meet customer demand for physical commodity. In response to the continuing development of the global LNG market which, consistent with prior years, is not considered to be active, the Group has reviewed its portfolio of LNG transactions and contracts. It has judged that its activities are carried out for the purpose of receipt or delivery of physical commodity in accordance with its expected purchase and sale requirements. As a result, the Group's contracts to buy and sell LNG meet the 'own-use' exemption and are hence outside the scope of IFRS 9 and accounted for on an accruals basis. Purchase contracts are accounted for as executory contracts under IAS 37 and sales contracts are accounted for under IFRS 15. As a consequence of this judgement, the LNG contracts are also assessed as to whether they may be onerous.

The Group considers it a critical judgement as to whether any onerous contract costs arising should be presented as a certain re-measurement until such time that the physical cargoes are delivered, or within business performance. The same judgement applies to the recognition, and timing, of unrealised hedging gains or losses relating to those contracts.

The onerous contract assessment ignores the portfolio of hedges associated with the LNG contracts because the hedges are separately marked to market. See notes 2(b) and 7(a) for further details on the accounting treatment of LNG onerous contracts and hedging derivatives within certain re-measurements. During the year, an additional £49 million was recognised in respect of onerous LNG contract provisions (2024: £82 million) and a total of £99 million was utilised during the year. See note 7 for details.

3. Critical accounting judgements and key sources of estimation uncertainty

Regulatory scheme accounting

As a UK energy supplier, 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.

Under the requirements of IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' the Group recognises a liability when there is a present obligation resulting from a past event and where economic outflow is probable. The Group determines the existence of a present obligation on a scheme-by-scheme and the accounting treatment differs accordingly.

The Group determines that 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. This includes statutory legislation, communication from Ofgem and the Department of Energy Security and Net Zero and the treatment of similar issues and schemes, both past and present. The Group estimates costs using both external and internal data sources.

Typically, costs incurred under industry regulatory schemes are 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.

(b) Key sources of estimation uncertainty

The sections below detail the assumptions the Group makes about the future and other major sources of estimation uncertainty when measuring its assets and liabilities at the reporting date. The information given relates to the sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to those assets and liabilities in the next financial year. In some cases, the matter involves both a critical judgement as well as a key source of estimation uncertainty. That is, there is more than one judgemental aspect related to the matter. In these instances, all critical judgements and key sources of estimation uncertainty related to each area are discussed in the same section to provide a comprehensive understanding of the overall nature of the uncertainties involved.

Estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, including current and expected economic conditions, and, in some cases, actuarial techniques. Although these estimates and associated assumptions are based on management's best knowledge of current events and circumstances, actual results may differ. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Electricity Generator Levy

At the end of 2022, the Government announced the implementation of the Electricity Generator Levy (EGL), a new, temporary levy applicable to receipts that the Group realises from electricity generation in the UK from nuclear and renewable sources in the period from 1 January 2023 to 31 March 2028. It was legislated in the Finance (No 2) Act 2023. The levy applies a 45% charge on receipts generated from the production of wholesale electricity sold at an average price in excess of £75/MWh (adjusted for inflation prospectively), exceeding an annual threshold of £10 million. The benchmark rate for the 12 months to 31 March 2026 is £79.95/MWh. It applies to generators whose generation exceeds 50GWh annually, as well as off-take arrangements with significant minority shareholders in such generators.

As at 31 December 2025, the Group's share of its Nuclear (excluding Sizewell C) associate's EGL liabilities amounted to £9 million (31 December 2024: £86 million). This is recorded within the share of profit after tax from associates. The Group has also made payments on account to HMRC of £10 million and recognised an expense in the Group Income Statement, within cost of sales, of £10 million (31 December 2024: £80 million) in relation to its estimated EGL liabilities for its minority shareholder Nuclear (excluding Sizewell C) offtake arrangements during the year ended 31 December 2025.

The Group continues to determine that the accounting for the levy falls within the scope of IAS 37 'Provisions, contingent liabilities, and contingent assets' and IFRIC 21 'Levies' on the basis that the levy represents a legislative liability imposed by the Government, calculated with reference to revenue generated. The Group recognises the levy progressively over time, as the related electricity is sold. The Group also considered the applicability of IAS 12 'Income Taxes', however the EGL is based on revenue generated, and not taxable profit and is therefore outside the scope of IAS 12.

The interpretation and application of the EGL legislation is unclear in respect of the Group's minority shareholding in the Nuclear (excluding Sizewell C) offtake arrangements. As such, the extent of the levy that will ultimately be due in this regard is not yet certain, and a lower amount may eventually 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.

There is a key source of estimation uncertainty in relation to the amount of levy the Group owes across 2023 to 2025 of up to £155 million, related to the assessment of the proportion of generation that can be ascribed to a wholesale purchase and therefore whether a related tax deposit asset should be recorded for the recovery of payments on account made to HMRC of up to £155 million. Whilst a material change in the accounting could occur in the next financial period, ultimate resolution of this uncertainty may take a number of years. (Note that since its inception Centrica has paid over £500 million of EGL either directly or through its share of the Nuclear (excluding Sizewell C) associate's payments.)

3. Critical accounting judgements and key sources of estimation uncertainty

Credit provisions for trade and other receivables

Typical household energy costs have increased during 2025 due to high wholesale commodity costs and increased network and levy charges. Macroeconomic conditions are mixed, interest rates and inflation have fallen, but unemployment figures have risen. Provisions relating to customers who pay on receipt of their bill and aged final debt have increased although cash collection performance has stabilised in respect of these customers.

These factors result in the assessment and adequacy of credit provisions for trade and other receivables continuing to be a key source of estimation uncertainty given the heightened risk of the probability of default and the increase in the overall loss allowance. See note 17 for further information.

The Group utilises a range of factors, including both internal and external, historic and forward-looking, to assess the adequacy of its credit provisions. Whilst the Group utilises a matrix output model to record provision coverage, management recognises that the model does not always adequately capture scenarios where there is a delayed impact on customer payments, such as forward-looking macroeconomic changes. In the current year, the Group has continued to assess the model and has recorded a macroeconomic credit provision of £11 million (31 December 2024: £49 million) primarily on the basis that the upward trend in typical household energy bills during 2025 and resultant ability of customers to pay may not be fully reflected in the model. The assumptions included in the overall provision include the impact of the increase to Ofgem's Energy Price Cap, the continued cost of living challenges and the resumption of litigation activities which have uplifted the cash collection on older aged debt. The total credit provision for trade and other receivables at 31 December 2025 remains high at £1,818 million (31 December 2024: £1,532 million).

Pensions and other post-employment benefits

The cost of providing benefits under defined benefit pension schemes is determined separately for each of the Group's schemes under the projected unit credit actuarial valuation method. Actuarial gains and losses are recognised in full in the year in which they occur.

The key assumptions used for the actuarial valuation are based on the Group's best estimate of the variables that will determine the ultimate cost of providing post-employment benefits. Where a net pension scheme asset arises, recognition of the asset is permitted because the Group has an unconditional right to a refund on any winding up of the schemes or if gradual settlement of liabilities over time is assumed.

The Group's defined benefit schemes hold part of their plan asset portfolio as unquoted assets. These include 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 key source of estimation uncertainty is the assessment of the value of the pension liabilities (under IAS 19) within the scheme valuations. Key assumptions are the discount rate, inflation and life expectancy.

Further details, including sensitivities to these assumptions, are provided in note 22.

Impairment of long-lived assets

The Group makes judgements in considering whether the carrying amounts of its long-lived assets (principally gas field production assets, Nuclear (excluding Sizewell C) investment (20% economic interest accounted for as an investment in associate), Sizewell C investment (15% economic interest accounted for as an investment in associate), Isle of Grain investment (50% economic interest accounted for as an investment in joint venture), Batteries, Solar assets, Gas peakers and Goodwill) or cash-generating units (CGUs)

are recoverable and estimates their recoverable amounts. See note 7(b) for details.

A key assumption in a number of these judgements is forecast future commodity prices. For the first four years, observable market prices are used and thereafter an estimation of longer-term prices is required and is based on third-party median price curves most closely aligned to our long-term view. The Nuclear investment (excluding Sizewell C) is the main asset where the recoverable amount, predominantly determined by forecast future commodity prices, is a key source of estimation uncertainty.

The recoverable amount of the Nuclear investment (excluding Sizewell C) is based on the value of the existing UK nuclear fleet operated by EDF. The existing fleet value is calculated by discounting pre-tax cash flows derived from the stations based on forecast power generation and power prices, whilst taking account of outages and the likely operational lives of the stations. During the year, the recoverable amount has decreased, predominantly due to a fall in power prices both on a forecast and actuals basis, together with an increase in operating and capital expenditure assumptions, offset by the impact of life extensions at two of the stations. This has resulted in an impairment of £251 million. Note that baseload power prices are currently backwardated and so the annual roll-forward reduction in the net present value (recoverable amount) exceeds the related annual book value reduction (prior to impairment).

The key sources of estimation uncertainty are power price forecasts, station lives, outage assumptions and the discount rate. Other input assumptions include production levels, application of the EGL and capital and operating expenditure assumptions. Further details of these uncertainties, together with the methodology, assumptions and impairment booked during the year are provided in note 7, together with related sensitivities.

Revenue recognition – unread gas and electricity meters

Revenue for energy supply activities includes an assessment of energy supplied to customers between the date of the last meter reading and the year-end (known as unread revenue). Unread gas and electricity comprises both billed and unbilled revenue. It 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. Actual meter readings continue to be compared to system estimates between the balance sheet date and the finalisation of the accounts.

An assessment is also made of any factors that are likely to materially affect the ultimate economic benefits that will flow to the Group, including bill cancellation and re-bill rates. Estimated revenue is restricted to the amount the Group expects to be entitled to in exchange for energy supplied. The judgements applied, and the assumptions underpinning these judgements, are considered to be appropriate. However, a change in these assumptions would have an impact on the amount of revenue recognised. The material source of estimation uncertainty relating to unread revenue arises in the respect of gas and electricity sales to UK customers within the Retail segment, including where changes in customer behaviour in response to elevated prices affect estimated consumption. At 31 December 2025 unread revenue arising from these customers amounted to £2,687 million (2024: £2,732 million). A change in these assumptions of 2% would impact revenue and profit by £54 million. Additionally, there is some risk this change could be higher when considering the assumptions implicit in unread revenue and the extent to which revenue is constrained through the application of the IFRS 15 requirements.

3. Critical accounting judgements and key sources of estimation uncertainty

Decommissioning costs

The estimated cost of decommissioning at the end of the producing lives of gas fields is reviewed periodically and is based on reserves, price levels and technology at the balance sheet date. Provision is made for the estimated cost of decommissioning at the balance sheet date. The payment dates of total expected future decommissioning costs are uncertain and dependent on the lives of the facilities, but are currently anticipated to be predominantly incurred by 2035.

The level of provision held is sensitive to both the estimated decommissioning costs (in particular for the non-operated assets and non-contracted expenditure) and the discount rate, hence each input is considered to be a key source of estimation uncertainty. During the year, government gilt yields appropriate to the forecast profile of the decommissioning expenditure have remained broadly unchanged, and therefore the real discount rate used to discount the decommissioning liabilities at 31 December 2025 has remained at 2% (31 December 2024: 2%). A 1% increase in the discount rate reduces the decommissioning liability by approximately £53 million (2024: £70 million) whilst a 1% decrease in the discount rate would increase the provision by approximately £56 million (2024: £76 million). A 10% increase in forecast decommissioning costs would increase the provision by approximately £130 million (2024: £146 million).

Determination of fair values – energy derivatives

The fair values of energy derivatives classified as Level 3 in accordance with IFRS 13 'Fair Value Measurement' are determined to be a key source of estimation uncertainty as they are not actively traded and their values are estimated by reference in part to published price quotations in active markets and in part by using complex valuation techniques. The key source of estimation uncertainty is future commodity prices and their inclusion in the reliable estimation of the unobservable components of the Group's Level 3 derivatives in an elevated and volatile commodity price environment. More detail on the assumptions used in determining fair valuations of energy derivatives is provided in note S6 and on the sensitivities to these assumptions in note S3.

Climate change

In preparing the financial statements, the Directors have considered the impact of climate change in the context of the risks and opportunities identified in the Task Force on Climate-related Financial Disclosures (TCFD) disclosures on pages 49 to 57. There has been no material impact identified on the financial reporting judgements and estimates. The Directors specifically considered the impact of climate change in the following areas:

- Cash flow forecasts used in the impairment assessment of non-current assets, including the Nuclear investment (excluding Sizewell C), battery storage assets, solar assets, and gas peakers/power stations/engines;
- Carrying value and useful economic lives of property, plant and equipment;
- Recoverability of deferred tax assets; and
- Going concern and viability of the Group over the next three years.

Whilst there is no short-term impact expected from climate change, the Directors are aware of the risks and regularly assess these risks against judgements and estimates made in preparation of the Group's financial statements.

Further detail is provided in note 3(c).

3. Critical accounting judgements and key sources of estimation uncertainty

(c) Climate change

The Group's assessment of how climate-related issues might affect the business has been integrated into its annual strategic and financial planning process. At the same time, the Group reviews the potential impact of the material risks and opportunities and its Climate Transition Plan on both the current balance sheet position and its accounting policies (including the useful economic lives of its assets).

Summary of our most material risks and opportunities

Climate-related trend	Segment	Potential impact
Transition away from fossil fuelled heating	Retail	Risk: Reduced gross margin from the sale and servicing of natural gas residential boilers and commercial combined heat and power (CHP) units
Growth in low carbon heating market	Retail	Opportunity: Increased sales and servicing of electric and hydrogen fuelled heating systems, alongside associated opportunities in fabric upgrade including insulation
Transition away from natural gas and energy efficiency	Retail	Risk: Reduced gross margin from the sale of natural gas and growth in energy efficiency
Growth in low carbon heating market	Retail	Opportunity: Increased sales of electricity and clean gas for heating
Growth of EV transport market	Retail	Opportunity: Access to new and growing value pools related to EV charging installations, operation and maintenance, as well as energy supply
Growth in demand for renewable energy	Retail	Opportunity: Growth in behind-the-meter solar and battery markets, driven by decarbonisation and flexible services
	Optimisation	Opportunity: Growth in renewable and low carbon generation and production technologies, alongside the need for enabling services such as PPAs, balancing services and battery storage
	Infrastructure	Opportunity: To convert Rough gas storage facility to store hydrogen and produce hydrogen at scale
Rising mean temperatures	Retail	Risk: Reduced sales of natural gas and electricity for heat

IFRS dictates how each asset or liability should be accounted for (e.g. cost, fair value or other measurement criteria) and accordingly, there is a fundamental difference between the holistic forward-looking risk and opportunities business analysis (see the TCFD disclosures on pages 49 to 57), and the possible sensitivity of current accounting carrying values to these risks and opportunities.

For example, whilst the activity of supplying gas to customers or servicing/installing gas boilers is clearly subject to climate-related risks (and opportunities), the balance sheet does not reflect an overall value of those businesses (aside from an element of goodwill). Instead, accounting balances related to these businesses generally manifest themselves in short-term working capital assets and liabilities associated with procuring and selling gas or servicing/installing boilers; with those balances generally settled within six months and so specifically less exposed to climate risks.

In a similar vein, Infrastructure assets are tested for impairment in accordance with relevant IFRS accounting standards. These generally require the recoverable amount of the asset to be calculated based on a best estimate of long-term forecast commodity prices, which the Group estimates based on current market prices and Centrica's view of long-term prices using a balance of reputable commodity pricing consultants' forecasts. However, these estimates are not consistent with net zero scenarios from the consultants (as they do not factor in any prospective, yet to be announced, legislative or market changes that would be required to meet temperature targets) and hence impairment reviews are not based on net zero scenario forward prices. The Group instead discloses the impact on the carrying value of Infrastructure assets by way of sensitivity analysis (see note 7(c)).

3. Critical accounting judgements and key sources of estimation uncertainty

Accordingly, the Group is mindful of these dynamics when it considers which areas of the balance sheet are exposed to key estimation uncertainty from climate-related issues. The Group considers which assets are most exposed to impairment (or write-backs) from climate risks and similarly whether there are any liabilities that are either currently unrecognised or might increase as a result of those risks.

The Group's assets/liabilities have been segmented into three tranches, grading each balance's exposure to climate risks/opportunities:

- (i) Higher risk – As the consumption of gas and power is intrinsically linked to carbon emissions, their pricing is consequently exposed to climate and legislative risk. Accordingly, where assets or contract values have a key dependency on commodity price assumptions and their carrying value is material, those assets (or contracts) are deemed higher risk.
- (ii) Medium risk – Infrastructure assets with reduced exposure to commodity prices or lower carrying values, together with decommissioning balances, and gross margin energy transition considerations and their potential impact on forward-looking balances (e.g. Retail and Optimisation goodwill).
- (iii) Lower risk – No significant risk identified on the basis that positions are short-term in nature or are specifically linked to the energy transition or are immaterial.

The key non-current asset (and decommissioning provision) balance sheet items have been presented in more granular detail below, together with the groupings into the above risks and with rationale set out below the table:

As at 31 December 2025 (£m):	Goodwill	Intangibles	Investment in joint ventures & associates	Property, plant & equipment	Deferred tax assets/(liabilities)	Decommissioning provision
Retail	357					
Brand (mainly Dyno-Rod)		57				
Application software		181				
Electric vehicles (vans/cars)				37		
Non-electric vehicles (vans/cars)				37		
Optimisation	147					
Application software		30				
LNG vessel leases				39		
Infrastructure - Gas Assets						
Isle of Grain investment			185			
Gas fields (Spirit)				76	455	(961)
Gas storage facility (Rough)					141	(321)
Infrastructure - Power Assets						
Nuclear investment (excluding Sizewell C)			578			
Sizewell C investment			392			
Battery storage				140		(4)
Gas peakers/power stations/engines				485		(16)
Combined Heat and Power (CHP)/other power assets				27		
Solar				35		
Infrastructure - Meter Assets				368		
Group/Other ⁽ⁱ⁾						
Customer relationships		19				
Emission certificates		31				
Land & buildings				168		
Derivatives deferred tax					100	
Other ⁽ⁱⁱ⁾			16	76	(37)	
Total (notes 13-16 and 21)	504	318	1,171	1,488	659	(1,302)

(i) Items included within Group/Other have not been allocated out across business type.

(ii) Other property, plant & equipment includes a cumulative £64 million elimination adjustment of internal margin and indirect costs on smart meter installation capitalised in the meter asset provider business within Infrastructure.

	Higher
	Medium
	Lower

Physical Risk Assessment

During the year, the Group reassessed physical climate risks using UK Met Office climate projections and the World Resources Institute (WRI) Aqueduct platform. Across our portfolio, including offshore assets and the Isle of Grain LNG terminal, no material short- or long-term financial statement impacts were identified due to existing mitigations and asset resilience, including flood defences at the Isle of Grain LNG terminal designed to provide protection to at least 2070. Any potential reduction in heat demand under extreme warming scenarios is considered within revenue estimation processes and does not change the conclusions of our impairment or going-concern assessments.

3. Critical accounting judgements and key sources of estimation uncertainty

All items noted above may be impacted by climate-related risks but are not currently considered to be key areas of judgement or sources of estimation uncertainty in the current financial year.

Higher risk

The valuation of the Nuclear investment (excluding Sizewell C) is highly dependent on forecast commodity prices. Climate change risks and opportunities means there is uncertainty over electricity demand and forecast prices. The underlying nuclear stations, which produce electricity with no carbon emissions, have different useful economic lives, with the last station forecast to cease operating in 2055.

The Group's gas peakers/power stations/engines are similarly exposed to climate change risk, with valuations dependent on forecast gas and electricity prices and electricity demand. During the year, this asset class has become material to the Group with the continued construction of two Irish gas peaker assets. The associated decommissioning obligations are deemed medium risk as the value is not significant in the context of the Group.

Valuation sensitivity information based on a net zero price forecast has been provided in note 7(c) for these assets.

Medium risk

The investment in the Sizewell C nuclear new-build power station has some exposure to physical climate change risk during the build and operation phases. However, due to the regulated asset base funding model, the asset valuation itself is less exposed to commodity prices. Accordingly it is deemed medium risk.

The investment in the Isle of Grain LNG terminal has exposure to climate change risk both from a physical asset perspective and from the impact of locational gas price spreads. However, it is deemed medium risk because the investment carrying value is not significant in the context of the Group.

Gas field valuations are dependent on forecast commodity prices. Climate change risk means that there is uncertainty over gas demand and forecast prices. During the year, the announced disposals of a large proportion of the Gas field portfolio mean that the remaining property, plant and equipment carrying value is much smaller than before and therefore is also deemed medium risk. Note further investment in exploring for new gas fields has ceased with the portfolio's decommissioning obligations expected to be substantively met by the early 2030s (including the Rough storage facility).

Deferred tax assets associated with gas fields and the Rough storage facility are predominantly related to decommissioning cost recovery and are not considered high risk due to the length of carry-back rules. Deferred tax assets associated with derivatives are considered medium risk as the derivatives generally realise within two years.

The Group's investment in CHP and other power assets are also exposed to climate risk. They have useful economic lives of up to 40 years but they do not, individually or in total, have material carrying values.

The Group's meter assets are exposed to climate change risk because they record usage of both gas and power. They are deemed medium risk because they are subject to contractual arrangements that provide for ongoing revenue security from suppliers.

LNG vessels on the balance sheet are exposed to risk from climate change, but as they are leased assets with the current term remaining less than five years, this risk is reduced to medium.

The Group continues to transition to an electrified vehicle fleet. Non-electric vehicles are deemed medium risk because their remaining useful economic lives are generally short.

Retail and Optimisation Goodwill and Application Software are categorised as medium risk because the businesses are exposed to energy transition risk as a result of climate change. However, there are also significant opportunities for these businesses and the carrying values are not material.

Lower risk

All other assets denoted in the table above are considered lower risk because they are either specifically related to the energy transition (e.g. electric vehicles, battery storage and associated decommissioning, solar) or are immaterial. Note that designation as lower risk does not mean these assets are not at risk of impairment (e.g. from reduced residual values or commodity price movements) but instead is an assessment of specific exposure to climate change risks.

Other contracts

The Group also has long-term LNG supply contracts with Cheniere, Delfin, Mozambique, Repsol and PTT. These are not reflected on the balance sheet but the Group has certain purchase commitments. The Group also has long-term gas sale and purchase agreements, which similarly have long-term commitments (see note 23). The contracts currently have significant value (when considered together) because of gas price locational spreads but are exposed to climate change risk and therefore could ultimately become onerous in net zero scenarios. The commitments note provides detail of the length of the contracts and commodity purchase commitments.

Governance over climate-related judgements

Climate-related financial reporting judgements including impairment assumptions, decommissioning estimates and going concern/viability considerations are reviewed through the governance structure described in the TCFD disclosures on pages 49 to 57 (the Board, Audit & Risk Committee, and Safety, Environment and Sustainability Committee), with management oversight via the Centrica Leadership Team and the Group's risk processes summarised in the Strategic Report - Principal Risks and Uncertainties on pages 32 to 39.

Interaction with the Climate Transition Plan

The Group's Climate Transition Plan informs strategic planning, capital allocation and certain long-term business assumptions (e.g. electrification uptake, flexibility needs and hydrogen readiness). These planning assumptions are considered in viability and useful life assessments but do not override the market-based inputs required for IFRS measurement.

4. Segmental analysis

The Group's reporting segments are those used internally by management to run the business and make decisions. The Group's segments are based on products and services as well as the major factors that influence the performance of these products and services across the geographical locations in which the Group operates.

(a) Segmental structure

During the year the Group's reportable operating segments have been redefined to reflect the way the Board makes decisions about resources to be allocated to the segments and assess their performance. See note 1(d) for further details.

The types of products and services from which each reportable segment derived its income during the year are detailed below.

All reportable segments are operating segments. Income sources are reflected in total Group revenue unless otherwise stated:

Segment	Description
Retail	• The supply of gas and electricity to residential and business customers in the UK and the Republic of Ireland ⁽ⁱ⁾; • the installation, repair and maintenance of central heating and related appliances (including smart meters), to residential and business customers in the UK, and the Republic of Ireland; • the supply of energy services and solutions to large organisations in the UK, Europe and North America; • the provision of fixed-fee maintenance/breakdown services and insurance contracts in the UK; and • the supply of new technologies and energy efficiency solutions in the UK.
Optimisation	• The procurement, trading and optimisation of energy predominantly in the UK and Europe ⁽ⁱ⁾; and • the global procurement and sale of LNG.
Infrastructure	• The production and processing of gas and liquids principally within Spirit Energy ⁽ⁱ⁾; • the development and operation of power assets, and sale of power generated (including from nuclear assets), in the UK and Europe; • gas and LNG storage in the UK; and • the smart meter asset provider business in the UK.

(i) Where income is generated from contracts in the scope of IFRS 9, this is included in re-measurement and settlement of derivative energy contracts.

4. Segmental analysis

(b) Revenue

Gross segment revenue includes revenue generated from the sale of products and services to other reportable segments of the Group. Total Group revenue reflects only the sale of products and services to third parties. Sales between reportable segments are conducted on an arm's length basis.

Year ended 31 December	2025			2024 (restated) ⁽ⁱ⁾		
	Gross segment revenue £m	Less inter-segment revenue £m	Total Group revenue £m	Gross segment revenue £m	Less inter-segment revenue £m	Total Group revenue £m
Retail	16,507	(207)	16,300	17,124	(79)	17,045
Optimisation	6,052	(776)	5,276	6,537	(560)	5,977
Infrastructure	2,004	(1,215)	789	2,912	(1,298)	1,614
Total Group revenue included in business performance	24,563	(2,198)	22,365	26,573	(1,937)	24,636
Less: revenue arising on contracts in scope of IFRS 9 included in business performance			(2,873)			(4,723)
Total Group revenue			19,492			19,913

(i) Segmental revenues have been restated to reflect the new operating structure of the Group. See note 1(d) for further details.

The table below shows the total Group revenue arising from contracts with customers, and therefore in the scope of IFRS 15, and revenue arising from contracts in the scope of other standards. The key economic factors impacting the nature, timing and uncertainty of revenue and cash flows are considered to be driven by the type and broad geographical location of the customer. The analysis of IFRS 15 revenue below reflects these factors.

Year ended 31 December	2025				
	Revenue from contracts with customers in scope of IFRS 15 ⁽ⁱ⁾ £m	Revenue from fixed-fee service and insurance contracts in scope of IFRS 17, and leasing contracts in scope of IFRS 16 £m	Total Group revenue £m	Revenue in business performance arising from contracts in scope of IFRS 9 £m	Total Group revenue included in business performance £m
Energy supply and services	15,261				
Retail	15,261	799	16,060	240	16,300
Energy sales to trading and energy procurement counterparties	3,259				
Optimisation	3,259	5	3,264	2,012	5,276
Gas and liquid production	168				
Infrastructure	168	—	168	621	789
	18,688	804	19,492	2,873	22,365

(i) As part of the finalisation process of the government support schemes, revenue of £42 million was recognised (2024: £21 million reversal) during the year in relation to the Energy Price Guarantee scheme for domestic customers in the Retail segment. In addition, revenue of £2 million was reversed (2024: £13 million recognised) in respect of non-domestic schemes, also in the Retail segment.

Year ended 31 December	2024 (restated) ⁽ⁱ⁾				
	Revenue from contracts with customers in scope of IFRS 15 £m	Revenue from fixed-fee service and insurance contracts in scope of IFRS 17, and leasing contracts in scope of IFRS 16 £m	Total Group revenue £m	Revenue in business performance arising from contracts in scope of IFRS 9 £m	Total Group revenue included in business performance £m
Energy supply and services	15,823				
Retail	15,823	802	16,625	420	17,045
Energy sales to trading and energy procurement counterparties	3,105				
Optimisation	3,105	15	3,120	2,857	5,977
Gas and liquid production	168				
Infrastructure	168	—	168	1,446	1,614
	19,096	817	19,913	4,723	24,636

(i) Segmental revenues have been restated to reflect the new operating structure of the Group. See note 1(d) for further details.

4. Segmental analysis

Geographical analysis of revenue and non-current assets

The Group monitors and manages performance by reference to its operating segments and not solely on a geographical basis, however provided below is an analysis of revenue and certain non-current assets by geography.

Year ended 31 December	Total Group revenue (based on location of customer)		Non-current assets (based on location of assets) ⁽ⁱ⁾	
	2025 £m	2024 £m	2025 £m	2024 £m
UK	15,820	16,240	2,913	2,860
Republic of Ireland	1,022	1,021	441	325
Europe (excluding UK and Republic of Ireland)	1,640	1,423	232	376
Rest of the world	1,010	1,229	30	15
	19,492	19,913	3,616	3,576

(i) Non-current assets comprise goodwill, other intangible assets, PP&E, interests in joint ventures and associates and non-financial assets within trade and other receivables, and contract-related assets.

(c) Adjusted gross margin and adjusted operating profit

The measure of profit used by the Group is adjusted operating profit. Adjusted operating profit is operating profit before exceptional items and certain re-measurements. This includes business performance results of equity-accounted interests. This note also details adjusted gross margin. Both measures are reconciled to their statutory equivalents.

Year ended 31 December	Adjusted gross margin		Adjusted operating profit	
	2025 £m	2024 (restated) ⁽ⁱ⁾ £m	2025 £m	2024 (restated) ⁽ⁱ⁾ £m
Retail	2,441	2,518	424	458
Optimisation	434	583	155	339
Infrastructure	332	735	314	799
Segmental adjusted gross margin/adjusted operating profit	3,207	3,836	893	1,596
Reconciling items to Group Income Statement:				
Colleague profit share ⁽ⁱⁱ⁾	(12)	(9)	(34)	(25)
Meter asset provider consolidation adjustment ⁽ⁱⁱⁱ⁾	(61)	(19)	(45)	(19)
Total Group adjusted gross margin/adjusted operating profit	3,134	3,808	814	1,552
Certain re-measurements (note 7):				
Onerous energy supply/LNG contract provision movement	42	(142)	42	(142)
Derivative contracts	(345)	421	(345)	421
Gross profit	2,831	4,087		
Exceptional items			(405)	(128)
Operating profit after exceptional items and certain re-measurements			106	1,703

(i) Segmental results have been restated to reflect the new operating structure of the Group. See note 1(d) for further details.

(ii) The impact of the colleague profit share is excluded because management considers it unrelated to segmental business performance.

(iii) In accordance with IFRS 8, Segmental adjusted gross margin and adjusted operating profit are presented as managed by the Board and accordingly the internal margin and indirect costs on smart meter installation recognised by Retail and subsequently capitalised in the meter asset provider business within Infrastructure, are eliminated on consolidation and reported as a reconciling item to the Group Income Statement. The Group Income Statement reflects the capitalisation of costs based on their nature as incurred by Retail.

4. Segmental analysis

(d) Included within adjusted operating profit

Presented below are certain items included within adjusted operating profit, including a summary of impairments of property, plant and equipment and intangibles.

Year ended 31 December	Depreciation and impairments of property, plant and equipment		Amortisation and impairments of intangibles	
	2025 £m	2024 (restated) ⁽ⁱ⁾ £m	2025 £m	2024 (restated) ⁽ⁱ⁾ £m
Retail	(48)	(44)	(81)	(68)
Optimisation	(25)	(29)	(9)	(11)
Infrastructure	(249)	(300)	—	—
Other ⁽ⁱⁱ⁾	(26)	(36)	(1)	(8)
	(348)	(409)	(91)	(87)

(i) Segmental results have been restated to reflect the new operating structure of the Group. See note 1(d) for further details.

(ii) Other includes corporate functions, subsequently recharged.

Impairments of property, plant and equipment

During 2025, £5 million of net impairments of property, plant and equipment (2024: £22 million) were recognised within business performance.

Impairments of intangible assets

During 2025, £6 million of impairments of other intangible assets (2024: £1 million) were recognised within business performance.

(e) Capital expenditure

Capital expenditure represents additions, other than assets acquired as part of business combinations or asset purchase agreements, to property, plant and equipment and intangible assets. Capital expenditure has been reconciled to the related cash outflow.

Year ended 31 December	Capital expenditure on property, plant and equipment		Capital expenditure on intangible assets other than goodwill	
	2025 £m	2024 (restated) ⁽ⁱ⁾ £m	2025 £m	2024 (restated) ⁽ⁱ⁾ £m
Retail	28	30	885	853
Optimisation	6	7	13	9
Infrastructure	522	398	38	31
Other ⁽ⁱⁱ⁾	97	37	1	—
Segmental capital expenditure	653	472	937	893
Meter asset provider consolidation adjustment ⁽ⁱⁱⁱ⁾	(47)	(19)	—	—
Total Group capital expenditure	606	453	937	893
Capitalised borrowing costs (note 8)	(17)	(11)	—	—
Inception of new leases and movements in payables and prepayments related to capital expenditure	(97)	(62)	—	(1)
Capital expenditure cash outflow subsequent to transfer to held for sale	15	—	—	—
Purchases of emissions allowances and renewable obligation certificates (note 15) ^(iv)	—	—	(890)	(856)
Net cash outflow	507	380	47	36

(i) Segmental results have been restated to reflect the new operating structure of the Group. See note 1(d) for further details.

(ii) Other includes corporate functions.

(iii) In accordance with IFRS 8, Segmental capital expenditure is presented as managed by the Board and accordingly the internal margin and indirect costs on smart meter installation recognised by Retail and subsequently capitalised in the meter asset provider business within Infrastructure, is eliminated on consolidation and reported as a reconciling item to Total Group capital expenditure.

(iv) Purchases of emissions allowances and renewable obligation certificates of £854 million (2024: £828 million) in Retail and £36 million (2024: £28 million) in Infrastructure.

5. Costs

This section details the types of costs the Group incurs and the number of employees in each of our operations.

(a) Analysis of costs by nature

	2025			2024		
	Cost of sales and settlement of certain energy contracts £m	Operating costs £m	Total costs £m	Cost of sales and settlement of certain energy contracts £m	Operating costs £m	Total costs £m
Year ended 31 December						
Transportation, distribution, capacity market and metering costs	(4,899)	—	(4,899)	(4,764)	—	(4,764)
Commodity costs	(11,826)	—	(11,826)	(13,109)	—	(13,109)
Depreciation, amortisation and impairments	(267)	(172)	(439)	(313)	(183)	(496)
Employee costs	(448)	(931)	(1,379)	(443)	(867)	(1,310)
Other direct costs	(1,791)	(957)	(2,748)	(2,199)	(1,089)	(3,288)
Costs included within business performance before credit losses on financial assets	(19,231)	(2,060)	(21,291)	(20,828)	(2,139)	(22,967)
Credit losses on financial assets (net of recovered amounts) (note 17)	—	(418)	(418)	—	(373)	(373)
Total costs included within business performance	(19,231)	(2,478)	(21,709)	(20,828)	(2,512)	(23,340)
Adjustment for gross cost of settled energy contracts in the scope of IFRS 9 and onerous energy supply and LNG contract provisions (note 7)	7,318	—	7,318	9,064	—	9,064
Exceptional items and re-measurement and settlement of derivative energy contracts (note 7)	(4,748)	(405)	(5,153)	(4,062)	(128)	(4,190)
Total costs within Group operating profit	(16,661)	(2,883)	(19,544)	(15,826)	(2,640)	(18,466)

(b) Employee costs

Further information on key management personnel and Directors' remuneration is disclosed in note S8.

Year ended 31 December	2025 £m	2024 £m
Wages and salaries	(1,163)	(1,050)
Social security costs	(150)	(122)
Pension and other post-employment benefits costs (note 22)	(159)	(138)
Share scheme costs (note S4)	(56)	(47)
	(1,528)	(1,357)
Capitalised employee costs	149	47
Employee costs recognised in business performance in the Group Income Statement	(1,379)	(1,310)

(c) Average number of employees during the year

Year ended 31 December	2025 Number	2024 Number
Retail	18,504	18,224
Optimisation	864	885
Infrastructure	902	896
Group Functions	1,796	1,699
	22,066	21,704

6. Results relating to joint ventures and associates

Results relating to joint ventures and associates represent the results of businesses where we exercise joint control or significant influence and generally have an equity holding of up to 50%.

The Group's results relating to joint ventures and associates for the year ended 31 December 2025 principally arise from its interests in the following entities, all of which are reported within the Infrastructure segment:

- Garden Topco Limited ('Isle of Grain') - joint venture
- Lake Acquisitions Limited ('Lake') - associate
- Sizewell C (Holding) Limited ('Sizewell C') - associate

Year ended 31 December	2025				2024 ⁽ⁱ⁾
	Isle of Grain £m	Lake £m	Sizewell C £m	Total £m	Total £m
Income	11	583	—	594	808
Expenses before depreciation, amortisation, exceptional items and certain re-measurements	(19)	(258)	—	(277)	(295)
Depreciation and amortisation	(4)	(95)	—	(99)	(139)
Operating (loss)/profit	(12)	230	—	218	374
Interest cost	(3)	(5)	—	(8)	—
Taxation excluding taxation on exceptional items and certain re-measurements	—	(57)	—	(57)	(118)
Share of post-taxation results of joint ventures and associates	(15)	168	—	153	256
Interest income on shareholder loans ⁽ⁱⁱ⁾	—	—	5	5	—
Results relating to joint ventures and associates	(15)	168	5	158	256

(i) 2024 results relating to joint ventures and associates pertain solely to Lake.

(ii) Interest income on shareholder loans relates to interest accrued on loans provided to Sizewell C. See note S8 for further information on shareholder loans and other related parties transactions.

Further information on the Group's investments in joint ventures and associates is provided in notes 14 and S10.

7. Exceptional items and certain re-measurements

(a) Certain re-measurements

Certain re-measurements are the fair value movements on energy contracts entered into to meet the future needs of our customers or to sell the energy produced from our Infrastructure assets. These contracts are economically related to our Infrastructure assets, capacity/offtake contracts or downstream demand, which are typically not fair valued, and are therefore separately identified in the current period and reflected in business performance in future periods when the underlying transaction or asset impacts the Group Income Statement.

If the future costs to fulfil customer supply contracts, including the mark-to-market reversal of any energy hedging contracts entered into to meet this demand, exceed the charges recoverable from customers, an onerous contract provision will be recognised. Similarly, if the future revenues from LNG procurement contracts, including the mark-to-market reversals of hedging contracts entered into related to these purchases, do not exceed the purchase cost, an onerous contract provision will be recognised. Because the associated, unrealised hedging gains or losses will be recognised in certain re-measurements, the movements in these onerous provisions will also be recognised in certain re-measurements.

Year ended 31 December	2025 £m	2024 £m
Certain re-measurements recognised in relation to energy contracts:		
Net (losses)/gains arising on delivery of contracts	(299)	377
Net (losses)/gains arising on market price movements and new contracts	(46)	44
Net re-measurements included within gross profit before onerous supply contract provision	(345)	421
Onerous energy supply and LNG contracts provision movement ⁽ⁱ⁾	42	(142)
Net re-measurements included within Group operating profit	(303)	279
Taxation on certain re-measurements (note 9) ⁽ⁱⁱ⁾	(22)	161
Certain re-measurements after taxation	(325)	440

- (i) The onerous LNG contracts provision movement amounted to £50 million credit (2024: £82 million debit) and the onerous energy supply contract entry is £8 million debit (2024: £60 million debit). Cumulatively over time the onerous energy supply and LNG contracts provision movement will net to £nil. See notes 2(b) and 3(a) for further details.
- (ii) Taxation on onerous energy supply and LNG contracts provision movement amounted to £11 million debit (2024: £35 million credit) and taxation on other certain re-measurements amounted to £11 million debit (2024: £126 million credit).

Year ended 31 December	2025 £m	2024 £m
Total re-measurement and settlement of derivative energy contracts	(4,748)	(4,062)
Excluding:		
IFRS 9 business performance revenue	(2,873)	(4,723)
IFRS 9 business performance cost of sales	7,276	9,206
Unrealised certain re-measurements recognised in relation to energy contracts included in gross profit	(345)	421
Onerous contract provision movement (cost of sales)	42	(142)
Total certain re-measurements	(303)	279

The table below reflects the certain re-measurement derivative movements by operating segment:

Year ended 31 December	2025 £m	2024 (restated) ⁽ⁱ⁾ £m
Retail (Energy Supply)	(755)	2,151
Infrastructure and Optimisation	410	(1,730)
Unrealised certain re-measurements recognised in relation to energy contracts included in gross profit	(345)	421

- (i) 2024 has been restated to reflect the new operating structure of the Group. See note 1(d) for further details.

7. Exceptional items and certain re-measurements

(b) Exceptional items

Exceptional items are those items that, in the judgement of the Directors, need to be disclosed separately by virtue of their nature, size or incidence. Items which may be considered exceptional in nature include disposals of businesses or significant assets, business restructuring, pension change costs or credits, significant debt repurchase costs and asset impairments and write-backs.

Year ended 31 December	2025 £m	2024 £m
Gain on disposal of interest in the Cygnus gas field ⁽ⁱ⁾	80	—
Impairment of power assets ⁽ⁱⁱ⁾	(264)	(75)
Impairment of gas field assets ⁽ⁱⁱⁱ⁾	(244)	—
Legacy contract cost provision movement ^(iv)	23	(53)
Exceptional items included within Group operating profit ^(v)	(405)	(128)
Debt repurchase costs included within financing costs	—	(68)
Exceptional items included within Group profit before taxation	(405)	(196)
Net exceptional item taxation (note 9) ^(vi)	124	78
Total exceptional items recognised after taxation	(281)	(118)

- (i) The disposal of part of Spirit Energy's interest in the Cygnus gas field to a subsidiary of Ithaca Energy plc completed on 1 October 2025 (post-tax £80 million). See note 12 for further details.
- (ii) In the Infrastructure segment, an impairment of the Nuclear investment (excluding Sizewell C) of £251 million (post-tax £251 million) (2024: £48 million (post-tax £48 million)) has been recorded predominantly as a result of the reduction in both forecast and actual power prices, together with an increase to operating and capital expenditure assumptions, partially offset by life extensions at two stations. Also in the Infrastructure segment, an impairment of £13 million (post-tax £10 million) (2024: £27 million (post-tax £20 million)) has been recorded related to Solar assets, following lower forecast power price capture, together with an increase in discount rate. See note 7(c).
- (iii) In the Infrastructure segment, an impairment of the retained gas field assets of £167 million (post-tax £37 million) has been recorded as a result of an update to the cessation of production date associated with the Morecambe field, as gas prices fell and the economic cut-off date changed, together with changes to the discount rate assumptions used in the valuation model. A further impairment of gas field assets, included in the disposal group being sold to Serica Energy plc (see note 12), of £77 million (post-tax £18 million) has also been recorded on their transfer to assets held for sale, based on the expected disposal value following falls in forecast gas prices. See note 7(c).
- (iv) Contracts associated with business activity that ceased a number of years ago, predominantly related to construction services, have led to a decrease in provisions of £23 million (post-tax £19 million) (2024: increase of £53 million (post-tax £45 million)) during the year. The cash flow associated is £34 million.
- (v) 2025 exceptional items included within Group operating profit are non-cash, with the exception of consideration received for the disposal of the interest in the Cygnus gas field and legacy contract cost provisions. The consideration received on the disposal of interest in the Cygnus gas field is reflected in the Sale of business line item in the Group Cash Flow Statement. The cash flows recorded as payments relating to exceptional charges of £38 million (2024: £6 million) in the Group Cash Flow Statement relate to utilisation of legacy contract cost provisions, together with cash flows associated with previous years' exceptional restructuring costs.
- (vi) Exceptional item taxation includes a debit of £64 million (2024: credit of £46 million) associated with deferred tax related to the gas field assets, in the Infrastructure segment. This predominantly relates to a re-measurement of the energy profits levy deferred tax liability and a decrease in the deferred tax asset position related to the recovery of abandonment tax losses, as a result of changes in forecast production profiles and commodity prices, and legislative changes. This item is unrelated to the other exceptional items.

7. Exceptional items and certain re-measurements

(c) Impairment accounting policy, process and sensitivities

The information provided below relates to the assets and CGUs (or groups of CGUs) that have been subject to impairment during the year and/or whose recoverable amount is a key source of estimation uncertainty. See note 3(b).

Exceptional impairment of assets measured on a value-in-use (VIU) basis

Segment	Asset/CGU	Basis for impairment assessment	Recoverable amount £m	Impairment £m
Infrastructure	Power - Nuclear ⁽ⁱ⁾	Decrease in both forecast and actual power prices, together with an update to capital and operating expenditure assumptions, partially offset by the impact of life extensions at Heysham 1 and Hartlepool stations.	578	251

(i) The Nuclear CGU relates to the investment in the Lake Acquisitions Limited group (which holds the existing UK Nuclear fleet) and therefore excludes the recent investment in Sizewell C.

Nuclear

A VIU calculation has been used to determine the recoverable amount of the Group's investment in Nuclear. The cash flows incorporated in the valuation are based on detailed business forecasts in the short term, extrapolated to future years to account for the expected generation profile of the fleet for its remaining life. Assumptions include forward commodity prices (including capacity rates), station lives, outage assumptions, discount rate, production levels, the application of the Electricity Generator Levy (EGL) and operating and capital expenditure requirements. Price assumptions are based on liquid market prices for 2026 to 2029 which are then blended over a one-year period to long-term price forecasts. The methodology for deriving long-term price assumptions remains consistent with the prior year-end, using a single third-party curve provider which most aligns to Centrica's beliefs around the evolution of commodity markets, as a basis for the longer-term commodity price forecasts.

The EGL, applying a 45% tax rate to revenues generated over £75/MWh (adjusted for inflation) until 31 March 2028, based on the above price assumptions, has also been included in the assessment. See note 3.

In September 2025, the Nuclear business announced that estimated operating lifetimes at Heysham 1 and Hartlepool would be extended by a further year to March 2028. Based on prices at 31 December 2025, the lifetime extensions increased the value of the Group's investment in Nuclear by £36 million.

The VIU calculation assumes that the Sizewell B plant operates until 2055, reflecting a 20-year extension beyond its original design life. In the absence of this extension, the carrying value of the Group's investment in Nuclear based on cash flows from 2035 to 2055 would be reduced by £153 million. All other stations' life assumptions are aligned to lifetime closure dates announced by the operator (being between March 2028 and March 2030).

The VIU calculation is also sensitive to changes in outage assumptions, and the base level generation volumes assumed for the fleet were decreased during the period based on a review of planned and unplanned outages. An increase or reduction of 3% in the unplanned outage rate applied to volumes across the Nuclear fleet would lead to an impairment/write-back of £70 million.

The future pre-tax cash flows generated by the investment in the associate are discounted using a pre-tax nominal discount rate of 13.6% (2024: 15.3%). This equated to a post-tax rate of 8.5% (2024: 8.5%). The post-tax discount rate is initially derived from the Group weighted average cost of capital as adjusted for the risks associated with the asset and with reference to comparator companies. The pre-tax rate is then back-calculated by removing tax cash flows and assessing the rate that would give the same result as the post-tax rate. As baseload power prices for the liquid period remain higher than longer-term forecast prices, the near-term cash flows are elevated, which caused the pre-tax discount rate to remain high. A 1% increase in the post-tax discount rate would lead to an impairment of £32 million (when compared with the year-end carrying value). Similarly, a 1% reduction in the post-tax discount rate would lead to a write-back of £37 million.

The asset is particularly sensitive to changes in commodity price and the table below details average prices for the first 5- and 10-year periods and associated sensitivities. Note that the asset is valued based on cash flows arising over its entire economic life and not just this 15-year period.

	Change in pre/post-tax write-back/(impairment) ⁽ⁱⁱ⁾							
	Five-year liquid and blended-period price ⁽ⁱ⁾		Ten-year long-term average price ⁽ⁱ⁾		+10%		-10%	
	2026-2030	2025-2029	2031-2040	2030-2039				
	31 December 2025 £/MWh	31 December 2024 £/MWh	31 December 2025 £/MWh	31 December 2024 £/MWh	31 December 2025 £m	31 December 2024 £m	31 December 2025 £m	31 December 2024 £m
Baseload power	65	72	61	63	196	190	(194)	(193)

(i) Prices are shown in 2024 real terms.

(ii) A 10% change in baseload power prices is deemed to represent a reasonably possible variation across the entire period covered by the liquid market and comparator curves used in the nuclear impairment test. Sensitivities are impacted by the effect of the EGL threshold of £75/MWh (adjusted for inflation).

Furthermore, there is also uncertainty due to climate change and international governmental intervention to reduce CO₂ emissions and the likely impact this will have on both power demand and forecast prices. As a result, a further sensitivity is disclosed below based on the forecast prices aligned to the net zero price curve issued by Aurora (a power analytics providers), which assumes governmental policies are put in place to achieve the temperature and net zero goals by 2050. This net zero forecast currently shows an increase in baseload power prices when compared with the base case impairment test price assumptions.

7. Exceptional items and certain re-measurements

	Five-year average price ⁽ⁱ⁾	Ten-year long-term average price ⁽ⁱ⁾	Reversal of pre/post-tax impairment ⁽ⁱⁱ⁾
	2026-2030	2031-2040	
	2025	2025	£m
Baseload power (£/MWh)	72	62	157

(i) Prices shown in 2024 real terms.

(ii) Change would lead to a write-back of the carrying value.

While the TCFD analysis identifies Nuclear as strategically exposed to climate transition, under the net zero sensitivity used for IFRS disclosure, structurally higher long-term decarbonised power prices result in a potential write-back of £157 million. This illustrates that strategic exposure can co-exist with higher IFRS valuation outcomes where long-term prices under net zero pathways exceed the base-case market-aligned curves.

Exceptional impairment of assets measured on a FVLCD basis

Segment	Asset/CGU (or group of CGUs)	Basis for impairment assessment	Recoverable amount ⁽ⁱ⁾ £m	FV hierarchy	Pre-tax Impairment £m
Infrastructure	Gas fields - transferred to disposal group held for sale ⁽ⁱⁱ⁾	Field valuations from the disposal process	(1)	L3	77
Infrastructure	Gas fields - retained	A reduction in forecast gas prices, together with a change in the discount rate used in the valuation	(229)	L3	167
Infrastructure	Power - Solar assets	A reduction in forecast price capture, together with an increase in discount rate	35	L3	13

(i) Gas fields - transferred to disposal groups held for sale relates to fields being sold to Serica Energy plc (see note 12) and were individually tested for impairment immediately prior to their balance sheet reclassification.

(ii) Recoverable amount for Gas fields relates only to the impaired fields and includes their decommissioning costs, together with related tax impacts. Recoverable amount for Power - Solar assets relates to the property, plant and equipment balance for the portfolio of assets.

For Gas fields - transferred to asset held for sale, fair value less costs of disposal (FVLCD) is calculated with reference to the expected disposal process field valuations. For all other assets, FVLCD is determined by discounting the post-tax cash flows expected to be generated by the assets or CGU, net of associated selling costs, taking into account those assumptions that market participants would use in estimating fair value. Post-tax cash flows used in the FVLCD calculation are based on the Group's Board-approved business plans and longer-term strategic plans together with, where relevant, long-term production, asset usage and cash flow forecasts. These calculations are then benchmarked back to market transactions, where available, to assess alignment with typical market participant views.

Gas field assets - retained

For gas field assets post-tax cash flows are derived from projected production profiles of each field, taking into account forward prices for gas and liquids over the relevant period. Where forward market prices are not available (i.e. outside the active period for each commodity), prices are determined based on Centrica's view of long-term prices, derived from a third-party market curve. The date of cessation of production depends on the interaction of a number of variables, such as the recoverable quantities of hydrocarbons, production costs, the contractual duration of the licence area and the selling price of the gas and liquids produced. As each field has specific reservoir characteristics and economic circumstances, the post-tax cash flows for each field (including decommissioning) are computed using individual economic models. Price assumptions are critical and use liquid market prices for 2026 to 2029, blended over a one-year period to long-term price forecasts. Long-term price assumptions are Centrica's view of long-term prices as derived from a third-party market curve and are deemed best aligned with pricing that a reasonable market participant would use. Following the implementation of the Energy Profits Levy, the increased tax rates have been included in the FVLCD calculations until the sunset date of 31 March 2030.

During the period, the methodology to assess the discount rate to be used on these cash flows was refined, following significant disposal activity (see note 12). For gas fields reaching the end of their producing life, it was deemed appropriate to discount decommissioning cash outflows using a post-tax risk-free based nominal rate of 4.9%, consistent with the approach to balance sheet provisioning. The future post-tax production cash flows continue to be discounted using a post-tax nominal discount rate, derived from the Group's weighted average cost of capital and compared with other market participants. At the year-end this rate was 10.0% (2024: 11.0% for all cash flows). This approach is considered to align with how a typical market participant would value these types of asset.

Once the disposals of the gas field assets transferred to disposal groups held for sale (see note 12) have completed, the Group's interests in producing gas fields will be substantially reduced. As a result, the retained gas field valuations are no longer materially sensitive to movement in future gas prices, and therefore no sensitivities for reasonably possible changes in prices or for net zero scenarios have been provided. This aligns with the Group's TCFD narrative on portfolio streamlining to reduce transition risk.

Power - Batteries, Gas peakers/power stations and Solar assets

An exceptional impairment of £13 million has been recorded in 2025 for Solar assets measured on a FVLCD basis.

For Solar assets, post-tax cash flows are derived from an assessment of expected solar activity and the ability to capture future baseload power prices. Prices are determined based on a third-party capture price forecast. Post-tax cash flows also include an assessment of forecast capital and operating expenditure.

The future post-tax cash flows for Solar assets, are discounted using a post-tax nominal discount rate of 7.0% (2024: 6.0%).

The Solar asset valuations are sensitive to commodity price forecasts. A 10% increase in forecast Solar power price capture would lead to an impairment write-back of £8 million. A 10% reduction would lead to a further impairment of £4 million.

7. Exceptional items and certain re-measurements

A non-exceptional impairment of £6 million has been recorded in 2025 for Batteries measured on a FVLCD basis. The recoverable amount for the portfolio is £140 million.

For Batteries, post-tax cash flows are derived from projected revenue streams associated with wholesale power, balancing, reserve, response and capacity markets over the life of the asset. Where forward market prices are not available, prices are determined based on third-party price forecasts, together with an assessment of extrinsic value capture. Post-tax cash flows also include an assessment of forecast capital and operating expenditure.

The future post-tax cash flows for Batteries are discounted using a post-tax nominal discount rate of 8.5% (2024: 8.0%).

The Battery asset valuations are sensitive to commodity price forecasts. A 10% increase in forecast Battery revenue capture would lead to an impairment write-back of £12 million (capped at historic cost). A 10% reduction would lead to a further impairment of £32 million.

For Gas peakers/power stations, post-tax cash flows are derived from an assessment of the clean spark-spread, which is the difference between the power revenues from generation and the cost of generation (gas and carbon costs), together with other revenue streams associated with balancing mechanism and capacity and availability markets. Where forward market prices are not available, prices are determined based on third-party price forecasts. Post-tax cash flows also include an assessment of forecast capital and operating expenditure.

The future post-tax cash flows for Gas peakers/power stations are discounted using a post-tax nominal discount rate of 8.0% (2024: 8.0%).

No net impairment or write-back has been required in 2025 for Gas peakers/power stations. Nonetheless, the Gas peaker/power station asset valuations are sensitive to commodity price forecasts. The portfolio carrying value is £485 million. A 10% increase in forecast Gas peaker/power station revenue would lead to an impairment write-back of £48 million (capped at historic cost). A 10% reduction would lead to an impairment of £55 million.

Furthermore, there is also uncertainty due to climate change and international governmental intervention to reduce CO₂ emissions and the likely impact this will have on both power demand and forecast price capture. As a result, a further sensitivity based on the forecast prices aligned to the net zero price curves issued by Aurora (a power analytics providers), which assumes governmental policies are put in place to achieve the temperature and net zero goals by 2050 has been calculated for these assets. Across the Batteries, Gas peakers/power stations and Solar assets, an additional impairment of c.£50 million would be required, under a forecast net zero scenario which is derived from Aurora price curves with certain in-house assumptions.

The combined additional impairment under the net zero sensitivities is primarily due to capture-rate assumptions and merchant revenue volatility. These outcomes are consistent with the TCFD characterisation of flexible assets as having low-to-moderate valuation impact and do not change the conclusions of the base-case impairment tests.

8. Net finance income/(cost)

Financing costs mainly comprise interest on bonds and bank debt, the results of hedging activities used to manage foreign exchange and interest rate movements on the Group's borrowings and notional interest arising from the discounting of decommissioning provisions and pensions. An element of financing cost is capitalised on qualifying projects.

Investment income predominantly includes interest received from short-term investments in money market funds, bank deposits and government bonds.

Year ended 31 December	2025			2024		
	Financing costs £m	Investment income £m	Total £m	Financing costs £m	Investment income £m	Total £m
Financing (cost)/income from net debt:						
Interest income	—	243	243	—	313	313
Interest cost on bonds, bank loans and overdrafts	(189)	—	(189)	(235)	—	(235)
Interest cost on lease liabilities	(13)	—	(13)	(13)	—	(13)
	(202)	243	41	(248)	313	65
Net gain on revaluation	6	—	6	—	—	—
Notional interest arising from discounting	(23)	—	(23)	(23)	—	(23)
	(219)	243	24	(271)	313	42
Other interest charges ⁽ⁱ⁾	(35)	—	(35)	(9)	—	(9)
Capitalised borrowing costs ⁽ⁱⁱ⁾	17	—	17	11	—	11
Financing (cost)/income before exceptional items	(237)	243	6	(269)	313	44
Exceptional items ⁽ⁱⁱⁱ⁾	—	—	—	(68)	—	(68)
Financing (cost)/income	(237)	243	6	(337)	313	(24)

(i) Other interest charges includes interest charged on cash collateral, and fees for letters of credit. The cash flow associated is £16 million (2024: £16 million).

(ii) Borrowing costs have been capitalised using an average rate of 7.34% (2024: 8.54%).

(iii) During 2024 the Group repurchased £370 million of debt instruments and refinanced a hybrid bond designated in a fair value hedge relationship, resulting in an exceptional financing cost of £68 million.

9. Taxation

The taxation note details the different tax charges and rates, including current and deferred tax arising in the Group. The current tax charge is the tax payable on this year's taxable profits together with amendments in respect of tax provisions made in earlier years. This tax charge excludes the Group's share of taxation on the results of joint ventures and associates. Deferred tax represents the tax on differences between the accounting carrying values of assets and liabilities and their tax bases. These differences are temporary and are expected to unwind in the future.

(a) Analysis of tax charge

Year ended 31 December	2025			2024		
	Business performance £m	Exceptional items and certain re-measurements £m	Results for the year £m	Business performance £m	Exceptional items and certain re-measurements £m	Results for the year £m
Current tax						
UK corporation tax	(126)	(65)	(191)	(383)	146	(237)
UK energy profits levy	(131)	(18)	(149)	(243)	—	(243)
UK petroleum revenue tax	7	—	7	37	—	37
Non-UK tax	(19)	11	(8)	(35)	(17)	(52)
Adjustments in respect of prior years – UK	10	45	55	(1)	(50)	(51)
Adjustments in respect of prior years – non-UK	(6)	—	(6)	(7)	—	(7)
Total current tax	(265)	(27)	(292)	(632)	79	(553)
Deferred tax						
Origination and reversal of temporary differences – UK	(21)	169	148	(8)	(22)	(30)
UK energy profits levy	28	(5)	23	70	188	258
UK petroleum revenue tax	(5)	—	(5)	(2)	—	(2)
Origination and reversal of temporary differences – non-UK	1	—	1	2	(9)	(7)
Adjustments in respect of prior years – UK	(8)	(35)	(43)	14	3	17
Adjustments in respect of prior years – non-UK	5	—	5	3	—	3
Total deferred tax	—	129	129	79	160	239
Total UK tax	(246)	91	(155)	(516)	265	(251)
Total non-UK tax	(19)	11	(8)	(37)	(26)	(63)
Taxation on profit/(loss) ⁽ⁱ⁾	(265)	102	(163)	(553)	239	(314)

(i) Total taxation on profit excludes taxation on the Group's share of results of joint ventures and associates.

UK tax rates

Most activities in the UK are subject to the standard rate for UK corporation tax of 25% (2024: 25%). Gas production activities are taxed at a rate of 30% (2024: 30%), a supplementary charge of 10% (2024: 10%), plus the Energy Profits Levy of 38% (2024: 35.5%) to give an overall tax rate of 78% (2024: 75.5%). Certain gas production assets in the UK are subject to the UK petroleum revenue tax (PRT) regime at the current tax rate of 0% (2024: 0%).

Non-UK tax rates

Taxation in non-UK jurisdictions, where the Group has a substantial presence, is calculated at the rate prevailing in those respective jurisdictions. The main non-UK rates of corporation tax are 12.5% (2024: 12.5%) in the Republic of Ireland, 22% (2024: 22%) in Denmark and 17% (2024: 17%) in Singapore.

The Group is subject to a minimum corporation tax rate of 15% in all jurisdictions as a result of the implementation of the OECD's Base Erosion and Profit Shifting (BEPS) initiative. Where the effective tax rate falls below 15% in a particular jurisdiction, a top up tax is payable.

Prior year adjustments occur when new information leads to changes in estimates or judgements made in 2024 and earlier years.

Movements in deferred tax liabilities and assets are disclosed in note 16. Tax on items taken directly to equity is disclosed in note S4.

9. Taxation

(b) Factors affecting the tax charge

The Group is expected to continue carrying out most of its business activities in the UK and accordingly considers the standard UK rate to be the appropriate reference rate.

The differences between the total taxation shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit/(loss) before taxation are as follows:

Year ended 31 December	2025			2024		
	Business performance £m	Exceptional items and certain re-measurements £m	Results for the year £m	Business performance £m	Exceptional items and certain re-measurements £m	Results for the year £m
Profit/(loss) before taxation	820	(708)	112	1,596	83	1,679
Deduct results relating to joint ventures and associates, net of interest and taxation	(158)	—	(158)	(256)	—	(256)
	662	(708)	(46)	1,340	83	1,423
Tax on profit/(loss) at standard UK corporation tax rate of 25% (2024: 25%)	(166)	177	11	(335)	(21)	(356)
Effects of:						
Impairment on non-qualifying assets	—	(64)	(64)	—	(12)	(12)
Other permanent differences	—	—	—	5	1	6
Electricity Generator Levy	(2)	—	(2)	(20)	—	(20)
Higher rates applicable to gas production activities profits/(losses)	13	3	16	(61)	121	60
Energy Profits Levy (charge)/credit for the year	(103)	34	(69)	(173)	177	4
Energy Profits Levy re-measurement of deferred tax balances	—	(57)	(57)	—	11	11
Petroleum revenue tax	(15)	—	(15)	20	—	20
Non-UK tax rates (excluding gas production activities)	12	(11)	1	10	16	26
Movements in uncertain tax provisions	(15)	—	(15)	—	—	—
Write-back of deferred tax assets	7	—	7	—	13	13
Disposal of business	—	20	20	—	—	—
Prior year adjustment	1	10	11	9	(47)	(38)
Other tax deductible/(non-tax deductible) items	3	(10)	(7)	(8)	(20)	(28)
Taxation on profit/(loss)	(265)	102	(163)	(553)	239	(314)
Less: movement in deferred tax	—	(129)	(129)	(79)	(160)	(239)
Total current tax	(265)	(27)	(292)	(632)	79	(553)

The Group is subject to taxation in several jurisdictions. The complexity of applicable rules may result in legitimate differences of interpretation between the Group and taxing authorities (or between different taxing authorities) especially where an economic judgement or valuation is involved. Resolution of these differences typically takes many years.

The Group has applied IFRIC 23 'Uncertainty over Income Tax Treatments'. The interpretation requires consideration of the likelihood that the relevant taxing authority will accept an uncertain tax treatment in order to determine the measurement basis. The value is calculated in accordance with the rules of the relevant tax authority when acceptance is deemed probable.

The Group's uncertain tax provision relates to differences in the interpretation of tax legislation in the UK and Canada. Due to the uncertainty associated with such tax items, there is a possibility that, on conclusion of open tax matters at a future date, the final outcome may differ. The uncertain tax provision represents management's assessment of the likely outcome of each issue.

At 31 December 2025 the provision for uncertain tax items was £57 million (2024: £42 million). The Group provided an indemnity to Sval Energi following the sale of Spirit Energy's Norwegian business and the transfer of the legal liabilities in respect of open tax disputes. Any movement in the underlying indemnity (excluding movements attributable to foreign exchange rates) will be recorded through the profit before tax of the Group. As at 31 December 2025 the indemnity in respect of the tax disputes was £109 million (2024: £100 million).

9. Taxation

(c) Factors that may affect future tax charges

The Group's effective tax rates are impacted by changes to the mix of activities and profitability across the territories in which it operates. Effective tax rates may also fluctuate where profits and losses cannot be offset for tax purposes. For example, losses arising in one territory cannot be offset against profits in another.

The Group's effective tax rate is dependent on the proportion of Group profits and losses arising from its UK gas production and nuclear activities relative to lower taxed UK and other jurisdictions' profits and losses. The headline rate of tax on ring fence profits from gas production in the UK was 78% (consisting of ring fence corporation tax of 30%, supplementary charge of 10%, and the Energy Profits Levy (EPL) of 38%) versus the 25% UK statutory corporation tax rate.

The Energy Security Investment Mechanism (ESIM) applies as a way of curtailing the application of EPL in certain circumstances.

Accordingly, the EPL will cease to apply if average oil and gas prices fall to historically normal levels for two consecutive quarters. Based on 20-year averages, normal levels would be achieved where both average oil and gas prices fall below the 2025-2026 threshold of US\$74.21 per barrel for oil and 57 pence per therm for gas (uprated each year). If the EPL ceases to apply, the headline rate on ring fence profits will reduce to 40%.

Based on the independent Office for Budget Responsibility's forecast, while oil prices are currently forecast to be below the ESIM threshold, gas prices are above the threshold in this forecast, though only by around 0.04 pence per therm in the third quarter of 2028.

As part of the Autumn Budget delivered on 26 November 2025, the government has announced a permanent successor to EPL, the Oil and Gas Price Mechanism (OGPM), which will apply once EPL ends (either from 1 April 2030 or earlier if the ESIM is triggered). The OGPM, when enacted, will apply at a rate of 35% to revenues generated from oil and gas sales above price thresholds for each financial year on a transaction by transaction basis. The rates announced for 2026 to 2027 are US\$90/barrel for oil and 90 pence per therm for gas should the OGPM be enacted and the ESIM is triggered.

PRT is set at 0% but may still give rise to historical refunds from the carry-back of excess reliefs (for example, from decommissioning).

The Electricity Generator Levy (EGL) applies from 1 January 2023 to 31 March 2028 at the tax rate of 45% to electricity generation revenues, which will be determined by reference to revenue from sales exceeding a benchmark price of £79.95/MWh (2024: £77.94/MWh). The benchmark price is indexed on 1 April each year by reference to the Consumer Price Index for the previous December. The EGL is not an income tax for accounting purposes and therefore is included in the Group's cost of sales and share of the results of joint ventures' and associates' operating profits and is not deductible for the purposes of UK corporation tax.

The EGL legislation is complex and there remains some uncertainty over how the provisions are to be applied and consequently the amount of levy payable. See note 3(b) for details of the uncertainties regarding the application of the EGL to the Group's revenues.

The Group monitors income tax developments in all the jurisdictions in which the Group operates, including the OECD Base Erosion and Profit Shifting (BEPS) initiative (Pillar 2).

The Governments of the UK, Republic of Ireland, Denmark and Singapore (the main jurisdictions in which the Group operates) legislated for a minimum tax rate of 15% to apply under Pillar 2.

The Group does not expect its tax liabilities to be materially increased as a result of the implementation of the Pillar 2 rules. The Republic of Ireland is the only jurisdiction that is likely to give rise to additional tax payable by the Group. The impact on the Group's effective tax rate based on 2025 profits is less than 1%.

(d) Relationship between current tax charge and taxes paid

Year ended 31 December	2025			2024		
	UK £m	Non-UK £m	Total £m	UK £m	Non-UK £m	Total £m
Current tax charge/(credit):						
Corporation tax	285	14	299	531	59	590
Petroleum revenue tax	(7)	—	(7)	(37)	—	(37)
Total current tax on results for the year (per note 9(b))	278	14	292	494	59	553
Current tax included in other comprehensive income ⁽ⁱ⁾	18	—	18	(36)	—	(36)
Total current tax charge	296	14	310	458	59	517
Taxes paid/(refunded):						
Corporation tax	339	38	377	493	144	637
Petroleum revenue tax	(2)	—	(2)	(1)	—	(1)
	337	38	375	492	144	636
Included in the following lines of the Group Cash Flow Statement:						
Taxes paid			375			636
Included in cost of sales in the Group Income Statement:						
Electricity Generator Levy payable and paid ⁽ⁱⁱ⁾			10			80

(i) Current tax movements relating to pension deficit payments are reported in other comprehensive income.

(ii) This excludes the share of Electricity Generator Levy recognised in the Nuclear (excluding Sizewell C) associate.

Differences between current tax charged and taxes paid arose principally due to the following factors:

- Corporation tax payments are generally made by instalment, based on estimated taxable profits, or the prior year's profits. Fluctuations in profits from year to year, one-off items and mark-to-market movements within the year may therefore give rise to divergence between the charge for the year and the taxes paid. In certain jurisdictions advance tax payments are required (based on estimated tax liabilities) which can result in overpayments. These are included as tax assets, to be refunded in a subsequent period; and
- PRT refunds are based on results in the preceding six-monthly PRT period, therefore PRT cash movements will reflect refunds on a six-month delay.

10. Earnings per ordinary share

Earnings per share (EPS) is the amount of profit or loss attributable to each share. Basic EPS is the amount of profit or loss for the year divided by the weighted average number of shares in issue during the year. Diluted EPS includes the impact of outstanding share options.

Basic earnings per ordinary share has been calculated by dividing the loss attributable to equity holders of the Company for the year of £72 million (2024: £1,332 million profit) by the weighted average number of ordinary shares in issue during the year of 4,785 million (2024: 5,187 million). The number of shares excludes 563 million ordinary shares (2024: 573 million), being the weighted average number of the Company's own shares held in the employee share trust and treasury shares repurchased during the year by the Group as part of the share buyback programme. These 563 million shares do not include shares expected to be repurchased as part of the Group's share buyback programme during 2026. See note S4.

The Directors believe that the presentation of adjusted basic earnings per ordinary share, being the basic earnings per ordinary share adjusted for certain re-measurements and exceptional items, assists with understanding the underlying performance of the Group, as explained in note 2.

Information presented for diluted and adjusted diluted earnings per ordinary share uses the weighted average number of ordinary shares as adjusted for 134 million (2024: 119 million) potentially dilutive ordinary shares as the denominator, unless it has the effect of increasing the profit or decreasing the loss attributable to each ordinary share.

Basic to adjusted basic earnings per ordinary share reconciliation

Year ended 31 December	2025		2024	
	£m	Pence per ordinary share	£m	Pence per ordinary share
Earnings – basic	(72)	(1.5)	1,332	25.7
Net exceptional items after taxation (notes 2 and 7) ⁽ⁱ⁾	269	5.6	132	2.5
Certain re-measurement losses/(gains) after taxation (notes 2 and 7) ⁽ⁱ⁾	337	7.1	(480)	(9.2)
Earnings – adjusted basic	534	11.2	984	19.0
Earnings – diluted ⁽ⁱⁱ⁾	(72)	(1.5)	1,332	25.1
Earnings – adjusted diluted	534	10.9	984	18.5

(i) Net exceptional items after taxation and certain re-measurement losses/(gains) after taxation are adjusted to reflect the share attributable to non-controlling interests.

(ii) Potential ordinary shares are not treated as dilutive when they would decrease a loss per share.

11. Dividends

Dividends represent the return of profits to shareholders. Dividends are paid as an amount per ordinary share held. The Group retains part of the profits generated to meet future investment plans or to fund share buyback programmes.

	2025			2024		
	£m	Pence per ordinary share	Date of payment	£m	Pence per ordinary share	Date of payment
Prior year final dividend	150	3.00	5 Jun 2025	141	2.67	11 Jul 2024
Interim dividend	87	1.83	30 Oct 2025	78	1.50	14 Nov 2024
	237			219		

The Directors propose a final dividend of 3.67 pence per ordinary share for the year ended 31 December 2025 (which would total £169 million based on shareholding at that date). The dividend will be paid on 14 May 2026 to those shareholders registered on 10 April 2026. The Company has sufficient distributable reserves to pay dividends to its ultimate shareholders. Distributable reserves are calculated on an individual legal entity basis and the ultimate parent company, Centrica plc, currently has adequate levels of realised profits within its retained earnings to support dividend payments. Refer to the Centrica plc Company Balance Sheet on page 236. At 31 December 2025, Centrica plc's Company-only distributable reserves were c.£5.4 billion (2024: c.£4.0 billion). On an annual basis, the distributable reserve levels of the Group's subsidiary undertakings are reviewed and dividends paid up to Centrica plc as appropriate to replenish its reserves.

12. Disposals, disposal groups classified as held for sale and acquisitions

This section details disposals, business combinations and asset acquisitions made by the Group.

(a) Disposals

On 20 May 2025 the Group announced that it had agreed to sell part of Spirit Energy's interest in the Cygnus gas field, reducing its interest from 61.25% to 15%, to a subsidiary of Ithaca Energy plc. The headline consideration of £116 million was increased by the cash flows generated by the disposal group from the commercial effective date of 1 January 2025 up to the legal completion date of 1 October 2025 (at which point control passed), resulting in a final consideration of £123 million.

In applying IFRS 5 'Non-current assets held for sale and discontinued operations', the Group has judged that there is one disposal group relating to the above interest in the Cygnus gas field, which was classified as held for sale as at 20 May 2025. The disposal group, which is included in the Infrastructure segment, did not represent a separate major line of business or geographical operation and hence the Group has concluded that it did not constitute a discontinued operation. A separate disposal group was held for sale at 31 December 2025 - see note 12(c).

Details of the assets and liabilities of the disposal group at completion of 1 October 2025 are shown below.

	Cygnus £m
Non-current assets	
Property, plant and equipment	234
Current assets	
Inventories	12
Assets disposed	246
Current liabilities	
Trade and other payables, and contract-related liabilities	(14)
Non-current liabilities	
Deferred tax liabilities	(99)
Provisions for other liabilities	(91)
	(190)
Liabilities disposed	(204)
Net assets disposed	42
Consideration received (net of transaction costs of £1 million)	122
Gain on disposal before and after taxation (note 7(b))	80

The results of the disposal group during 2025 reported in business performance are as follows:

	Cygnus £m
Operating profit	96
Taxation on profit	(75)
Profit after taxation	21

All other disposals undertaken by the Group were immaterial, both individually and in aggregate. These amounted to a loss on disposal of £6 million and net cash outflow of £3 million.

12. Disposals, disposal groups classified as held for sale and acquisitions

(b) Assets and liabilities of disposal groups held for sale

On 16 December 2025 the Group announced that it had agreed to sell the remaining 15% of Spirit Energy's interest in the Cygnus gas field and all other gas producing assets in the Greater Markham Area and Southern North Sea to Serica Energy plc. The sale has a commercial effective date of 1 January 2025 with a headline consideration of £57 million and the transfer of £44 million of decommissioning liabilities. The Group has retained £159 million of decommissioning liabilities in relation to the disposal group at the year-end date. The sale is expected to complete in the second half of 2026.

In applying IFRS 5 'Non-current assets held for sale and discontinued operations', the Group has judged that there is one disposal group classified as held for sale. The assets and liabilities comprising the disposal group were classified as held for sale as at 16 December 2025. This is on the basis that at that point, the disposal group was available for immediate sale, subject only to terms that are customary for sales of such assets, and the sale was highly probable. The disposal group, which is included in the Infrastructure segment, did not represent a separate major line of business or geographical operation and hence the Group has concluded that it did not constitute a discontinued operation.

On 23 December 2025 the Group signed a sale and purchase agreement to dispose of Centrica Business Solutions Italia Srl and Centrica Business Solutions B.V. to Joulz B.V. for a headline consideration of €90 million. Legal completion occurred on 6 February 2026.

In applying IFRS 5 'Non-current assets held for sale and discontinued operations', the Group has judged that there is one disposal group as both subsidiaries are being disposed of in a single transaction. The assets and liabilities comprising the disposal group were classified as held for sale as at 23 December 2025. This is on the basis that at that point, the disposal group was available for immediate sale, subject only to terms that are customary for sales of such assets, and the sale was highly probable. The disposal group, which is included in the Retail segment, did not represent a separate major line of business or geographical operations and hence the Group has concluded that it did not constitute a discontinued operation.

Details of the assets and liabilities of the disposal groups at 31 December 2025 are shown below.

	Italy and Netherlands solutions businesses - Retail	Spirit fields - Infrastructure	Total
	£m	£m	£m
Non-current assets			
Property, plant and equipment	34	141	175
Trade and other receivables, and contract-related assets	—	2	2
Other investments	—	1	1
Deferred tax assets	—	19	19
Current assets			
Other intangible assets	—	1	1
Inventories	6	4	10
Trade and other receivables, and contract-related assets	26	4	30
Assets of disposal groups classified as held for sale	66	172	238
Current liabilities			
Trade and other payables, and contract-related liabilities	(16)	(19)	(35)
Lease liabilities	—	(4)	(4)
Non-current liabilities			
Trade and other payables, and contract-related liabilities	(2)	—	(2)
Deferred tax liabilities	—	(75)	(75)
Lease liabilities	—	(15)	(15)
Provisions for other liabilities	—	(44)	(44)
Liabilities of disposal groups classified as held for sale	(18)	(157)	(175)
Net assets of disposal groups classified as held for sale	48	15	63

(c) Business combinations and asset acquisitions

During the year, the Group has been appointed by Ofgem as the Supplier of Last Resort to Rebel Energy Supply Limited and Tomato Energy Limited, both of whom ceased trading. A customer intangible asset of £11 million has been recognised in 2025 in respect of certain customer credit balances acquired.

During the year, the Group completed the acquisition of Swyft Energy (Ardrar Holdings Limited), a leading solar PV provider in the Republic of Ireland, for total consideration of £9 million, of which £1 million is deferred. This has been accounted for as a business combination and goodwill of £8 million has arisen on the transaction.

During 2025 investments have been made in the Isle of Grain LNG terminal and the Sizewell C nuclear plant. These have not been accounted for as business combinations on the basis that the Group does not have the power to control these entities, see notes 3 and 14.

There were no other material acquisitions during the year. No material adjustments have been made to acquisitions completed in 2024, although there was a cash outflow of £3 million in respect of deferred consideration on previous acquisitions.

13. Property, plant and equipment

PP&E includes significant investment in power generating assets, storage assets and gas field/liquid production assets. Once operational, all assets are depreciated over their useful lives.

(a) Carrying amounts

	2025					2024				
	Land and buildings £m	Plant, equipment and vehicles £m	Power generation £m	Gas production and storage £m	Total £m	Land and buildings £m	Plant, equipment and vehicles £m	Power generation £m	Gas production and storage £m	Total £m
Cost										
1 January	312	999	536	11,651	13,498	294	825	372	11,674	13,165
Acquisitions	—	—	—	—	—	—	12	1	—	13
Additions and capitalised borrowing costs	52	337	129	88	606	11	203	188	51	453
Disposals/retirements	(24)	(87)	(3)	(37)	(151)	(8)	(33)	(9)	—	(50)
Transfers to disposal groups held for sale ⁽ⁱ⁾	(3)	(4)	(46)	(3,656)	(3,709)	—	—	—	—	—
Decommissioning liability and dilapidations revisions and additions (note 21)	7	—	1	(17)	(9)	2	1	—	(10)	(7)
Lease modifications and re-measurements	—	—	—	12	12	18	(9)	—	4	13
Exchange adjustments	4	(10)	18	86	98	(5)	—	(16)	(68)	(89)
31 December	348	1,235	635	8,127	10,345	312	999	536	11,651	13,498
Accumulated depreciation and impairment										
1 January	173	533	71	10,862	11,639	149	464	55	10,651	11,319
Charge for the year ⁽ⁱⁱ⁾	26	96	15	206	343	24	80	13	270	387
(Write-backs)/impairments ⁽ⁱⁱⁱ⁾	(5)	4	15	248	262	8	22	13	6	49
Disposals/retirements	(12)	(83)	(3)	(37)	(135)	(8)	(33)	(9)	—	(50)
Transfers to disposal groups held for sale ⁽ⁱ⁾	(3)	(2)	(14)	(3,310)	(3,329)	—	—	—	—	—
Exchange adjustments	1	(8)	2	82	77	—	—	(1)	(65)	(66)
31 December	180	540	86	8,051	8,857	173	533	71	10,862	11,639
NBV at 31 December	168	695	549	76	1,488	139	466	465	789	1,859

(i) Within transfers to disposal groups held for sale, £1,374 million of cost and £1,169 million of accumulated depreciation relate to the Cygnus disposal which completed in October 2025. The remaining £2,335 million of cost and £2,160 million of accumulated depreciation relate to disposal groups which remained held for sale at the year end date. See note 12 for further details.

(ii) Depreciation of £267 million (2024: £313 million) has been recognised in cost of sales, and £76 million (2024: £74 million) in operating costs before exceptional items.

(iii) (Write-backs)/impairments in 2025 include £257 million of impairments related to exceptional items (see note 7 for further details) and a £5 million net impairment related to business performance (see note 4(d)).

(b) Assets in the course of construction included in above carrying amounts

	2025 £m	2024 £m
31 December		
Plant, equipment and vehicles	157	150
Gas production and storage	—	11
Power generation	368	295

(c) Additional information relating to right-of-use assets included in the above

	2025					2024				
	Land and buildings £m	Plant, equipment and vehicles £m	Power generation £m	Gas production and storage £m	Total £m	Land and buildings £m	Plant, equipment and vehicles £m	Power generation £m	Gas production and storage £m	Total £m
Additions	51	20	—	17	88	11	14	—	15	40
Depreciation charge for the year	(25)	(57)	—	(14)	(96)	(23)	(59)	—	(11)	(93)
NBV at 31 December	163	124	—	22	309	122	163	—	22	307

Further information on the Group's leasing arrangements is provided in note 23.

14. Interests in joint ventures and associates

Interests in joint ventures and associates represent businesses where we exercise joint control or significant influence and generally have an equity holding of up to 50%.

(a) Interests in joint ventures and associates

The Group's interests in joint ventures and associates for the year ended 31 December 2025 principally arise from its interests in the following entities, all of which are reported within the Infrastructure segment:

- Garden Topco Limited ('Isle of Grain') - joint venture
- Lake Acquisitions Limited ('Lake') - associate
- Sizewell C (Holding) Limited ('Sizewell C') - associate

	2025			2024		
	Investments in joint ventures and associates £m	Shareholder loans £m	Total £m	Investments in joint ventures and associates £m	Shareholder loans £m	Total £m
1 January	794	—	794	903	—	903
Additions	271	338	609	—	—	—
Interest accrued on shareholder loans	—	5	5	—	—	—
Impairments ⁽ⁱ⁾	(251)	—	(251)	(48)	—	(48)
Share of profits for the year	153	—	153	256	—	256
Share of other comprehensive (loss)/income	(4)	—	(4)	38	—	38
Dividends	(135)	—	(135)	(355)	—	(355)
31 December ⁽ⁱⁱ⁾	828	343	1,171	794	—	794

(i) The £251 million in 2025 relates to the Lake investment impairment (2024: £48 million). See note 7 for further details.

(ii) Interests in joint ventures and associates closing balance at 31 December 2025 included £185 million (2024: £nil) relating to Isle of Grain, £578 million (2024: £794 million) relating to Lake and £392 million (2024: £nil) relating to Sizewell C, of which £343 million (2024: £nil) related to shareholder loans. See note S8 for further details on related party transactions, including shareholder loans made in relation to Sizewell C.

(b) Share of joint ventures' and associates' assets and liabilities

	2025					2024
	Isle of Grain £m	Lake £m	Sizewell C £m	Other £m	Total £m	Total £m
31 December						
Share of non-current assets	863	4,121	1,104	12	6,100	4,278
Share of current assets	111	728	266	5	1,110	758
	974	4,849	1,370	17	7,210	5,036
Share of current liabilities	(144)	(480)	(113)	(1)	(738)	(305)
Share of non-current liabilities	(645)	(2,446)	(1,208)	—	(4,299)	(2,843)
	(789)	(2,926)	(1,321)	(1)	(5,037)	(3,148)
Cumulative impairment	—	(1,345)	—	—	(1,345)	(1,094)
Share of net assets of joint ventures and associates	185	578	49	16	828	794
Shareholder loans	—	—	343	—	343	—
Interests in joint ventures and associates	185	578	392	16	1,171	794
Net (debt)/cash included in share of net assets	(568)	83	(675)	2	(1,158)	73

Further information on the Group's investments in joint ventures and associates is provided in notes 6 and S10.

15. Other intangible assets and goodwill

The Group Balance Sheet contains significant intangible assets. Goodwill, customer relationships and brands usually arise when we acquire a business. Goodwill is attributable to enhanced geographical presence, cost savings, synergies, growth opportunities, the assembled workforce and also arises from items such as deferred tax. Goodwill is not amortised but is assessed for recoverability each year.

The Group uses European Union Allowances (EUAs), UK Allowances (UKAs) and Renewable Obligation Certificates/ Renewable Energy Certificates (ROCs/RECs) to satisfy its related obligations.

(a) Carrying amounts

	2025					2024				
	Customer relationships and brands £m	Application software (i)(ii) £m	EUA/UKA/ ROC/REC (iii) £m	Goodwill £m	Total £m	Customer relationships and brands £m	Application software (i)(ii) £m	EUA/UKA/ ROC/REC (iii) £m	Goodwill £m	Total £m
Cost										
1 January	161	1,525	319	744	2,749	164	1,515	293	673	2,645
Acquisitions (note 12)	11	1	—	17	29	—	31	—	81	112
Additions and capitalised borrowing costs	—	47	890	—	937	—	37	856	—	893
Disposals/retirements and surrenders (iv)	(1)	(610)	(921)	(31)	(1,563)	—	(54)	(830)	—	(884)
Transfers to disposal groups held for sale	—	—	(1)	—	(1)	—	—	—	—	—
Exchange adjustments	2	4	—	9	15	(3)	(4)	—	(10)	(17)
31 December	173	967	287	739	2,166	161	1,525	319	744	2,749
Accumulated amortisation and impairment										
1 January	87	1,281	—	266	1,634	84	1,255	—	268	1,607
Amortisation (v)	9	76	—	—	85	5	81	—	—	86
Disposals/retirements and surrenders (iv)	(1)	(610)	—	(31)	(642)	—	(54)	—	—	(54)
Impairments	—	6	—	—	6	—	1	—	—	1
Exchange adjustments	2	3	—	—	5	(2)	(2)	—	(2)	(6)
31 December	97	756	—	235	1,088	87	1,281	—	266	1,634
NBV at 31 December	76	211	287	504	1,078	74	244	319	478	1,115

(i) Application software includes assets under construction with a cost of £43 million (2024: £28 million).

(ii) The remaining amortisation period of individually material application software assets, which have a carrying value of £109 million (2024: £132 million), is up to 15 years. Additionally, there are £16 million (2024: £13 million) of individually material software assets under construction.

(iii) The Group has assessed the expected submission dates of EUA/ROC/RECs currently held and where they are expected to be surrendered within a year of purchase, they are presented within current assets, otherwise as non-current. At 31 December 2025, £256 million (2024: £319 million) is presented within current assets.

(iv) Application software retirements relate to fully amortised software assets no longer in operational use, mainly in the Retail segment.

(v) Amortisation of £85 million (2024: £86 million) has been recognised in operating costs before exceptional items.

15. Other intangible assets and goodwill

(b) Carrying amount of goodwill and intangible assets with indefinite useful lives allocated to CGUs

Goodwill acquired through business combinations, and indefinite-lived intangible assets, have been allocated for impairment testing purposes to individual CGUs or groups of CGUs, each representing the lowest level within the Group at which the goodwill or indefinite-lived intangible asset is monitored for internal management purposes. Goodwill impairment testing resulted in no impairments being recorded for the year ended 31 December 2025 (31 December 2024: £nil). See note S2 for further details on impairment assumptions.

31 December	Principal acquisitions to which goodwill and intangibles with indefinite useful lives relate	2025			2024 (restated) ⁽ⁱ⁾		
		Carrying amount of goodwill £m	Carrying amount of indefinite-lived intangible assets ⁽ⁱⁱ⁾ £m	Total £m	Carrying amount of goodwill £m	Carrying amount of indefinite-lived intangible assets ⁽ⁱⁱ⁾ £m	Total £m
Retail	AlertMe/Dyno-Rod/Ensek/ Enron Direct/Electricity Direct/ Bord Gáis Energy/Swyft	357	57	414	340	57	397
Optimisation	Neas Energy	147	—	147	138	—	138
		504	57	561	478	57	535

(i) Comparatives have been restated to reflect the new operating structure of the Group. See note 1(d) for further details.

(ii) The indefinite-lived intangible assets relate mainly to the Dyno-Rod brand.

The Group has considered the impact of climate change on the carrying value of goodwill, including the impact of the risks and opportunities. See note 3(c).

16. Deferred tax assets and liabilities

Deferred tax is an accounting adjustment to provide for tax that is expected to arise in the future as a result of differences in the accounting and tax bases of assets and liabilities. The principal deferred tax assets and liabilities recognised by the Group relate to capital investments, decommissioning assets and provisions, tax losses, fair value movements on derivative financial instruments, petroleum revenue tax (PRT) and pensions.

	Accelerated tax depreciation (corporation tax) £m	Net decommissioning ⁽ⁱ⁾ £m	Losses carried forward ⁽ⁱⁱ⁾ £m	Other timing differences £m	Marked-to-market positions £m	Net deferred PRT ⁽ⁱⁱⁱ⁾ £m	Retirement benefit obligation £m	Total £m
1 January 2024	(480)	442	94	(1)	(25)	81	(79)	32
Credit/(charge) to income	71	48	(33)	54	110	(2)	(9)	239
Charge to equity	—	—	—	(4)	—	—	(7)	(11)
Exchange and other adjustments	(5)	—	—	(4)	—	—	—	(9)
31 December 2024	(414)	490	61	45	85	79	(95)	251
Credit/(charge) to income	153	42	(57)	19	(20)	(5)	(3)	129
(Charge)/credit to equity	—	—	—	(2)	1	—	124	123
Transferred to held for sale ^(iv)	185	(30)	(1)	1	—	—	—	155
Reallocation of losses ^(v)	—	—	81	—	(45)	—	(36)	—
Exchange and other adjustments	—	—	1	(3)	1	—	—	(1)
31 December 2025	(76)	502	85	60	22	74	(10)	657

(i) Net decommissioning includes deferred tax assets of £536 million (2024: £605 million) in respect of decommissioning provisions.

(ii) The losses arose principally in the UK downstream business from marked-to-market positions and retirement benefit obligations.

(iii) The deferred PRT amounts include the effect of deferred corporation tax as PRT is chargeable to corporation tax.

(iv) Sale of the Cygnus field and producing assets in the South Markham area and Southern North Sea by Spirit and the sale of Centrica Business Solutions businesses in Italy and the Netherlands. See note 12.

(v) Reallocation of losses is a presentational reclassification moving deferred tax balances into the losses carried forward category, with no impact on the total deferred tax position.

Certain deferred tax assets and liabilities have been offset where there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

	2025		2024	
	Assets £m	Liabilities £m	Assets £m	Liabilities £m
31 December				
Gross deferred tax balances	828	(171)	791	(540)
Offsetting deferred tax balances	(169)	169	(452)	452
Net deferred tax balances (after offsetting for financial reporting purposes)	659	(2)	339	(88)

Deferred tax assets arise typically on decommissioning provisions, trading losses carried forward, retirement benefit obligations and marked-to-market positions. Forecasts indicate that there will be suitable taxable profits to utilise those deferred tax assets not offset against deferred tax liabilities. Specific legislative provisions applicable to gas production provide assurance that deferred tax assets relating to decommissioning costs and certain trading losses will be utilised.

The UK gas production deferred tax assets and liabilities were measured at the headline rate of tax of 78% applicable to the UK gas profits, consisting of 30% ring fence corporation tax, 10% supplementary charge and 38% Energy Profits Levy (EPL).

The enactment of the Finance Act 2025 on 20 March 2025 extended the EPL until 31 March 2030 from 31 March 2028. The Group's deferred tax assets and liabilities were remeasured resulting in an increase of £57 million in its deferred tax liabilities.

At the balance sheet date, the Group had £1,182 million (2024: £1,295 million) unrecognised deductible temporary differences related to carried forward tax losses and other temporary differences available for utilisation against future taxable profits.

At the balance sheet date, no taxable temporary differences existed in respect of the Group's overseas investments (2024: £nil).

The Group has applied the mandatory exception to recognising and disclosing information about the deferred tax assets and liabilities related to Pillar 2 income taxes in accordance with the amendments to IAS 12 adopted by the UK Endorsement Board on 19 July 2023.

17. Trade and other receivables and contract-related assets

Trade and other receivables include accrued income, and are amounts owed by our customers for goods we have delivered or services we have provided. These balances are valued net of expected credit losses. Other receivables include payments made in advance to our suppliers. Contract-related assets are balances arising as a result of the Group's contracts with customers in the scope of IFRS 15.

31 December	2025		2024	
	Current £m	Non-current £m	Current £m	Non-current £m
Financial assets:				
Trade receivables	3,951	57	3,270	—
Unbilled downstream energy income	870	—	968	—
Trading and energy procurement accrued income ⁽ⁱ⁾	855	—	1,653	—
Other accrued income	83	—	71	—
Cash collateral posted	203	—	191	—
Other receivables (including contract assets) ⁽ⁱⁱ⁾	149	62	264	52
	6,111	119	6,417	52
Less: provision for credit losses	(1,818)	—	(1,532)	—
	4,293	119	4,885	52
Non-financial assets: prepayments, other receivables and costs to obtain a contract with a customer ⁽ⁱⁱⁱ⁾	382	135	319	127
	4,675	254	5,204	179

(i) Trading and energy procurement counterparty receivables are typically with customers with external, published credit ratings. Such receivables have typically much lower credit risk than downstream counterparties, are settled in a short period of time and expected credit losses are not significant.

(ii) Other receivables includes amounts owed under public service obligation schemes in Ireland of £27 million (2024: £90 million).

(iii) Includes costs of £49 million (2024: £28 million) incurred to obtain contracts with customers in the Retail segment. Costs are amortised over the expected tenure of the customer contract. See note S2.

The amounts above include gross amounts receivable arising from the Group's IFRS 15 contracts with customers of £3,899 million (2024: £3,195 million). Additionally, accrued income of £960 million (2024: £1,032 million) arising under IFRS 15 contracts is included.

Trade and other receivables include financial assets representing the contractual right to receive cash or other financial assets from residential customers, business customers and treasury, trading and energy procurement counterparties as follows:

31 December	2025		2024	
	Current £m	Non-current £m	Current £m	Non-current £m
Financial assets by business type:				
Residential customers	3,363	64	2,897	—
Business customers	1,474	55	1,517	50
Treasury, trading and energy procurement counterparties	1,274	—	2,003	2
	6,111	119	6,417	52
Less: provision for credit losses	(1,818)	—	(1,532)	—
	4,293	119	4,885	52

17. Trade and other receivables and contract-related assets

Credit loss charge for trade and other receivables and contract assets

The impairment charge in trade receivables is stated net of credits for the release of specific provisions made in previous years, which are no longer required. These relate primarily to residential and business customers in the UK. Movements in the provision for credit losses by business type are as follows:

	2025				2024			
	Residential customers £m	Business customers £m	Treasury, trading and energy procurement counterparties £m	Total £m	Residential customers £m	Business customers £m	Treasury, trading and energy procurement counterparties £m	Total £m
1 January	(984)	(529)	(19)	(1,532)	(850)	(443)	(16)	(1,309)
Increase in impairment of trade receivables (predominantly related to credit impaired trade receivables) (i) (ii) (iii)	(285)	(135)	(1)	(421)	(245)	(132)	(6)	(383)
Receivables written off (iv)	74	60	1	135	111	46	3	160
31 December	(1,195)	(604)	(19)	(1,818)	(984)	(529)	(19)	(1,532)

(i) Includes £410 million (2024: £364 million) of credit losses related to trade receivables resulting from contracts in the scope of IFRS 15.

(ii) All loss allowances reflect the lifetime expected credit losses on trade receivables and contract assets.

(iii) Excludes recovery of previously written-off receivables of £3 million (2024: £10 million). Due to the large number of individual receivables and the matrix approach employed, any reduction in provision is reflected in a reduced charge for the relevant period, rather than in separately identifiable reversals of previous provisions.

(iv) Materially all write-offs relate to trade receivables where enforcement activity is ongoing. The gross carrying value of write-offs related to trade receivables where enforcement activity is ongoing was £105 million (2024: £122 million).

Year ended 31 December	2025 £m	2024 £m
Increase in impairment provision for trade receivables (per above)	(421)	(383)
Less recovery of previously written-off receivables	3	10
Credit losses on financial assets (per Group Income Statement)	(418)	(373)

Enforcement activity continues in respect of balances that have been written off unless there are specific known circumstances (such as bankruptcy) that render further action futile.

17. Trade and other receivables and contract-related assets

Credit loss charge for trade and other receivables and contract assets

Receivables from residential and business customers are generally considered to be credit impaired when the payment is past the contractual due date. The Group applies different definitions of default for different groups of customers, ranging from sixty days past the due date to six to twelve months from the issuance of a final bill. Receivables are generally written off only once a period of time has elapsed since the final bill. Contractual due dates range from falling due upon receipt to falling due in thirty days from receipt.

The table below shows credit impaired balances in gross receivables (those that are past due) and those that are not yet due and therefore not considered to be credit impaired.

Gross trade and other receivables

31 December	2025 £m	2024 £m
Balances that are not past due	3,420	4,143
Balances that are past due ⁽ⁱ⁾	2,810	2,326
	6,230	6,469

(i) The majority of balances that are past due relate to residential and business customers, ageing of these receivables is included in the credit risk tables in the sections below.

The IFRS 9 impairment model is applicable to the Group's financial assets including trade receivables, contract assets and other financial assets using the simplified approach as described in note S3. As the majority of the relevant balances are trade receivables and contract assets to which the simplified model applies, this disclosure focuses on these balances.

The provision for credit losses for trade receivables and contract assets is based on an expected credit loss model that calculates the expected loss applicable to the receivable balance over its lifetime. Expected credit losses on receivables due from treasury, trading and energy procurement counterparties are not significant (see note S3 for further analysis of this determination). For residential and business customers default rates are calculated initially by considering historical loss experience and applied to trade receivables within a provision matrix. The matrix approach allows application of different default rates to different groups of customers with similar characteristics. These groups are determined by a number of factors including: the nature of the customer, the payment method selected and, where relevant, the sector in which they operate. The characteristics used to determine the groupings of receivables are the factors that have the greatest impact on the likelihood of default. The rate of default increases once the balance is thirty days past due.

Concentration of credit risk in trade and other receivables

Treasury, trading and energy procurement counterparty receivables are typically with customers with external, published credit ratings. Such receivables have typically much lower credit risk than downstream counterparties, and that risk is assessed primarily by reference to the credit ratings rather than to the ageing of the relevant balance. Counterparty credit rating information is given in note S3.

The Group's posted cash collateral balance has increased to £203 million in 2025 (2024: £191 million). Collateral counterparties typically have strong credit ratings and accordingly have low credit risk; the Group does not expect credit losses to arise on these balances. See note S3.

The majority of the Group's credit exposure arises in the Retail segment and relates to residential and business energy customers. The credit risk associated with these customers is assessed as described above, using a combination of the age of the receivable in question, internal ratings based on a customer's payment history, and external data from credit rating agencies and wider macroeconomic information. The disclosures below reflect the information that is reported internally for credit risk management purposes in these segments.

17. Trade and other receivables and contract-related assets

Retail energy customer credit risk

Of the Group total of £4,008 million (2024: £3,270 million) billed trade receivables, energy customers in the Retail reporting segment contribute £3,699 million (2024: £3,075 million). The Retail segment includes residential and business energy customers. As described above, credit risk is concentrated in receivables from energy customers who pay in arrears. Gross receivables from residential energy customers in the UK amount to £2,481 million (2024: £1,945 million) and from business energy customers in the UK amount to £990 million (2024: £910 million) and are analysed below. The Retail segment also includes residential and business energy customers in Ireland of £125 million (2024: £93 million), but these are not included in the analysis below.

Trade receivables due from residential energy customers as at 31 December ⁽ⁱ⁾

Days beyond invoice date ⁽ⁱⁱ⁾	2025					2024				
	<30 days £m	30-90 days £m	>90 days £m	Total £m	Percentage of credit risk	<30 days £m	30-90 days £m	>90 days £m	Total £m	Percentage of credit risk
Risk profile										
Direct debits ⁽ⁱⁱⁱ⁾										
Gross receivables	358	73	243	674		303	67	227	597	
Provision	—	(1)	(18)	(19)		—	—	(10)	(10)	
Net	358	72	225	655	3%	303	67	217	587	2%
Payment on receipt of bill ⁽ⁱⁱⁱ⁾										
Gross receivables	89	86	1,095	1,270		89	56	815	960	
Provision	(4)	(13)	(551)	(568)		(4)	(8)	(445)	(457)	
Net	85	73	544	702	45%	85	48	370	503	48%
Final bills ^(iv)										
Gross receivables	19	33	485	537		19	22	347	388	
Provision	(6)	(19)	(426)	(451)		(7)	(14)	(311)	(332)	
Net	13	14	59	86	84%	12	8	36	56	86%
Total net residential energy customers trade receivables	456	159	828	1,443	42%	400	123	623	1,146	41%
Trade receivables due from business customers as at 31 December										
Commercial and industrial ^(v)										
Gross receivables	21	6	19	46		22	4	15	41	
Provision	—	—	(10)	(10)		—	—	(10)	(10)	
Net	21	6	9	36	22%	22	4	5	31	24%
Medium-sized entities										
Gross receivables	40	9	123	172		41	14	105	160	
Provision	—	—	(78)	(78)		—	—	(64)	(64)	
Net	40	9	45	94	45%	41	14	41	96	40%
Small businesses										
Gross receivables	95	46	631	772		116	59	534	709	
Provision	(2)	(8)	(470)	(480)		(3)	(10)	(405)	(418)	
Net	93	38	161	292	62%	113	49	129	291	59%
Total net business energy customers trade receivables	154	53	215	422	57%	176	67	175	418	54%
Total retail energy customers trade receivables	610	212	1,043	1,865	46%	576	190	798	1,564	45%

- (i) The receivables information presented in this table relates to downstream customers who pay energy bills using the methods presented. For residential energy customers, it excludes low residual credit risk amounts, such as balances in the process of recovery through pay-as-you-go energy (PAYGE) arrangements and amounts receivable from PAYGE energy vendors. Gross amounts in the process of recovery through PAYGE arrangements at 31 December 2025 are £103 million (2024: £114 million), against which a provision of £65 million is held (2024: £92 million).
- (ii) This ageing analysis is presented relative to invoicing date and presents receivables according to the oldest invoice outstanding with the customer. There are a range of payment terms extended to residential energy customers. Amounts paid on receipt of a bill (PORB), which are settled using bank transfers, cash or cheques are typically due within fourteen days of invoicing. Direct debit customers typically pay in equal instalments over a twelve-month period. For business energy customers, there are a range of payment terms extended to business energy customers. Standard credit terms for small business customers are ten working days. Standard credit terms for medium-sized entity customers are ten working days. Credit terms for commercial and industrial customers are bespoke and are set based on the commercial agreement with each customer.
- (iii) Receivables settled by direct debit are deemed to present a lower credit risk than PORB amounts. This is reflected in the relative level of provision held for these types of receivables.
- (iv) Final bill customers are those who are no longer customers of the Group and have switched energy supplier. These balances are deemed to have the highest credit risk.
- (v) This category includes low credit risk receivables, including those from public sector and customers with high turnover (greater than £100 million).

17. Trade and other receivables and contract-related assets

Sensitivity to changes in assumptions

Typically, the most significant assumption included within the expected credit loss provisioning model that gives rise to estimation uncertainty is that future performance will be reflective of past performance and that there will be no significant change in the payment profile or recovery rates within each identified group of receivables. To address this risk, the Group reviews and updates default rates, by group, on a regular basis to ensure they incorporate the most up to date assumptions along with forward-looking information where available and relevant. The Group also considers regulatory changes and customer segment specific factors that may have an impact, now or in the future, on the recoverability of the balance.

The specific consideration of forward-looking information in the impairment model does not usually give rise to significant changes in the levels of credit losses. However, typical household energy costs have trended upwards during 2025 and continue to cause uncertainty in economic outlook; there remains a level of estimation uncertainty inherent in determining credit loss provisions for the Group's trade receivables.

Where customers experience difficulties in settling balances, the increased ageing of these amounts results in an increase in provisions held in respect of them under the provision matrix approach employed. The Group has also considered changes in customer payment patterns, the specific circumstances of the customers and the economic impacts of the factors identified above, on the sectors in which they operate. Whilst economic recovery is expected, a level of unpredictability remains apparent.

Customers are facing continued pressures relating to their cost of living, including increased energy bills. The Group has considered macroeconomic forecasts and sensitivities, as well as disposable income analysis from a credit rating agency, to model and determine the level of provisions for credit losses.

During 2025 the Group recognised credit losses net of recoveries of £418 million (2024: £373 million) in respect of financial assets, representing 2.1% of total Group revenue (2024: 1.9%) and 1.9% (2024: 1.5%) of total Group revenue from business performance. As described above, the majority of the Group's credit exposure arises in respect of receivables from energy customers in the Retail segment. Credit losses in respect of these assets amounted to £410 million (2024: £361 million). This represents 2.7% (2024: 2.3%) of total Retail revenue within the scope of IFRS 15 from these segments of £15,261 million (2024: £15,823 million). Further details of segmental revenue are provided in note 4.

Due to the different level of risks presented by billed and unbilled receivables, these asset groups are considered separately in the analysis below.

Billed trade receivables

	31 December 2025 £m	31 December 2024 £m
Trade receivables	4,008	3,270
Provision	(1,759)	(1,471)
Net balance	2,249	1,799
	31 December 2025 %	31 December 2024 %
Provision coverage	44	45
Sensitivity	£m	£m
Impact on billed receivables/operating profit from 1 percentage point (increase)/decrease in provision coverage ⁽ⁱ⁾	(40)/40	(33)/33

(i) Credit risk in the Group is impacted by a large number of interacting factors.

Typical household energy bills have trended upwards during 2025 as wholesale prices remain high and network costs and policy levies have increased. The operating landscape within the Retail residential portfolio remains difficult, with mixed macroeconomic conditions. Although interest rates and inflation have fallen, unemployment has increased. Challenges relating to the performance of older aged debt persist due to the lasting impact of both the energy crisis and warrant suspension. Both gross receivables, and the total value of the credit loss provision have increased in value during the year. In November, the government announced an estimated £150 a year reduction in residential energy bills by removing certain green levies from April 2026. Whilst this does not impact the gross receivable value at 31 December 2025, it may improve cash collections, and hence reduce provisioning, on a forward-looking basis.

Within the residential customer base, management have identified billed customers who pay on receipt of their bills as being the highest risk. Credit loss provision coverage for this cohort of customers has in fact decreased, primarily because the forward-looking expectations of debt performance, covered by the Group's macroeconomic provision in the prior year, were more conservative than actual collections. Although collections performance has improved slightly over the year as a result of litigation activities, this cohort of customers is a key focus for the Retail business.

Debt recovery relating to residential energy customers remains challenging. Limited field activity continues, although warrant visits remain suspended, with only a minimal level of voluntary credit to prepayment meter exchanges taking place. It is unlikely to return to previous volumes due to a stricter Code of Practice, creating uncertainty in relation to future debt recovery. This is partially mitigated by litigation activity, however debt levels relating to distressed customer accounts are continuing to increase.

17. Trade and other receivables and contract-related assets

Gross receivables relating to business customers in the Retail segment have slightly decreased, although the provision coverage has increased. As well as the mixed macroeconomic factors affecting residential customers above, business customers also face increased employer National Insurance payments, as well as a rise in the National Minimum Wage. Latest figures also indicate that company insolvencies have slightly increased during the year, suggesting that cost pressures remain. The mix between live and final debt in the business portfolio has also changed during the year, driven by a greater volume of field activities. This has resulted in more amounts due being classified as final, attracting a higher resultant provision rate.

The delayed impact on customer payments are now broadly reflected in the underlying matrix output model used to record provision coverage, hence the reduction in the additional macroeconomic provision to £11 million (2024: £49 million). Management considers the impact of specific cohorts of customers referenced in the previous tables when making this assessment, recognising the different credit terms and different risk profiles that exist. This assessment also utilises a range of factors, both internal and external, historic and forward-looking, and considers the sensitivities of these to help management estimate the likely recovery of debt.

It remains uncertain as to when and how these factors will reduce the collectability of debt and at what scale. Future changes in commodity prices may also impact this. The table above and the unbilled section below provide details of the sensitivity of moving the debt provision by a further 1%.

The Group's services, infrastructure and trading operations are less susceptible to credit risk. No significant deterioration of credit risk has been experienced or is expected in the relevant segments in respect of billed trade receivables recognised at 31 December 2025, taking into account cash collection cycles in those areas of the Group and credit rating information (see note S3).

Unbilled downstream energy income

The table below shows the IFRS 15 unbilled downstream energy income for the Group as a whole.

	31 December 2025 £m	31 December 2024 £m
Gross unbilled receivables	870	968
Provision	(59)	(61)
Net balance	811	907
	31 December 2025 %	31 December 2024 %
Provision coverage	7	6
Sensitivity	£m	£m
Impact on unbilled receivables/operating profit from 1 percentage point (increase)/decrease in provision coverage ⁽ⁱ⁾	(9)/9	(10)/10

(i) Credit risk in the Group is impacted by a large number of interacting factors.

Unbilled downstream energy income is typically provided at a significantly lower rate than billed debt. This is because a large proportion of this debt once billed will be subject to the very short cash collection cycles of the Group's downstream energy supply businesses.

18. Inventories

Inventories represent assets that we intend to use in future periods, either by selling the asset itself (e.g. gas in storage) or by using it to provide a service to a customer.

31 December	2025 £m	2024 £m
Gas in storage and transportation ⁽ⁱ⁾	212	745
Other raw materials and consumables	96	120
Finished goods and goods for resale	31	39
	339	904

(i) Includes gas in storage held at fair value of £193 million (2024: £364 million).

The Group consumed £1,294 million of inventories (2024: £1,806 million) during the year. Write-downs amounting to £8 million (2024: £14 million) were charged to the Group Income Statement in the year.

19. Derivative financial instruments

The Group generally uses derivative financial instruments to manage the risk arising from fluctuations in the value of certain assets or liabilities associated with treasury management and energy sales and procurement, and for proprietary energy trading purposes. The Group also uses derivatives to hedge exchange risk.

For accounting purposes, derivatives are either classified as held for trading, in which case changes in their fair value are recognised in the Group Income Statement, or they are designated in hedging relationships. Where derivatives are in hedging relationships, the treatment of changes in their fair value depends on the nature of that relationship, and whether it represents a fair value hedge or a cash flow hedge. Note S5 provides further detail on the Group's hedge accounting. The table below gives a high-level summary of the Group's accounting for its derivative contracts.

Purpose	Classification	Accounting treatment
Proprietary energy trading and treasury management	Held for trading and fair value hedges	Changes in fair value recognised in the Group's business performance results for the year
Treasury management	Cash flow hedges	Effective portion of hedge initially recognised in the Group Statement of Other Comprehensive Income. Gains and losses are recycled to the Group Income Statement when the hedged item impacts profit or loss. Ineffective portions of the hedge are recognised immediately in the Group's business performance results for the year
Energy procurement and optimisation	Held for trading	Changes in fair value recognised in the Group's exceptional items and certain re-measurements results for the year

The carrying values of derivative financial instruments by product type for accounting purposes are as follows:

31 December	2025		2024	
	Assets £m	Liabilities £m	Assets £m	Liabilities £m
Derivative financial instruments – held for trading under IFRS 9:				
Energy derivatives – for procurement/optimisation	513	(426)	530	(251)
Energy derivatives – for proprietary trading	285	(393)	886	(913)
Foreign exchange derivatives	40	(106)	128	(83)
Derivative financial instruments in hedge accounting relationships:				
Interest rate derivatives	—	(95)	—	(134)
Foreign exchange derivatives	38	(16)	32	(6)
Total derivative financial instruments	876	(1,036)	1,576	(1,387)
Included within:				
Derivative financial instruments – current	600	(693)	1,309	(932)
Derivative financial instruments – non-current	276	(343)	267	(455)

The contracts included within energy derivatives are subject to a wide range of detailed specific terms, but comprise the following general components, analysed on a net carrying value basis:

31 December	2025 £m	2024 £m
Short-term forward market purchases and sales of gas and electricity:		
UK and Europe	122	125
Other derivative contracts including structured gas sale and purchase arrangements	(144)	127
Net total	(22)	252

Net (losses)/gains on derivative financial instruments due to change in fair value

31 December	2025		2024	
	Income Statement £m	Equity £m	Income Statement £m	Equity £m
Financial assets and liabilities measured at fair value:				
Derivative financial instruments – held for trading	(458)	—	20	—
Derivative financial instruments in hedge accounting relationships	40	(5)	(14)	(8)
	(418)	(5)	6	(8)

20. Trade and other payables and contract liabilities

Trade and other payables include accruals and are principally amounts we owe to our suppliers. Financial deferred income represents monies received from customers in advance of the delivery of goods or services that may be returned to the customer if future delivery does not occur. For example, downstream customers with a credit balance may request repayment of the outstanding amount in cash, rather than taking delivery of commodity. By contrast, contract liabilities and non-financial deferred income arise when the Group receives consideration from a customer in advance of performance, and has a non-financial liability to deliver future goods or services in return.

31 December	2025		2024	
	Current £m	Non-current £m	Current £m	Non-current £m
Financial liabilities:				
Trade payables	(379)	(3)	(363)	(3)
Deferred income ⁽ⁱ⁾	(923)	—	(935)	—
Capital payables	(92)	—	(137)	—
Cash collateral received	(81)	—	(162)	—
Other payables ⁽ⁱⁱ⁾	(340)	(71)	(375)	(91)
Accruals:				
Commodity costs	(1,588)	—	(2,272)	—
Transportation, distribution and metering costs	(411)	—	(335)	—
Operating and other accruals	(714)	(54)	(887)	(77)
	(2,713)	(54)	(3,494)	(77)
	(4,528)	(128)	(5,466)	(171)
Non-financial liabilities:				
Other payables and accruals ⁽ⁱⁱⁱ⁾	(993)	—	(832)	—
Contract liabilities	(16)	(3)	(33)	—
Deferred income	(44)	(7)	(61)	(4)
	(5,581)	(138)	(6,392)	(175)

(i) Deferred income includes downstream customer credit balances for amounts billed in advance of energy supply. The amount naturally peaks over summer as customers consume less and will unwind as consumption of gas and electricity increases over winter.

(ii) Other payables includes contingent consideration of £109 million (2024: £100 million) and the share buyback liability of £14 million (2024: £75 million). See note S4 for further details on the share buyback programme.

(iii) Other non-financial payables and accruals includes ROCs creditors of £689 million (2024: £660 million).

Maturity profile of financial liabilities within current trade and other payables

31 December	2025 £m	2024 £m
Less than 90 days	(4,183)	(5,090)
90 to 182 days	(117)	(128)
183 to 365 days	(228)	(248)
	(4,528)	(5,466)

21. Provisions for other liabilities

Provisions are recognised when an obligation exists that can be reliably measured, but where there is uncertainty over the timing and/or amount of the payment. The main provisions relate to decommissioning costs for Infrastructure assets we own, or have owned, which require restoration or remediation, along with onerous supply contracts. Further provisions relate to restructuring costs, and legal and regulatory matters.

	1 January 2025 £m	Charged in the year £m	Unused and reversed in the year £m	Utilised £m	Transfers ^(v) £m	Exchange adjustments £m	31 December 2025 £m
Current							
Restructuring costs	(8)	(18)	8	7	(5)	—	(16)
Decommissioning costs ^{(i) (ii)}	(103)	—	—	71	(125)	—	(157)
Onerous contracts provision ⁽ⁱⁱⁱ⁾	(104)	(40)	1	109	(2)	2	(34)
Other ^(iv)	(153)	(46)	32	70	(13)	(1)	(111)
Total	(368)	(104)	41	257	(145)	1	(318)

	1 January 2025 £m	Charged in the year £m	Notional interest £m	Unused and reversed in the year £m	Revisions and additions £m	Transfers ^(v) £m	Transfers to disposal groups held for sale ^(vi) £m	Exchange adjustments £m	31 December 2025 £m
Non-current									
Restructuring costs	(7)	—	—	—	—	5	—	—	(2)
Decommissioning costs ^{(i) (ii)}	(1,356)	(47)	(26)	22	16	125	129	(8)	(1,145)
Onerous contracts provision ⁽ⁱⁱⁱ⁾	(15)	(28)	—	—	—	2	—	—	(41)
Other ^(iv)	(115)	(13)	—	39	(7)	13	—	—	(83)
Total	(1,493)	(88)	(26)	61	9	145	129	(8)	(1,271)

Included within the above liabilities are the following financial liabilities:

	2025		2024	
	Current £m	Non-current £m	Current £m	Non-current £m
31 December				
Restructuring costs	(16)	(2)	(8)	(7)
Provisions other than restructuring costs	(134)	(104)	(249)	(113)
	(150)	(106)	(257)	(120)

Maturity profile of decommissioning provisions

31 December	2025 £m
2026-2030	(734)
2031-2035	(549)
2036-2040	(13)
2041-2045	(1)
2046-2050	(1)
2051-2055	(2)
2056-2060	(1)
2061 or later	(1)
	(1,302)

(i) Provision has been made for the estimated net present cost of decommissioning gas production facilities at the end of their useful lives. The estimate has been based on 2P reserves, price levels and technology at the balance sheet date. The payment dates of decommissioning costs are dependent on the lives of the facilities, but utilisation of the provision is expected to occur until the 2060s. The maturity profile of total decommissioning provisions is analysed above. The rate used to discount decommissioning provisions is 2% (2024: 2%). See note 3.

(ii) Included in the provision balance as at 31 December 2025 is £961 million (2024: £1,139 million) held in Spirit Energy, £321 million (2024: £302 million) in relation to the Rough field, and £20 million (2024: £18 million) in the remainder of the business.

(iii) The onerous contracts provision includes a charge of £(49) million (2024: £(82) million) and utilisation of £99 million (2024: £nil) related to movements in onerous LNG contract provisions. See note 7.

(iv) Other provisions have been made for dilapidations, insurance, legal, warranty, regulatory and various other claims, including in relation to Ofgem's ongoing investigation into British Gas's legacy arrangements for the installation of prepayment meters under warrant. Utilisation of the non-current other provision balance is expected to occur by the early 2030s.

(v) Transfers relate to amounts transferred between current and non-current provisions.

(vi) Transfers to disposal groups held for sale relate to the sales of the Cygnus fields in the Infrastructure segment. £85 million relates to the disposal that completed in October 2025. The remaining £44 million relates to the subsequent disposal agreed in December 2025 which remained held for sale at the year end date. See note 12 for further details.

22. Post-retirement benefits

The Group manages a number of final salary and career average defined benefit pension schemes. It also has defined contribution schemes. The majority of these schemes are in the UK.

(a) Summary of main post-retirement benefit schemes

Name of scheme	Type of benefit	Status	Country	Number of active members as at 31 December 2025	Total membership as at 31 December 2025
Centrica Engineers Pension Scheme	Defined benefit final salary pension	Closed to new members in 2006	UK	1,303	8,341
	Defined benefit career average pension	Closed to new members in 2022	UK	2,333	7,067
Centrica Pension Plan	Defined benefit final salary pension	Closed to new members in 2003	UK	1,225	8,328
Centrica Pension Scheme	Defined benefit final salary pension	Closed to new members in 2003	UK	1	9,934
	Defined benefit career average pension	Closed to new members in 2008	UK	664	4,124
Centrica Savings Plan	Defined contribution pension	Open to new members	UK	13,345	14,871
Centrica Leavers Savings Plan	Defined contribution pension	Deferred members only	UK	—	10,351
Bord Gáis Energy Company Defined Benefit Pension Scheme	Defined benefit final salary pension	Closed to new members in 2014	Republic of Ireland	80	168
Bord Gáis Energy Company Defined Contribution Pension Plan	Defined contribution pension	Open to new members	Republic of Ireland	433	634

The Centrica Engineers Pension Scheme (CEPS), Centrica Pension Plan (CPP) and Centrica Pension Scheme (CPS) form the significant majority of the Group's defined benefit obligation and are referred to below as the 'Registered Pension Schemes'. The other schemes are individually, and in aggregate, immaterial.

Independent valuations

The Registered Pension Schemes are subject to independent valuations at least every three years, on the basis of which the qualified actuary certifies the rate of employer contributions, which together with the specified contributions payable by the employees and proceeds from the schemes' assets, are expected to be sufficient to fund the benefits payable under the schemes.

The latest full actuarial valuations agreed and finalised with the Pension Trustees were carried out at the following dates: the Registered Pension Schemes at 31 March 2024 and the Bord Gáis Energy Company Defined Benefit Pension Scheme at 1 January 2023. These valuations have been updated to 31 December 2025 for the purpose of meeting the requirements of IAS 19. Investments held in all schemes have been valued for this purpose at market value. In February 2025, full actuarial valuations of the Registered Pension Schemes at 31 March 2024 were agreed and finalised with the Pension Trustees. The impact on pension scheme contributions is shown in note 22(g). These valuations will be updated prospectively in future reporting periods for the purpose of meeting the requirements of IAS 19.

Governance

The Registered Pension Schemes are managed by trustee companies whose boards consist of both company-nominated and member-nominated Directors. Each scheme holds units in the Centrica Combined Common Investment Fund (CCCIF), which holds the majority of the combined assets of the Registered Pension Schemes. The board of the CCCIF is currently comprised of seven directors: two independent directors (including the Chair), two directors appointed by Centrica plc and one director appointed by each of the three Registered Pension Schemes.

Under the terms of the Pensions Act 2004, Centrica plc and each trustee board must agree the funding rate for its defined benefit pension scheme and a recovery plan to fund any deficit against the scheme-specific statutory funding objective. This approach was first adopted for the triennial valuations completed at 31 March 2006, and has been reflected in subsequent valuations, including the 31 March 2024 valuation.

22. Post-retirement benefits

(b) Risks

The Registered Pension Schemes expose the Group to the following risks:

Asset volatility

The pension liabilities are calculated using a discount rate set with reference to AA corporate bond yields. If the growth in plan assets is lower than this, this will create an actuarial loss within other equity. The CCCIF is responsible for managing the assets of each scheme in line with the risk tolerances that have been set by the Trustees of the schemes, and invests in a diversified portfolio of assets. The schemes are relatively young in nature (the schemes opened in 1997 on the formation of Centrica plc on demerger from BG plc (formerly British Gas plc)), and only took on past service liabilities in respect of active employees.

The Trustees reduce their tolerance to scheme valuation risk by hedging a significant majority of the long term inflation and interest rate risk. This de-risking includes the use of physical gilts and collateralised gilt holdings in the schemes' Liability-Driven Investment (LDI) portfolio (shown in the Pension scheme asset table in section (f) of this note within Liability matching assets). Since the last quarter of 2022, following significant volatility in gilt yields, the Trustees have significantly reduced the levels of leverage within the LDI portfolio. The schemes also benefit from further hedging arising from the other long-dated income unquoted asset portfolio.

Interest rate

A decrease in bond interest rates will increase the net present value of the pension liabilities. The relative immaturity of the schemes means that the duration of the liabilities is longer than average for typical UK pension schemes, resulting in a relatively higher exposure to interest rate risk. This risk is reduced via the hedging referred to in the Asset volatility section.

Inflation

Pensions in deferment, pensions in payment and pensions accrued under the career average schemes increase in line with the Retail Prices Index (RPI) and the Consumer Prices Index (CPI). Therefore, scheme liabilities will increase if inflation is higher than assumed, although in some cases caps are in place to limit the impact of significant movements in inflation. Furthermore, a pension increase exchange (PIE) option implemented in 2015 is available to future retirees, which gives the choice to receive a higher initial pension in return for giving up certain future increases linked to RPI, again limiting the impact of significant movements in inflation. Inflation risk is reduced via the hedging referred to in the Asset volatility section.

Longevity

The majority of the schemes' obligations are to provide benefits for the life of scheme members and their surviving spouses; therefore increases in life expectancy will result in an increase in the pension liabilities. The relative immaturity of the schemes means that there is comparatively little observable mortality data to assess the rates of mortality experienced by the schemes, and means that the schemes' liabilities will be paid over a long period of time, making it particularly difficult to predict the life expectancy of the current membership. Furthermore, pension payments are subject to inflationary increases, resulting in a higher sensitivity to changes in life expectancy.

Salary

Pension liabilities are calculated by reference to the future salaries of active members, and hence salary rises in excess of assumed increases will increase scheme liabilities. During 2011, changes were introduced to the final salary sections of CEPS and CPP such that annual increases in pensionable pay are capped to 2%, resulting in a reduction in salary risk. During 2016, a salary cap on pensionable pay for the CPS career average and CPP schemes was implemented, and in 2019 a similar change took place for CEPS. All of the 2011, 2016 and 2019 changes result in a reduction in salary risk.

Foreign exchange

Certain assets held by the CCCIF are denominated in foreign currencies, and hence their values are subject to exchange rate risk. The CCCIF has long-term hedging policies in place to manage interest rate, inflation and foreign exchange risks. The following table analyses the total liabilities of the Registered Pension Schemes, calculated in accordance with accounting principles, by type of liability, as at 31 December 2025.

22. Post-retirement benefits

Total liabilities of the Registered Pension Schemes

31 December	2025 %
Actives – final salary – capped	8
Actives – final salary – uncapped and crystallised benefits	1
Actives – career average	3
Deferred pensioners	33
Pensioners	55
	100

The weighted average duration of the Registered Pension Schemes as at 31 December 2025 was approximately 16 years (31 December 2024: 17 years).

(c) Accounting assumptions

The accounting assumptions for the Registered Pension Schemes are given below:

Major assumptions used for the actuarial valuation

31 December	2025 %	2024 %
Rate of increase in employee earnings:		
Subject to 2% cap	1.5	1.6
Other not subject to cap	2.6	2.8
Rate of increase in pensions in payment	2.9	3.1
Rate of increase in deferred pensions:		
In line with CPI capped at 2.5%	2.3	2.5
In line with RPI	2.8	3.1
Discount rate	5.5	5.4

The assumptions relating to longevity underlying the pension liabilities at the balance sheet date have been based on a combination of standard actuarial mortality tables, scheme experience and other relevant data, and include an allowance for future improvements in mortality. The longevity assumptions for members in normal health are as follows:

Life expectancy at age 65 for a member

31 December	2025		2024	
	Male Years	Female Years	Male Years	Female Years
Currently aged 65	21.8	23.6	22.2	23.7
Currently aged 45	23.1	24.7	23.4	24.8

The other demographic assumptions have been set having regard to the latest trends in scheme experience and other relevant data. The assumptions are reviewed and updated as necessary as part of the periodic actuarial valuations of the pension schemes.

For the Registered Pension Schemes, marginal adjustments to the assumptions used to calculate the pension liability, or significant swings in bond yields or stock markets, can have a large impact in absolute terms on the net assets of the Group. Reasonably possible changes as at 31 December to one of the actuarial assumptions would have affected the scheme liabilities as set out below:

Impact of changing material assumptions

31 December	2025		2024	
	Increase/ decrease in assumption	Indicative effect on scheme liabilities (%)	Increase/ decrease in assumption	Indicative effect on scheme liabilities (%)
Rate of increase in employee earnings subject to 2% cap	0.25%	+/-0	0.25%	+/-0
Rate of increase in pensions in payment and deferred pensions	0.25%	+/-3	0.25%	+/-3
Discount rate	0.25%	-/+4	0.25%	-/+4
Inflation assumption	0.25%	+/-3	0.25%	+/-3
Longevity assumption	1 year	+/-2	1 year	+/-2

The indicative effects on scheme liabilities have been calculated by changing each assumption in isolation and assessing the impact on the liabilities. For the reasonably possible change in the inflation assumption, it has been assumed that a change to the inflation assumption would lead to corresponding changes in the assumed rates of increase in uncapped pensionable pay, pensions in payment and deferred pensions.

The remaining disclosures in this note cover all of the Group's defined benefit schemes.

22. Post-retirement benefits

(d) Amounts included in the Group Balance Sheet

31 December	2025 £m	2024 £m
Fair value of plan assets	5,606	5,563
Present value of defined benefit obligation	(5,901)	(5,584)
Recognised in the Group Balance Sheet	(295)	(21)
Presented in the Group Balance Sheet as:		
Retirement benefit assets	12	129
Retirement benefit liabilities	(307)	(150)

The Trust Deed and Rules for the Registered Pension Schemes provide the Group with a right to a refund of surplus assets assuming the full settlement of scheme liabilities. The Trustees do not have the unilateral right to wind-up the schemes and cannot unilaterally enhance member benefits. The Group has not recognised any liability in relation to future contributions under its minimum funding agreement with the Trustees. No asset ceiling restrictions have been applied in the consolidated Financial Statements.

(e) Movements in the year

	2025		2024	
	Pension liabilities £m	Pension assets £m	Pension liabilities £m	Pension assets £m
1 January	(5,584)	5,563	(6,260)	6,143
Items included in the Group Income Statement:				
Current service cost	(18)	—	(18)	—
Contributions by employer in respect of employee salary sacrifice arrangements ⁽ⁱ⁾	(17)	—	(24)	—
Total current service cost	(35)	—	(42)	—
Past service cost	(3)	—	—	—
Interest (expense)/income	(296)	301	(282)	283
Termination cost	(8)	—	(1)	—
Items included in the Group Statement of Comprehensive Income:				
Returns on plan assets, excluding interest income	—	(168)	—	(830)
Actuarial loss from changes to demographic assumptions	(14)	—	(16)	—
Actuarial gain from changes in financial assumptions	247	—	721	—
Actuarial (loss)/gain from experience adjustments	(494)	—	12	—
Items included in the Group Cash Flow Statement:				
Employer contributions	—	179	—	227
Contributions by employer in respect of employee salary sacrifice arrangements	—	17	—	24
Other movements:				
Benefits paid from schemes	287	(287)	284	(284)
Other	(1)	1	—	—
31 December	(5,901)	5,606	(5,584)	5,563

(i) A salary sacrifice arrangement was introduced on 1 April 2013 for pension scheme members. The contributions paid via the salary sacrifice arrangement have been treated as employer contributions and included within the current service cost, with a corresponding reduction in salary costs.

In addition to current service cost on the Group's defined benefit pension schemes, the Group also charged £113 million (2024: £95 million) to operating profit in respect of defined contribution pension schemes. This included contributions of £43 million (2024: £39 million) paid via a salary sacrifice arrangement.

The 2024 triennial actuarial valuation was completed during the period and the use of updated data from the valuation had the dual impact of capturing experience up to 31 March 2024 not already quantified within previous IAS 19 accounting figures and also allowing for any difference in the roll-forward and assumption changes of the liability after allowing for the updated underlying liability profile and cash flows. This led to an adverse experience adjustment. The adjustment is purely for accounting purposes and has no impact on the technical provisions (funding basis) valuations.

22. Post-retirement benefits

(f) Pension scheme assets

The market values of plan assets were:

	2025			2024		
	Quoted £m	Unquoted £m	Total £m	Quoted £m	Unquoted £m	Total £m
31 December						
Equities	55	416	471	19	491	510
Corporate bonds ⁽ⁱ⁾	435	—	435	12	—	12
High-yield debt	15	945	960	14	1,063	1,077
Liability matching assets	2,430	—	2,430	2,388	—	2,388
Other long-dated income assets	—	913	913	—	1,025	1,025
Property	—	287	287	—	303	303
Cash pending investment	110	—	110	248	—	248
	3,045	2,561	5,606	2,681	2,882	5,563

(i) Corporate bonds includes investment grade asset-backed securities.

Unquoted private equity, other long-dated income assets and debt funds are valued at fair value as calculated by the investment manager at the latest valuation date in accordance with generally accepted guidelines, adjusted for cash flow in the intervening period. Investment properties are valued in accordance with guidelines by independent valuers. These valuations are reviewed annually as part of the CCCIF audit and receive greater scrutiny now that unquoted assets make up a greater proportion of the scheme portfolio. Included within equities are £nil (2024: £nil) of ordinary shares of Centrica plc via pooled funds that include a benchmark allocation to UK equities. Included within corporate bonds are £nil (2024: £nil) of bonds issued by Centrica plc, albeit minor exposure may be held within pooled funds over which the CCCIF has no ability to direct investment decisions. Apart from the investment in the Scottish Limited Partnerships which form part of the asset-backed contribution arrangements described in section (g) of this note, no direct investments are made in securities issued by Centrica plc or any of its subsidiaries or property leased to or owned by Centrica plc or any of its subsidiaries. The corporate bond, high-yield debt and liability matching asset categories headings above have segregated portfolio mandates which include the cash, cash funds and derivatives associated with the mandates.

The liability matching assets in the table above relate to the quoted LDI and gilts portfolio used to hedge against movements in interest rates and inflation. The other long-dated income assets are unquoted investments in infrastructure and similar assets.

Included within the Group Balance Sheet within non-current securities are £59 million (2024: £108 million) of investments, held in trust on behalf of the Group, as security in respect of the Centrica Unapproved Pension Scheme. Of the pension scheme liabilities above, £46 million (2024: £48 million) relate to this scheme. More information on the Centrica Unapproved Pension Scheme is included in the Remuneration Report on pages 86 to 107.

(g) Pension scheme contributions

The Group estimates that it will pay £18 million of ordinary employer contributions during 2026 for its defined benefit schemes, together with £12 million of contributions paid via a salary sacrifice arrangement.

The actuarial valuation as at 31 March 2024 for the Registered Pensions Schemes has been agreed with the Pension Trustees. As at that date, the technical provisions deficit (funding basis) was £504 million. The Group committed to annual cash contributions to fund this pension deficit. The overall deficit contributions committed to, including the previously disclosed asset-backed contribution arrangements, totalled £175 million in 2024 (of which £99 million was after 31 March 2024), £146 million in 2025, £139 million in 2026 and £140 million in 2027; with a balancing payment of £44 million in 2028. Separately, a pension strain payment of £4 million associated with employee redundancies was also contributed in 2025 (2024: £1 million). Outside of the above recovery plan, asset-backed contribution arrangements remain where additional cash contributions are contingent on whether individual schemes remain in deficit on a technical provision basis. The contingent payment for 2026 is £14 million. At the year-end, the Group continues to provide security of £798 million of letters of credit/surety bonds to the Trustees enforceable in the unlikely event the Group is unable to meet its obligations.

On a pure roll-forward basis, from 31 March 2024, using the same methodology and consequent assumptions, the technical provisions deficit (funding basis) would be around £300 million on 31 December 2025. Note that the valuation methodology and assumptions used for future assessments may differ from those previously used.

23. Leases, commitments and contingencies

(a) Commitments and leases

Commitments are not held on the Group's Balance Sheet as these are executory arrangements, and relate to amounts that we are contractually required to pay in the future as long as the other party meets its contractual obligations.

The Group's commitments in relation to commodity purchase contracts disclosed below are stated net of amounts receivable under commodity sales contracts where there is a right of offset with the counterparty, and are based on the expected minimum quantities of gas and other commodities that the Group is contracted to buy at estimated future prices.

The commitments in this note differ in scope and in basis from the maturity analysis of energy derivatives disclosed in note S3, as only certain procurement and sales contracts are within the scope of IFRS 9 and included in note S3, and the volumes used in calculating the maturity analysis in note S3 are estimated using valuation techniques, rather than being based on minimum contractual quantities.

The Group's 20-year agreement with Cheniere to purchase 89bcf per annum of LNG volumes for export from the Sabine Pass liquefaction plant in the US commits the Group to capacity payments of £3.0 billion (included in 'LNG capacity' below) between 2024 and 2039. It also allows the Group to make up to £4.7 billion of commodity purchases based on market gas prices and foreign exchange rates as at the reporting date.

During 2019, the Group signed a 20-year agreement to purchase LNG volumes from Mozambique LNG1 Company. The commercial start date is 2029 and under this agreement the Group is committed to make commodity purchases expected to amount to £7.9 billion based on market gas and oil prices at the reporting date.

During 2023, the Group signed a 15-year agreement to purchase LNG volumes from Delfin LNG. The provisional commencement date is 2029 and under this agreement the Group is allowed to make commodity purchases expected to amount to £5.7 billion based on market gas prices at the reporting date.

During 2024, the Group signed a 3-year agreement to purchase LNG volumes from Repsol LNG Holding between 2025 and 2027. Under this agreement the Group is committed to make commodity purchases amounting to £281 million based on market gas prices and foreign exchange rates at the reporting date.

During 2025, the Group signed a 10-year agreement to purchase LNG volumes from PTT International Trading Pte Ltd. The provisional commencement date is 2028 and under this agreement the Group is allowed to make commodity purchases expected to amount to £1.2 billion based on market gas prices at the reporting date. The Group also signed a 10-year agreement to purchase natural gas volumes from Equinor. Under this agreement the Group is committed to make commodity purchases expected to amount to £11.2 billion based on market gas prices at the reporting date.

In 2024 and 2025 the Group signed a total of five natural gas sale and purchase agreements with US counterparties. These contracts are provisionally expected to commence in 2028 and 2029, each for a duration of 10 years. Under these agreements, the Group is committed to purchase natural gas amounting to £3.7 billion based on market gas prices and foreign exchange rates at the reporting date. These contracts are measured at fair value under IFRS 9 and presented as derivative financial instruments on the Group's Balance Sheet, and are also presented in notes 19 and S3. Due to the material nature of these long-term contracts, the cash outflow in respect of these purchase commitments is included below.

The Group has numerous renewable power purchase arrangements where renewable obligation certificates are purchased as power is produced. This gives rise to the commitments below.

31 December	2025 £m	2024 £m
Commitments in relation to the acquisition of property, plant and equipment	65	72
Commitments in relation to the acquisition of intangible assets:		
Renewable obligation certificates	2,109	2,786
Other intangible assets	335	261
Other commitments:		
Commodity purchase contracts	36,364	32,461
LNG capacity ⁽ⁱ⁾	5,445	4,171
Transportation capacity	182	187
Other long-term commitments ^{(ii) (iii)}	1,288	328

(i) LNG capacity commitments include £243 million of commitments to Grain LNG Limited, a subsidiary of Garden Topco Limited. See note S8 for further details on related party transactions, and S10 for further details on joint ventures and associates.

(ii) Other long-term commitments include £902 million of commitments to invest in Sizewell C (Holding) Limited, comprising £812 million of shareholder loans and £90 million of equity injections. See note S8 for further details on related party transactions, and S10 for further details on joint ventures and associates.

(iii) Other long-term commitments include amounts related to executory contracts and the smart meter roll-out programme.

23. Leases, commitments and contingencies

The maturity analysis for commodity purchase contract commitments at 31 December is given below:

31 December	Commodity purchase contract commitments			
	Fixed price commodity commitments		Commodity commitments that float with indices	
	2025 £bn	2024 £bn	2025 £bn	2024 £bn
<1 year	4.7	5.3	2.1	4.6
1–2 years	1.2	0.9	1.9	1.3
2–3 years	0.2	0.2	1.7	0.9
3–4 years	0.1	—	2.0	0.6
4–5 years	—	—	2.1	1.3
>5 years	—	—	20.4	17.4
	6.2	6.4	30.2	26.1

The Group enters into lease arrangements for assets including property, vehicles, vessels and assets used within the Infrastructure business.

The carrying amount, additions and depreciation charge associated with right-of-use assets is disclosed in note 13 and the interest expense arising on the Group's lease liability is disclosed in note 8. The total Group cash outflow in the year for capital and interest from lease arrangements was £104 million (2024: £108 million), and the maturity analysis of cash flows associated with the Group's lease liability at the reporting date is shown in note S3.

The table below provides further information on amounts not included in the lease liability and charged to the Group Income Statement during the year.

Year ended 31 December	2025 £m	2024 £m
Expense related to short-term leases	7	37
Expense related to variable lease payments	8	9

During the year, the Group's expense related to short-term lease commitments predominantly related to the hire of LNG vessels and exploration and production drilling rigs. The commitment at the balance sheet date also relates to assets of a similar nature. The Group has £5 million of operating sub-lease arrangements mainly for LNG vessels. The Group does not have any material arrangements in which it acts as a lessor.

(b) Guarantees and indemnities

This section discloses any guarantees and indemnities that the Group has given, where we may have to provide security in the future against existing and future obligations that will remain for a specific period.

In connection with the Group's energy trading, transportation and infrastructure activities, certain Group companies have entered into contracts under which they may be required to prepay, provide credit support or provide other collateral in the event of a significant deterioration in creditworthiness. The extent of credit support is contingent upon the balance owing to the third party at the point of deterioration.

As at 31 December 2025 £406 million (2024: £401 million) of letters of credit and on-demand payment bonds have been issued in respect of decommissioning obligations included in the Group Balance Sheet. Additionally, £902 million (2024: £nil) of letters of credit have been issued in respect of commitments to invest in Sizewell C (Holding) Limited. See note 23(a) for further details on commitments.

(c) Contingent liabilities

The Group has no material contingent liabilities.

24. Other investments

Other investments include equity investments, where we do not have the ability to control or significantly influence the investment, and debt investments. Minority equity investments are measured at fair value with changes recognised in Other comprehensive income (FVOCI) or through the Group Income Statement (FVTPL). Convertible debt investments are measured at fair value with changes recognised through the Group Income Statement. Debt instruments are measured at amortised cost.

	2025					2024				
	Equity investments FVOCI £m	Equity investments FVTPL £m	Convertible debt investments FVTPL £m	Debt instruments amortised cost £m	Total £m	Equity investments FVOCI £m	Equity investments FVTPL £m	Convertible debt investments FVTPL £m	Debt instruments at amortised cost £m	Total £m
1 January	51	5	28	3	87	54	6	1	—	61
Conversion of debt to equity shares	—	2	(2)	—	—	—	—	—	—	—
Interest receivable	—	—	2	1	3	—	—	1	—	1
Additions ^{(i) (ii)}	5	—	15	25	45	27	—	26	3	56
Disposals	—	(3)	—	—	(3)	—	—	—	—	—
Transfers to disposal groups held for sale	—	(1)	—	—	(1)	—	—	—	—	—
Revaluation	(9)	—	—	—	(9)	(30)	—	—	—	(30)
Exchange adjustments	(1)	—	—	—	(1)	—	(1)	—	—	(1)
31 December	46	3	43	29	121	51	5	28	3	87

(i) Equity investment additions during 2025 of £5 million (2024: £27 million) comprise amounts invested into the Gresham House fund.

(ii) Convertible debt investment additions during 2025 included £15 million (2024: £25 million) in convertible loan notes and ordinary shares which the Group has invested in Highview Enterprises Limited, which is developing a new cryogenic energy storage plant. The Group also provided financing to CryoBattery One Limited, a subsidiary of Highview Enterprises Limited, in the form of a £45 million senior debt facility of which £28 million has been drawn down at 31 December 2025 (2024: £3 million) and is measured at amortised cost. When built, this will consist of a long duration storage process using patented Liquid Air Energy Storage (LAES) technology.

25. Sources of finance

(a) Capital structure

The Group seeks to maintain an efficient capital structure with a balance of debt and equity as shown in the table below:

	2025 £m	2024 £m
31 December		
Gross debt	2,892	2,974
Shareholders' equity	3,085	4,422
Capital	5,977	7,396

Debt levels are restricted to limit the risk of financial distress and, in particular, to maintain a strong credit profile. The Group's credit standing is important for several reasons: to maintain a low cost of debt, limit collateral requirements in energy trading, hedging and decommissioning security arrangements, and to ensure the Group is an attractive counterparty to energy producers and long-term customers.

The Group monitors its current and projected capital position on a regular basis, considering a medium-term view of at least three years, and different stress case scenarios, including the impact of changes in the Group's credit ratings and significant movements in commodity prices. A number of financial ratios are monitored, including those used by the credit rating agencies.

The level of debt that can be raised by the Group is restricted by the Company's Articles of Association. Borrowing is limited to the higher of £10 billion and a gearing ratio of three times shareholders' equity. The Group funds its long-term debt requirements through issuing bonds in the capital markets and taking bank debt. Short-term debt requirements are met primarily through commercial paper or short-term bank borrowings. The Group maintains substantial committed facilities and uses these to provide liquidity for general corporate purposes, including short-term business requirements and back-up for commercial paper.

British Gas Insurance Limited (BGIL) is required to hold a minimum capital amount under PRA regulations and has complied with this requirement since its inception. BGIL's capital risk appetite, which is approved by the board, exceeds the PRA capital requirements.

BGIL's capital management policy and plan are subject to review and approval by the BGIL board. Reporting processes provide relevant and timely capital information to management and the board. A medium-term capital management plan forms part of BGIL's planning and forecasting process, embedded into approved timelines, management reviews and board approvals.

25. Sources of finance

(b) Liquidity risk management and going concern

The Group has a number of treasury and risk policies to monitor and manage liquidity risk. Cash forecasts identifying the Group's liquidity requirements are produced regularly and are stress-tested for different scenarios, including, but not limited to, reasonably possible increases or decreases in commodity prices and the potential cash implications of a credit rating downgrade. The Group seeks to ensure that sufficient financial headroom exists for at least a twelve-month period to safeguard the Group's ability to continue as a going concern, and as at the reporting date, the analysis performed by the Group extends to 31 December 2028. It is the Group's policy to maintain committed facilities and/or available surplus cash resources of at least £1,500 million, raise at least 50% of its gross debt (excluding non-recourse debt) in the capital market and to maintain an average term to maturity in the recourse long-term debt portfolio greater than five years.

At 31 December 2025 the Group had undrawn committed credit facilities of £3,066 million (2024: £3,293 million) and £4,161 million (2024: £5,578 million) of unrestricted cash and cash equivalents, net of outstanding overdrafts. 80% (2024: 77%) of the Group's gross debt has been raised in the long-term debt market and the average term to maturity of the long-term debt portfolio was 9.8 years (2024: 9.6 years). The Group's liquidity is impacted by the cash posted or received under margin and collateral agreements. The terms and conditions of these agreements depend on the counterparty and the specific details of the transaction. Margin/collateral is generally posted or received to support energy trading and procurement activities. It is posted when contracts with marginable counterparties are out of the money and received when contracts are in the money. Cash is generally returned to the Group or by the Group within two days of trade settlement. At 31 December 2025 the collateral position was as follows:

31 December	2025 £m	2024 £m
Collateral (received)/posted included within:		
Trade and other payables	(81)	(162)
Trade and other receivables	203	191
Collateral (received)/posted extinguishing:		
Net derivative (assets)/liabilities ⁽ⁱ⁾	(61)	76
Net collateral posted ⁽ⁱⁱ⁾	61	105

(i) Variation margin on daily settled derivatives results in the extinguishment of the net derivative asset/liability. These contracts remain outstanding until a future delivery date, and therefore the cumulative daily settlement is considered collateral until that fulfilment date.

(ii) In-year movements of net collateral posted include a foreign exchange adjustment of £7 million credit (2024: £4 million debit).

The Group utilises initial margin waiver facilities to help manage its liquidity and working capital position in relation to derivative trading. For certain types of trade, initial margin is a requirement before entering into a transaction, as it provides credit assurance for the exchange. As initial margin is not a liability of the Group and is refundable, it is reflected as a margin asset on the Group's balance sheet. Accordingly, where counterparties waive any requirement to post initial margin, the Group has no liability.

The level of undrawn committed bank facilities and available cash resources has enabled the Directors to conclude that the Group has sufficient headroom to continue as a going concern. The statement of going concern is included in the Governance section – Other Statutory Information, on page 118.

25. Sources of finance**(c) Adjusted net cash/(debt) summary**

Adjusted net cash/(debt) predominantly includes capital market borrowings offset by cash, securities and certain hedging financial instruments used to manage interest rate and foreign exchange movements on borrowings. Presented in the derivatives and current and non-current borrowings, leases and interest accruals columns shown below are the assets and liabilities that give rise to financing cash flows.

	Current and non-current borrowings, leases and interest accruals £m	Derivatives £m	Gross debt £m	Other assets and liabilities			
				Cash and cash equivalents, net of bank overdrafts ⁽ⁱ⁾ £m	Current and non-current securities ⁽ⁱⁱ⁾ £m	Sub-lease assets £m	Adjusted net cash/(debt) £m
Group adjusted net (debt)/cash at 1 January 2024	(3,289)	(119)	(3,408)	5,629	521	2	2,744
Cash outflow for purchase of securities	—	—	—	(19)	19	—	—
Cash inflow from settlement of securities	—	—	—	400	(400)	—	—
Cash outflow for payment of capital element of leases	97	—	97	(97)	—	—	—
Cash outflow for repayment of borrowings	842	15	857	(925)	—	—	(68)
Cash inflow from borrowings	(483)	—	(483)	483	—	—	—
Net cash flow from operating activities	—	—	—	1,149	—	—	1,149
Net cash flow from other investing activities ⁽ⁱⁱⁱ⁾	—	—	—	87	—	—	87
Cash outflow for share buyback programme ^(iv)	—	—	—	(499)	—	—	(499)
Net cash flow from other financing activities ^(iv)	—	—	—	(227)	—	—	(227)
Revaluation	13	(22)	(9)	—	5	—	(4)
Interest receivable on securities	—	—	—	—	19	—	19
Interest received on securities	—	—	—	25	(25)	—	—
Financing interest paid	171	76	247	(283)	—	—	(36)
Increase in interest payable and amortisation of borrowings, and impact of associated interest rate swaps	(168)	(57)	(225)	—	—	—	(225)
New lease agreements and re-measurement of existing lease liabilities	(53)	—	(53)	—	—	(2)	(55)
Exchange adjustments	3	—	3	(30)	—	—	(27)
Group adjusted net (debt)/cash at 31 December 2024	(2,867)	(107)	(2,974)	5,693	139	—	2,858
Transfers to disposal groups held for sale	19	—	19	—	—	—	19
Cash inflow from settlement of securities	—	—	—	57	(57)	—	—
Cash outflow for purchase of securities	—	—	—	(13)	13	—	—
Cash outflow for payment of capital element of leases	95	—	95	(95)	—	—	—
Cash outflow for repayment of borrowings	61	—	61	(61)	—	—	—
Cash inflow from borrowings	(13)	—	(13)	13	—	—	—
Net cash flow from operating activities	—	—	—	695	—	—	695
Net cash flow from other investing activities ⁽ⁱⁱⁱ⁾	—	—	—	(734)	—	—	(734)
Cash outflow for share buyback programme ^(iv)	—	—	—	(827)	—	—	(827)
Cash outflow from other financing activities ^(iv)	—	—	—	(246)	—	—	(246)
Revaluation	(37)	35	(2)	—	8	—	6
Interest receivable on securities	—	—	—	—	2	—	2
Financing interest paid	141	39	180	(181)	—	—	(1)
Increase in interest payable and amortisation of borrowings, and impact of associated interest rate swaps	(153)	(38)	(191)	—	—	—	(191)
New lease agreements and re-measurement of existing lease liabilities	(100)	—	(100)	—	—	—	(100)
Exchange adjustments	33	—	33	(29)	2	—	6
Group adjusted net (debt)/cash at 31 December 2025	(2,821)	(71)	(2,892)	4,272	107	—	1,487

(i) Cash and cash equivalents includes £111 million (2024: £115 million) of restricted cash. This includes cash totalling £nil (2024: £3 million) within the Spirit Energy business that is not restricted by regulation but is managed by Spirit Energy's own treasury department. Cash and cash equivalents are net of £35 million bank overdrafts (2024: £645 million).

(ii) Securities includes £48 million (2024: £31 million) of other loans receivable measured at amortised cost, as well as £49 million (2024: £73 million) of other debt instruments, and £10 million (2024: £35 million) of equity instruments, both measured at fair value.

(iii) Net cash flow from other investing activities excludes cash outflow relating to the purchase of securities of £13 million (2024: £19 million), cash inflow from the settlement of securities of £57 million (2024: £400 million), and interest received on securities of £nil (2024: £25 million) during the year.

(iv) Cash outflow of £827 million (2024: £499 million) relates to the share buyback programme, for which there is a liability of £14 million (2024: £75 million) recognised at 31 December 2025. See note S4 for further details on the share buyback programme. Cash outflow from other financing activities includes £237 million (2024: £219 million) payments of equity dividends and £9 million (2024: £8 million) payments for own shares.

25. Sources of finance

(d) Borrowings, leases and interest accruals summary

31 December	Coupon rate %	Principal m	2025			2024		
			Current £m	Non-current £m	Total £m	Current £m	Non-current £m	Total £m
Bank overdrafts			(35)	—	(35)	(645)	—	(645)
Bank loans (> 5 year maturity)			—	(114)	(114)	—	(124)	(124)
Other borrowings			(2)	(55)	(57)	(61)	(39)	(100)
Bonds (by maturity date):								
4 September 2026 ⁽ⁱ⁾	6.400	£52	(51)	—	(51)	—	(50)	(50)
16 April 2027	5.900	US\$70	—	(52)	(52)	—	(56)	(56)
13 March 2029 ⁽ⁱ⁾	4.375	£552	—	(515)	(515)	—	(492)	(492)
5 January 2032 ⁽ⁱⁱ⁾	Zero	€50	—	(77)	(77)	—	(70)	(70)
19 September 2033 ⁽ⁱ⁾	7.000	£400	—	(328)	(328)	—	(319)	(319)
16 October 2043	5.375	US\$367	—	(269)	(269)	—	(288)	(288)
12 September 2044 ⁽ⁱ⁾	4.250	£550	—	(538)	(538)	—	(539)	(539)
25 September 2045	5.250	US\$50	—	(37)	(37)	—	(39)	(39)
21 May 2055 ^{(i) (iii)}	6.500	£405	—	(407)	(407)	—	(401)	(401)
			(51)	(2,223)	(2,274)	—	(2,254)	(2,254)
Obligations under lease arrangements			(99)	(232)	(331)	(104)	(241)	(345)
Interest accruals			(45)	—	(45)	(44)	—	(44)
			(232)	(2,624)	(2,856)	(854)	(2,658)	(3,512)

(i) Bonds or portions of bonds maturing in 2026, 2029, 2033, 2044 and 2055 have been designated in a fair value hedge relationship. See note S5 for details of hedge relationships.

(ii) €50 million of zero coupon notes have an accrual yield of 4.2%, which will result in a €114 million repayment on maturity.

(iii) The Group has the right to repay at par on 21 May 2030 and every interest payment date thereafter.

26. Share capital

Ordinary share capital represents the total number of shares issued which are publicly traded. We also disclose the number of own and treasury shares the Company holds, which the Company has bought, principally as part of share buyback programmes.

Allotted and fully paid share capital of the Company

31 December	2025 £m	2024 £m
5,064,902,964 ordinary shares of 6 ^{14/81} pence each (2024: 5,568,107,214)	313	344

The closing price of one Centrica ordinary share on 31 December 2025 was 169.55 pence (2024: 133.60 pence). Centrica employee share ownership trusts purchase Centrica ordinary shares from the open market and receive treasury shares to satisfy future obligations of certain employee share schemes. The movements in own and treasury shares during the year are shown below:

	Own shares ⁽ⁱ⁾		Treasury shares ⁽ⁱ⁾	
	2025 million shares	2024 million shares	2025 million shares	2024 million shares
1 January	83.3	46.8	476.8	492.0
Shares purchased	4.8	6.8	—	—
Shares cancelled ⁽ⁱⁱ⁾	—	—	(503.2)	(339.7)
Shares transferred from treasury and placed into trust	18.4	39.7	(18.4)	(39.7)
Shares released to employees on vesting	(16.1)	(10.0)	(21.3)	(21.2)
Share buyback programme ⁽ⁱⁱⁱ⁾	—	—	520.4	385.4
31 December ⁽ⁱ⁾	90.4	83.3	454.3	476.8

(i) Own shares are shares held in trusts to meet employee share awards. Treasury shares are shares that have been purchased from the open market and have not been cancelled. The closing balance in the treasury and own shares reserves of own shares was £112 million (2024: £93 million) and treasury shares was £733 million (2024: £642 million), these are both held at weighted average cost.

(ii) During the period, the Group has cancelled 503,204,250 (2024: 339,738,924) ordinary shares that were being held as treasury shares. Share capital has been reduced by the nominal value of these shares of £31 million (2024: £21 million), and a corresponding amount has been credited to the capital redemption reserve. In addition, £681 million (2024: £400 million) has been transferred from treasury shares to retained earnings to account for the price paid for the shares when they were originally credited to treasury shares. This value has been calculated on a first-in-first-out basis.

(iii) See note S4 for further details of the share buyback programme.

27. Events after the balance sheet date

The Group updates disclosures in light of new information being received, or a significant event occurring, in the period between 31 December 2025 and the date of this report.

The Directors propose a final dividend of 3.67 pence per ordinary share for the year ended 31 December 2025 (which would total £169 million based on shareholding at that date). The dividend will be submitted for formal approval at the Annual General Meeting to be held on 7 May 2026 and, subject to approval, will be paid on 14 May 2026 to those shareholders registered on 10 April 2026.

The disposal of the Group's energy solutions businesses in Italy and the Netherlands to Joulz B.V. completed on 6 February 2026. See note 12(b) for further details.

Supplementary information

Supplementary information includes additional information and disclosures we are required to make by accounting standards or regulation.

S1. General information

Centrica plc (the Company) is a public company limited by shares, domiciled and incorporated in the UK, and registered in England and Wales. The address of the registered office is Millstream, Maidenhead Road, Windsor, Berkshire, SL4 5GD. The Company, together with its subsidiaries, comprise the 'Group'. The nature of the Group's operations and principal activities are set out in note 4(a) and on pages 1 to 57.

The consolidated Financial Statements of Centrica plc are presented in pounds sterling. Operations and transactions conducted in currencies other than pounds sterling are included in the consolidated Financial Statements in accordance with the foreign currencies accounting policy set out in note S2.

S2. Summary of material accounting policies

This section sets out the Group's material accounting policies in addition to the critical accounting policies applied in the preparation of these consolidated Financial Statements. Unless otherwise stated, these accounting policies have been consistently applied to the years presented.

Basis of consolidation

The Group Financial Statements consolidate the Financial Statements of the Company and entities controlled by the Company. Subsidiaries are all entities (including structured entities) over which the Group has control. Control is exercised over an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Transactions with non-controlling interests that relate to their ownership interests and do not result in a loss of control are accounted for as equity transactions.

The results of subsidiaries acquired or disposed of during the year are consolidated from the effective date of acquisition (at which point the Group gains control over a business as defined by IFRS 3, and applies the acquisition method to account for the transaction as a business combination) or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries, associates and joint ventures to align the accounting policies with those used by the Group.

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as a joint venture, associate or financial asset.

Segmental reporting

The Group's operating and reportable segments are reported in a manner consistent with the internal reporting provided to and regularly reviewed by the Group's Board for the purposes of evaluating segment performance and allocating resources (in accordance with IFRS 8 'Operating segments').

During the year the Group's reportable operating segments have been redefined to reflect the way the Board makes decisions about resources to be allocated to the segments and assess their performance. Information relating to the prior year has been restated in line with the new segmental structure.

Revenue

Energy supply to business and residential customers

The vast majority of contractual energy supply arrangements have no fixed duration, and require no minimum consumption by the customer. No enforceable rights and obligations exist at inception of the contract and arise only once the cooling off period is complete and the Group is the legal supplier of energy to the customer. The performance obligation is the supply of energy over the contractual term; the units of supply represent a series of distinct goods that are substantially the same with the same pattern of transfer to the customer. The performance obligation is considered to be satisfied over time as the customer consumes based on the units of energy delivered. In respect of energy supply contracts, the Group considers that it has the right to consideration from the customer for an amount that corresponds directly with the invoiced value delivered to the customer through their consumption. The Group's assessment of the amount that it has a right to invoice includes an assessment of energy supplied to customers between the date of the last meter reading and the year-end (known as unread revenue). Unread gas and electricity comprises both billed and unbilled revenue and 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. Actual meter readings continue to be compared to system estimates between the balance sheet date and the finalisation of the accounts.

The Group holds a number of energy supply contracts that specify a minimum consumption volume over a specified contractual term. The transaction price for these contracts is the minimum supply volume multiplied by the contractually agreed price per unit of energy. Revenue from the sale of additional volumes is considered to be variable and not included in the transaction price. Revenue for these contracts continues to be recognised as invoiced.

In accordance with the disclosure requirements of IFRS 15, the Group applies the practical expedient available and therefore does not disclose information about the transaction price allocated to remaining performance obligations. This is on the basis that revenue for energy supply contracts is recognised based on the amount the Group has the right to invoice, which corresponds directly with the value of the Group's performance completed to date. The performance obligations to which this practical expedient applies primarily relate to usage-based contracts, under which the Group invoices customers at rates that reflect the value of energy transferred to date.

S2. Summary of material accounting policies

Energy services provided to business and residential customers

Energy services relate to the installation, repair and maintenance of central heating, ventilation and air conditioning systems.

Delivery of an item is considered a separate performance obligation to the installation of the item, both satisfied at a point in time. Delivery is the point at which control passes to the customer as the customer takes physical possession of the asset. It is also the point at which the Group has the right to consideration. Delivery and installation usually occur at the same point in time and consequently revenue is recognised for both performance obligations simultaneously. Repair and maintenance revenue is recognised at the point in time when the repair is complete.

Costs to obtain or fulfil a contract

Under IFRS 15 'Revenue from contracts with customers', the incremental costs of obtaining a contract are recognised as an asset if they are expected to be recovered. These costs include expenditures that would not have been incurred if the contract had not been secured and typically relate to sales commissions payable in relation to both Energy supply and Energy service contracts.

Costs to fulfil a contract are recognised as an asset where they are directly related to a contract and where they generate or enhance resources of the entity that will be used in satisfying the performance obligations. Costs must be expected to be recoverable. Assets relating to costs to obtain or fulfil a contract are amortised over the period of the contract. See note 17.

Sales of Liquefied Natural Gas (LNG)

Revenue arising from sales of LNG is recognised when control of the commodity passes to the counterparty, with each cargo representing a separate performance obligation satisfied at a point in time.

Sales of own gas and liquid production

Revenue arising from the sale of produced gas is recognised in a manner consistent with energy supply contracts with the revenue recognition profile reflecting the supply of gas to the customer.

The rights and obligations identifiable within a contract where the Group holds sellers' nomination rights are considered to be enforceable from inception of the contract. The transaction price for the contract will include variable consideration based on forecast production and market prices. Variable consideration is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative recognised revenue will not occur. The point at which the performance obligation is satisfied and revenue recognised is the point at which control of the commodity passes to the customer according to the contractual trading terms, usually on shipment or delivery to a specified location.

Energy sales to trading and energy procurement counterparties

Revenue arising from the sale of energy procured from generation asset owners to trading and energy procurement counterparties is also recognised in a manner consistent with energy supply contracts. There is a single performance obligation being the supply of energy over the contractual term at spot prices and revenue is recognised at the point at which energy is supplied to the counterparty in accordance with the contractual terms.

Revenue arising from contracts outside the scope of IFRS 15

Revenue from sources other than the Group's contracts with customers is recognised in accordance with the relevant standard, as detailed below:

Fixed-fee service and insurance contracts: revenue from these contracts is recognised in the Group Income Statement with regard to the incidence of risk over the life of the contract, reflecting the seasonal propensity of claims to be made under the contracts and the benefits receivable by the customer, which span the life of the contract as a result of emergency maintenance being available throughout the contract term.

Power generation: revenue is recognised under IFRS 9 where contracts to supply power are measured at fair value.

Cost of sales

Energy supply includes the cost of gas and electricity produced and purchased during the year for own-use contracts, taking into account the industry reconciliation process for total gas and total electricity usage by supplier and related transportation, distribution, royalty costs and bought-in materials and services.

Cost of sales relating to fixed-fee service and insurance contracts includes direct labour and related overheads on installation work, repairs and service contracts in the year.

Cost of sales relating to gas production includes depreciation of assets used in production of gas, royalty costs and direct labour costs.

Cost of sales within power generation businesses includes the depreciation of assets included in generating power, fuel purchase costs, direct labour costs, electricity generator levy charges and carbon emissions costs.

Re-measurement and settlement of energy contracts

Re-measurement and settlement of energy contracts includes both realised (settled) commodity sales and purchase contracts in the scope of IFRS 9, as well as unrealised (fair value changes) on active contracts, as detailed further in note 2.

Financing costs

Financing costs that arise in connection with the acquisition, construction or production of a qualifying asset are capitalised and subsequently amortised in line with the depreciation of the related asset. Financing costs not arising in connection with the acquisition, construction or production of a qualifying asset are expensed.

S2. Summary of material accounting policies

Foreign currencies

The consolidated Financial Statements are presented in pounds sterling, the functional currency of the Company and the Group's presentational currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Transactions in foreign currencies are initially recorded in the functional currency of the entity at the exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated to the functional currency of the relevant entity at the rate of exchange ruling at the balance sheet date and exchange movements included in the Group Income Statement for the period.

Non-monetary items that are measured at historical cost in a currency other than the functional currency of the entity concerned are translated using the exchange rate prevailing at the dates of the initial transaction.

For the purpose of presenting consolidated Financial Statements, the assets and liabilities of the Group's non-sterling functional currency subsidiary undertakings, joint ventures and associates are translated into pounds sterling at exchange rates prevailing at the balance sheet date. The monthly results of these (generally foreign) subsidiary undertakings, joint ventures and associates are translated into pounds sterling each month at the average rates of exchange for that month. The closing exchange rates, and the average of the rates used to translate the results of foreign operations to pounds sterling are shown below.

Exchange rate per pounds sterling (£)	Closing rate at 31 December		Average rate for the year ended 31 December	
	2025	2024	2025	2024
US dollars	1.34	1.25	1.32	1.28
Euro	1.15	1.21	1.17	1.18
Norwegian krone	13.56	14.24	13.71	13.75
Danish krone	8.56	9.02	8.73	8.81

Exchange adjustments arising from the retranslation of the opening net assets and results of non-sterling functional currency operations are transferred to the Group's foreign currency translation reserve, a separate component of equity, and are reported in other comprehensive income. In the event of the disposal of a non-sterling functional currency subsidiary, the cumulative translation difference arising in the foreign currency translation reserve is charged or credited to the Group Income Statement on disposal.

Where the Group utilises net investment hedging, changes in the fair value of the hedging instrument are recognised in equity and remain there until the disposal of the specific, related investments, at which point the gains and losses are recycled to profit or loss.

Employee share schemes

The Group operates a number of employee share schemes, detailed in the Remuneration Report on pages 86 to 107, under which it makes equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant (excluding the effect of non-market-based vesting conditions). The fair value determined at the grant date is expensed on a straight-line basis together with a corresponding increase in equity over the vesting period, based on the Group's estimate of the number of awards that will vest, and adjusted for the effect of non-market-based vesting conditions.

The majority of the share-based payment charge arises from the Annual Incentive Plan. This scheme is applicable to senior executives, and senior and middle management. Shares issued under the scheme vest subject to continued employment within the Group in two stages (half after two years and the other half after three years). Employees leaving prior to the vesting date will normally forfeit their rights to unvested share awards. The fair value of the awards is measured using the market value at the date of grant.

More information is included in the Remuneration Report on pages 86 to 107.

S2. Summary of material accounting policies

Business combinations and goodwill

The acquisition of subsidiaries is accounted for using the acquisition method (at the point the Group gains control over a business as defined by IFRS 3). The cost of the acquisition is measured as the cash paid and the aggregate of the fair values, at the date of exchange, of other assets transferred, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement at the acquisition date.

Acquisition-related costs are expensed as incurred. The identifiable assets, liabilities and contingent liabilities are recognised at their fair value at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5. The Group recognises any non-controlling interests in the acquiree either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets.

Goodwill arising on a business combination represents the excess of the consideration transferred, the amount of the non-controlling interests and the acquisition date fair value of any previously held interest in the acquiree over the Group's interest in the fair value of the identifiable net assets acquired. Goodwill arising on the acquisition of a stake in a joint venture or an associate represents the excess of the consideration transferred over the Group's interest in the fair value of the identifiable assets and liabilities of the investee at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. The goodwill arising on an investment in a joint venture or in an associate is not recognised separately, but is shown under 'Interests in joint ventures and associates' in the Group Balance Sheet. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in the Group Income Statement.

Acquisitions of joint operations that meet the definition of a business as defined in IFRS 3 are accounted for as business combinations.

On disposal of a subsidiary, associate or joint venture entity, any amount of goodwill attributed to that entity is included in the determination of the profit or loss on disposal. A similar accounting treatment is applied on disposal of assets that represent a business.

Other intangible assets

Intangible assets acquired separately are measured on initial recognition at cost.

Capitalisation begins when expenditure for the asset is being incurred and activities necessary to prepare the asset for use are in progress and ceases when substantially all the activities that are necessary to prepare the asset for use are complete. Amortisation commences at the point of commercial deployment. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition.

Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Intangible assets with finite lives are amortised over their useful lives and are tested for impairment, as part of the CGU to which they relate where necessary, annually and whenever there is an indication that the asset could be impaired. The amortisation period and method for an intangible asset are reviewed at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for on a prospective basis by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates.

Intangible assets are derecognised on disposal, or when no future economic benefits are expected from their use.

Intangible assets with indefinite useful lives are not amortised but tested for impairment annually, and whenever there is an indication that the intangible asset could be impaired, either individually or at the CGU level. The indefinite life assessment is reviewed annually and, if not supportable, the change in the useful life assessment from indefinite to finite is made on a prospective basis.

The useful economic lives for the material categories of intangible assets are as follows:

Customer relationships and other contractual assets	Up to 20 years
Strategic identifiable acquired brands	Indefinite
Application software	Up to 15 years

Strategic identifiable acquired brands are deemed to have indefinite lives where evidence suggests that the brand will generate net cash inflows for the Group for an indefinite period.

Cloud computing arrangements

The Group has a number of contracts for Software as a Service (SaaS) and Platform as a Service (PaaS) Cloud Computing Arrangements. These contracts permit the Group to access vendor-hosted software and platform services over the term of the arrangement. The Group does not control the underlying assets in these arrangements and costs are expensed as incurred.

The Group also incurs implementation costs in respect of these contracts. Implementation costs are capitalised as intangible assets where costs meet the definition and recognition criteria of an intangible asset under IAS 38. Such costs typically relate to software coding which is capable of providing benefit to the Group on a standalone basis. Other implementation costs, primarily relating to the configuration and customisation of the Cloud software solution, are assessed to determine whether the implementation activity relating to these costs is distinct from the Cloud Arrangement, in which case costs are expensed as the activity occurs. If the configuration and customisation costs relate to activity which is integral to the Cloud Arrangement such that the activity is received over the term of the Cloud Arrangement, costs are recognised as a prepayment and expensed over the term of the Cloud Arrangement.

S2. Summary of material accounting policies

UK & EU Emissions Trading Scheme

Purchased carbon dioxide emissions allowances are recognised initially at cost (purchase price) within intangible assets. The liability is measured at the cost of purchased allowances up to the level of purchased allowances held, and then at the market price of allowances ruling at the balance sheet date, with movements in the liability recognised in operating profit.

The intangible asset is surrendered and the liability is extinguished at the end of the compliance period. Intangible assets expected to be surrendered within one year are shown as current assets and those expected to be surrendered after one year as non-current assets. No amortisation is charged up to the date of surrender as the cost and residual value of the intangible asset are deemed to be the same with no consumption of economic benefit. Forward contracts for the purchase or sale of carbon dioxide emissions allowances are measured at fair value with gains and losses arising from changes in fair value recognised in the Group Income Statement.

Renewable certificates

The Group purchases renewable certificates both on a standalone basis, and through Power Purchase Agreements. The main types of renewable certificates acquired are Renewable Energy Guarantees of Origin (REGOs) which are certificates issued by Ofgem certifying that electricity has been produced from renewable sources, Renewable Obligation Certificates (ROCs) which are issued to accredited generators for the eligible renewable electricity they generate and Guarantees of Origin (GoOs) which are the EU equivalent of REGOs. The Group uses renewable certificates to meet its obligations under a number of Ofgem schemes, namely the Feed-in Tariff (FIT), the Contracts for Difference (CFD), the Fuel Mix Disclosure (FMD) and the Renewables Obligation (RO) scheme.

Purchased renewable certificates are recognised initially at cost within intangible assets as an indefinite life asset. A liability for the RO is recognised based on the level of electricity supplied to customers, and is calculated in accordance with percentages set by the UK Government and the renewable obligation certificate buyout price for that period.

The intangible asset is surrendered and the liability is extinguished at the end of the compliance period to reflect the consumption of economic benefits. Any recycling benefit related to the submission of renewable obligation certificates is recognised in the Group Income Statement when received. The Group also recognises supplier obligations for CFD and FIT schemes; renewable certificates are used to offset these liabilities.

Cash flows relating to renewable obligation certificates and similar schemes are recognised within cash flows from operating activities.

Development and production assets

All field development costs are capitalised as PP&E. Such costs relate to the acquisition and installation of production facilities and include development drilling costs, project-related engineering and other technical services costs. PP&E, including rights and concessions related to production activities, is depreciated from the commencement of production in the fields concerned, using the unit of production method, based on all of the 2P reserves of those fields. Changes in these estimates are dealt with prospectively.

The net carrying value of fields in development and production is compared annually on a field-by-field basis with the likely discounted future net revenues to be derived from the remaining commercial reserves. An impairment loss is recognised where it is considered that recorded amounts are unlikely to be fully recovered from the net present value of future net revenues. Development and production assets are tested annually for impairment.

Interests in joint arrangements and associates

The Group's joint ventures and associates (as defined in note 6) are accounted for using the equity method.

The Group's investment in Sizewell C (Holding) Limited includes an interest held through ordinary shares and a shareholder loan advanced to the associate. Management considers the shareholder loan to form part of the Group's net investment in the associate, as settlement of the loan is not likely to occur in the foreseeable future. Accordingly, the shareholder loan is presented within investments in joint ventures and associates on the Group Balance Sheet, with the interest thereon presented within adjusted operating profit in the Group Income Statement as it reflects part of the return from this investment.

The Group's interests in joint operations (gas exploration and production licence arrangements) are accounted for by recognising its assets (including its share of assets held jointly), its liabilities (including its share of liabilities incurred jointly), its revenue from the sale of its share of the output arising from the joint operation, its share of the revenue from the sale of the output by the joint operation and its expenses (including its share of any expenses incurred jointly).

Where the Group has an equity stake or a participating interest in operations governed by a joint arrangement for which it is acting as operator, an assessment is carried out to confirm whether the Group is acting as agent or principal. As the terms and conditions negotiated between business partners usually provide joint control to the parties over the relevant activities of the gas fields that are governed by joint arrangements, the Group is usually deemed to be an agent when it is appointed as operator and not as principal as the contracts entered into presents gross liabilities and gross receivables of joint operations (including amounts due to or from non-operating partners) in the Group Balance Sheet in accordance with the netting rules of IAS 32 'Financial instruments – presentation'.

Property, plant and equipment

PP&E is included in the Group Balance Sheet at cost, less accumulated depreciation and any provisions for impairment.

Subsequent expenditure in respect of items of PP&E, such as the replacement of major parts, major inspections or overhauls, are capitalised as part of the cost of the related asset where it is probable that future economic benefits will arise as a result of the expenditure and the cost can be reliably measured. All other subsequent expenditure is expensed as incurred.

S2. Summary of material accounting policies

Freehold land is not depreciated. Other PP&E, with the exception of infrastructure production assets, are depreciated on a straight-line basis at rates sufficient to write off the cost, less estimated residual values, of individual assets over their estimated useful lives. The depreciation periods for the material categories of assets are as follows:

Freehold and leasehold buildings	Up to 50 years
Plant	5 to 25 years
Equipment and vehicles	3 to 10 years
Power generation assets	Up to 40 years

The carrying values of PP&E are tested annually for impairment and are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Residual values and useful lives are reassessed annually and, if necessary, changes are accounted for prospectively.

Impairment assumptions

The Group tests the carrying amounts of goodwill, PP&E and intangible assets for impairment at least annually. Interests in joint ventures and associates are reviewed annually for indicators of impairment and tested for impairment where such an indicator arises. Where an asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the CGU to which the asset belongs. The recoverable amount is the higher of value in use (VIU) and fair value less costs of disposal (FVLCD).

At inception, goodwill is allocated to each of the Group's CGUs or groups of CGUs that expect to benefit from the business combination in which the goodwill arose. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. Any impairment is expensed immediately in the Group Income Statement. Any CGU impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU pro rata on the basis of the carrying amount of each asset in the CGU.

Further information on the assumptions used in the VIU calculations and FVLCD calculations that resulted in impairments during the year can be found in note 7.

VIU – Key assumptions used

Pre-tax cash flows used in the VIU calculations are derived from the Group's Board-approved business plans, and assumptions specific to the nature and life of the asset. The Group's business plans and assumptions are based on past experience and adjusted to reflect market trends, economic conditions and key risks. Commodity prices used in the planning process are based in part on observable market data and in part on estimates. Note S6 provides additional detail on the active period of each of the commodity markets in which the Group operates.

(a) VIU – Growth rates and discount rates

Unless stated otherwise in the table below, cash flows beyond the planned period have been extrapolated using long-term growth rates in the market where the CGU operates. Long-term growth rates are determined using a blend of publicly available historical data and long-term growth rate forecasts published by external analysts. Cash flows are discounted using a discount rate specific to each CGU. Discount rates reflect the current market assessments of the time value of money and are based on the estimated cost of capital of each CGU. Additionally, risks specific to the cash flows of the CGUs are reflected within cash flow forecasts. Each CGU's weighted average cost of capital is then adjusted to reflect the impact of tax in order to calculate an equivalent pre-tax discount rate.

Long-term growth rates and pre-tax discount rates used in the VIU calculations for each of the Group's CGUs are shown below.

	Retail (supply and services) %	Optimisation %	MAP %	Gas generation %	Nuclear (excluding Sizewell C) ⁽ⁱ⁾ %
2025					
Growth rate to perpetuity (including inflation)	2.0	2.0	2.0	2.0	N/A
Pre-tax discount rate	12.0	12.7	8.7	10.7	13.6
	Retail (supply and services) %	Optimisation %	MAP %	Gas generation %	Nuclear ⁽ⁱ⁾ %
2024					
Growth rate to perpetuity (including inflation)	2.0	2.0	n/a	2.0	N/A
Pre-tax discount rate	10.7	12.0	n/a	10.7	15.3

(i) Cash flows arising after the plan period have been derived from forecasts to the end of the asset lives. Due to the nature of these finite-lived assets, this provides a more appropriate valuation in later years.

S2. Summary of material accounting policies

(b) VIU – Inflation rates

Inflation rates used in the business plan were based on a blend of publicly available inflation forecasts and range from 2.0% to 2.1%.

(c) Key operating assumptions by CGUs using VIU

The key operating assumptions across all CGUs are gross margin, revenues and operating costs. These assumptions are tailored to the specific CGU using management's knowledge of the environment, as shown in the table below:

CGU	Gross margin	Revenues	Operating costs
All – base assumptions	Existing customers: based on contractual terms. Losses are forecast based on historic data and future expectations of the market. New customers and renewals: based on gross margins achieved in the period leading up to the date of the business plan. Both adjusted for current market conditions and cost of goods inflation. For Services businesses, future sales and related gross margins are based on planned future product sales and contract losses based upon past performance and future expectations of the competitive environment.	Existing customers: based on contractual terms. Losses are forecast based on historic data and future expectations of the market. Adjusted for: growth forecasts which are based on sales and marketing activity, recent customer acquisitions and the current economic environment in the relevant geography. Gas and electricity revenues based on forward market prices. Market share: percentage immediately prior to business plan.	Wages: projected headcount in line with expected efficiencies. Salary increases based on inflation expectations. Credit losses: historical assumptions regarding realised cash losses have been updated to reflect the current environment.
Optimisation	Existing and new markets: management's estimate of future trading performance.	As above.	Future development: increase in costs to support growth forecasts, adjusted for planned business process efficiencies.

S2. Summary of material accounting policies

Leases

The Group assesses its contractual arrangements to determine whether they are or contain leases based on whether they convey the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The liabilities for the majority of the Group's lease portfolio are calculated using the incremental borrowing rate. This rate is calculated on a lease-by-lease basis, taking into account the credit rating of the Group at the inception of the lease and the lease term. The credit adjustment used in this calculation is modified to reflect the security implicit in a lease arrangement based on the specific class of asset being leased.

Lease payments included in the measurement of the lease liability comprise: fixed payments (including in-substance fixed payments), variable lease payments that depend on an index or a rate (initially measured using the index or rate as at the commencement date), amounts expected to be payable under a residual value guarantee, the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early. When considering whether the Group is reasonably certain to exercise extension or termination options, various factors are considered, such as the level of lease payments relative to the market rate, the importance of the specific asset to the Group's operations and the period remaining until the option becomes exercisable. Such judgements are reconsidered when there is a significant event or change of circumstances that is within the control of the Group. Variable lease payments that do not depend on an index or rate are recognised in profit or loss in the period in which the event or condition that triggers those payments occurs.

The lease liability is subsequently measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, lease-term extension or termination option. Cash flows reflecting payment of capital and interest on leases are shown in cash flows from financing activities.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group recognises the lease payments associated with short-term leases (leases expiring within twelve months from commencement) and leases of low value assets (underlying asset value less than £5,000) on a straight-line basis over the lease term.

The Group holds interests in a number of joint operations within its exploration and production business. The Group has applied judgement in identifying the customer where a lease arrangement is to be used by a jointly controlled operation.

If the leased asset is dedicated to a specific joint operation and its usage is dictated by the joint operating agreement, the joint operation is deemed the customer. In such instances:

- When the Group signs a lease agreement on behalf of a joint operation and has primary responsibility for payments to the lessor, the Group recognises 100% of the lease liability and a right-of-use asset on its balance sheet. When the partner is obliged to reimburse the Group for its share of lease payments, a sub-lease receivable is recognised and an equal adjustment to the right-of-use asset is made; and
- When the partner has the primary responsibility for payments to the lessor and the Group is obliged to reimburse its share of the lease payments, a lease liability due to the partner and equal right-of-use asset are recognised.

If the leased asset is not dedicated to a specific joint operation or its usage is not dictated by the joint operating agreement of a joint operation to which it is dedicated, the signatory to the lease agreement is deemed the customer. If this is the Group, the lease liability and right-of-use asset are recognised in full. If it is the partner, no lease liability or right-of-use asset is recognised.

S2. Summary of material accounting policies

Inventories

Inventories of finished goods are valued at the lower of cost (using weighted-average cost) or estimated net realisable value after allowance for redundant and slow-moving items. The cost of inventories includes the purchase price plus costs of conversion incurred in bringing the inventories to their present location and condition.

Inventory of gas in storage held for the purpose of the Group's own use is measured on a weighted-average cost basis, whilst gas used for trading purposes is measured at fair value less any costs to sell. Changes in fair value less costs to sell are recognised in the Group Income Statement.

Government grants

Government grants are transfers of resources to the Group in return for past or future compliance with certain conditions relating to the operating activities of the entity. Government assistance is designed to provide an economic benefit that is specific to an entity qualifying under certain criteria. The Group recognises government grants only when there is reasonable assurance that the Group will comply with the conditions attached to them and the grant will be received. Government grants are recognised in profit and loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants related to assets are deducted from the carrying amount of the asset.

Decommissioning costs

A provision is made for the net present value of the estimated cost of decommissioning gas production facilities at the end of the producing lives of fields, battery storage assets and power stations at the end of their useful lives, based on price levels and technology at the balance sheet date.

When this provision relates to an asset with sufficient future economic benefits, a decommissioning asset is recognised and included as part of the associated PP&E and depreciated accordingly. The asset is subject to impairment review as detailed above. Changes in estimates and discount rates are dealt with prospectively and reflected as an adjustment to the provision and corresponding decommissioning asset included within PP&E. The discount rate used to calculate the provision is 2% as discussed in note 3. The unwinding of the discount on the provision is included in the Group Income Statement within financing costs.

Pensions and other post-employment benefits

The Group operates a number of defined benefit and defined contribution pension schemes. The cost of providing benefits under the defined benefit schemes is determined separately for each scheme using the projected unit credit actuarial valuation method. Actuarial gains and losses are recognised in the period in which they occur in other comprehensive income.

The cost of providing retirement pensions and other benefits is charged to the Group Income Statement over the periods benefitting from employees' service. Past service cost is recognised immediately. Costs of administering the schemes are charged to the Group Income Statement. Net interest, being the change in the net defined benefit liability or asset due to the passage of time, is recognised in the Group Income Statement within net finance cost.

The net defined benefit liability or asset recognised in the Group Balance Sheet represents the present value of the defined benefit obligation of the schemes and the fair value of the schemes' assets. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits are paid, and that have terms of maturity approximating to the terms of the related pension liability.

Payments to defined contribution retirement benefit schemes are recognised in the Group Income Statement as they fall due.

S2. Summary of material accounting policies

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, that can be measured reliably, and it is probable that the Group will be required to settle that obligation. Provisions are discounted to present value where the effect is material.

Where discounting is used, the increase in the provision due to the passage of time is recognised in the Group Income Statement within interest expense. Onerous contract provisions are recognised where the unavoidable costs of meeting the obligations under a contract exceed the economic benefits expected to be received under it. Contracts to purchase or sell energy are reviewed on a portfolio basis given the fungible nature of energy, whereby it is assumed that the highest priced purchase contract supplies the highest priced sales contract and the lowest priced sales contract is supplied by the lowest priced purchase contract.

Taxation

Current tax, including UK corporation tax, UK petroleum revenue tax and foreign tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. From time to time, the Group may have open tax issues with a number of revenue authorities. Where an outflow of funds is believed to be probable and a reliable estimate of the dispute can be made, management provides for its best estimate of the liability. These estimates take into account the specific circumstances of each dispute and relevant external advice as well as the rules and regulations of the relevant tax authority in the jurisdiction of the dispute. Often the Group is unable to predict whether an uncertain tax treatment will be accepted by the relevant authority. In such instances the effects of uncertainty are reflected in management's assessment of the most likely outcome of each issue, as reviewed and updated on a regular basis. Each item is considered separately and on a basis that provides the better prediction of the outcome, unless the Group determines that it is appropriate to group certain items for consideration. See note 9 for further details on uncertain tax provisions.

Deferred tax is recognised in respect of all temporary differences identified at the balance sheet date, except to the extent that the deferred tax arises from the initial recognition of goodwill, or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting profit nor taxable profit and loss. Temporary differences are differences between the carrying amount of the Group's assets and liabilities and their tax base.

Deferred tax liabilities may be offset against deferred tax assets within the same taxable entity or qualifying local tax group. Any remaining deferred tax asset is recognised only when, on the basis of all available evidence, it can be regarded as probable that there will be suitable taxable profits, within the same jurisdiction, in the foreseeable future, against which the deductible temporary difference can be utilised.

Deferred tax is provided on temporary differences arising on subsidiaries, joint ventures and associates, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the asset is realised or liability settled, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Measurement of deferred tax liabilities and assets reflects the tax consequences expected from the manner in which the asset or liability is recovered or settled.

S2. Summary of material accounting policies

Financial instruments

Financial assets and financial liabilities are recognised in the Group Balance Sheet when the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the Group no longer has the rights to cash flows, the risks and rewards of ownership or control of the asset. Financial liabilities are derecognised when the obligation under the liability is discharged, cancelled or expires.

(a) Trade receivables

Trade receivables are initially recognised at a value based on their transaction price, and are subsequently held at amortised cost using the effective interest method (taking into account the Group's business model, which is to collect the contractual cash flows owing) less an allowance for impairment losses. Balances are written off when recoverability is assessed as being remote. If collection is expected in one year or less, receivables are classified as current assets. If not, they are presented as non-current assets.

(b) Trade payables

Trade payables are initially recognised at fair value, which is usually the original invoice amount and are subsequently held at amortised cost using the effective interest method. If payment is due within one year or less, payables are classified as current liabilities. If not, they are presented as non-current liabilities.

(c) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds received. Own equity instruments that are reacquired (treasury or own shares) are deducted from equity. No gain or loss is recognised in the Group Income Statement on the purchase, sale, issue or cancellation of the Group's own equity instruments.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and current balances with banks and similar institutions and money market deposits, which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and have an original maturity of three months or less. Money market funds are also included in cash and cash equivalents, and are required to be measured at fair value through profit or loss under IFRS 9, as noted in section (g) below. Cash and cash equivalents are presented net of outstanding bank overdrafts where there is a legal right of set off and, for the Group's cash pooling arrangements, to the extent the Group expects to settle its subsidiaries' year-end account balances on a net basis.

For the purpose of the Group Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(e) Interest-bearing loans and other borrowings

All interest-bearing loans and other borrowings with banks and similar institutions are initially recognised at fair value net of directly attributable transaction costs. After initial recognition, interest-bearing loans and other borrowings are subsequently measured at amortised cost using the effective interest method, except when they are hedged items in an effective fair value hedge relationship where the carrying value is also adjusted to reflect the fair value movements associated with the hedged risks. Such fair value movements are recognised in the Group Income Statement. Amortised cost is calculated by taking into account any issue costs, discount or premium.

(f) Financial instruments at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are equity instruments that the Group has elected to recognise the changes in fair value of in other comprehensive income. They are recognised initially at fair value in the Group Balance Sheet and are re-measured subsequently at fair value with gains and losses arising from changes in fair value recognised directly in equity and presented in other comprehensive income. Dividends arising on these financial assets are recognised in the Group Income Statement.

Cumulative gains and losses on equity instruments at fair value through other comprehensive income are not recycled to the Group Income Statement.

(g) Financial assets at fair value through profit or loss

Money market funds (which are classified as cash equivalents) are required to be measured at fair value through profit or loss under IFRS 9, as the assets are not held solely for the purpose of collecting contractual cash flows related to principal and interest. Both mandatory and designated instruments are measured at fair value on initial recognition and are re-measured to fair value in each subsequent reporting period. Gains and losses arising from changes in fair value are recognised in the Group Income Statement within investment income.

(h) Securities

The Group holds debt and equity securities predominantly in respect of the Centrica Unapproved Pension Scheme (see note 22). Debt securities are required to be measured at fair value through profit or loss under IFRS 9, as the contractual terms of these assets do not give rise to cash flows that are solely payments of principal and interest on the principal amounts outstanding. The changes in fair value are recognised in finance costs. The Group has elected to recognise the changes in fair value of the equity securities in other comprehensive income.

Securities also includes a loan made to a minority shareholder which is similarly recognised as a financial asset under IFRS 9 and measured at amortised cost.

S2. Summary of material accounting policies

(i) Other investments

Other investments includes convertible loan notes which are measured at fair value through profit or loss under IFRS 9, as these assets do not meet the contractual cash flows characteristic test; namely, contractual cash flows are not solely payments of principal and interest on principal outstanding. Gains or losses arising from changes in fair value are recognised in operating expenses. Financial assets held solely for the purpose of collecting contractual cash flows related to principal and interest are initially recognised at fair value and then subsequently measured at amortised cost.

Other investments also include equity investments which the Group accounts for under IFRS 9, because it does not have the ability to control, or significantly influence the investment. According to the requirements of IFRS 9, the Group may either measure these investments at fair value with value changes recognised in profit or loss, or it may elect to recognise those value changes in other comprehensive income. For the majority of the Group's other investments, fair value movements are recognised in other comprehensive income; this election is made separately for each investment made.

(j) Derivative financial instruments

The Group routinely enters into sale and purchase transactions for physical delivery of gas and power. A portion of these transactions take the form of contracts that were entered into and continue to be held for the purpose of receipt or delivery of the physical commodity in accordance with the Group's expected sale, purchase or usage requirements ('own use'), and are not within the scope of IFRS 9. The assessment of whether a contract is deemed to be 'own use' is conducted on a Group basis without reference to underlying book structures, business units or legal entities.

Certain purchase and sales contracts for the physical delivery of gas and power are within the scope of IFRS 9 due to the fact that they net settle or contain written options. Such contracts are accounted for as derivatives under IFRS 9 and are recognised in the Group Balance Sheet at fair value. Gains and losses arising from changes in fair value on derivatives that do not qualify for hedge accounting are taken directly to the Group Income Statement for the year.

The Group uses a range of derivatives for both trading and to hedge exposures to financial risks, such as interest rates, foreign exchange and energy price risks, arising in the normal course of business. Where considered appropriate, the Group may use weather derivatives to protect against earnings volatility arising from unseasonal weather variations. The use of such derivatives did not have a material financial statement impact in 2025 or 2024. The use of derivative financial instruments is governed by the Group's policies which are approved by the Board of Directors. Further detail on the Group's risk management policies is included within the Strategic Report – Principal Risks and Uncertainties on pages 32 to 39 and in note S3.

The accounting treatment of derivatives is dependent on whether they are entered into for trading or hedging purposes. A derivative instrument is considered to be used for hedging purposes when it alters the risk profile of an underlying exposure of the Group in line with the Group's risk management policies and is in accordance with established guidelines. Certain derivative instruments used for hedging purposes are designated in hedge accounting relationships as described by IAS 39 (the Group has not applied the hedge accounting requirements of IFRS 9). In order to qualify for hedge accounting, the effectiveness of the hedge must be reliably measurable and documentation describing the formal hedging relationship must be prepared at the point of designation. The hedge must be highly effective in achieving its objective. The Group also holds derivatives that are used for hedging purposes which are not designated in hedge accounting relationships and are held for trading.

All derivatives are recognised at fair value on the date on which the derivative is entered into and are re-measured to fair value at each reporting date. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Derivative assets and derivative liabilities are offset and presented on a net basis only when there is a currently enforceable legal right of set-off, and the intention to net settle the derivative contracts is present. The disclosure of current and non-current derivative assets and liabilities is determined by the settlement date of the derivative.

The Group enters into certain energy derivative contracts covering periods for which observable market data does not exist. The fair value of such derivatives is estimated by reference in part to published price quotations from active markets, to the extent that such observable market data exists, and in part by using valuation techniques, the inputs to which include data that is not based on or derived from observable markets. Where the fair value at initial recognition for such contracts differs from the transaction price, a fair value gain or fair value loss will arise. This is referred to as a day-one gain or day-one loss. Such gains and losses are deferred (not recognised) and amortised to the Group Income Statement based on volumes purchased or delivered over the contractual period until such time as observable market data becomes available. When observable market data becomes available, any remaining deferred day-one gains or losses are recognised within the Group Income Statement.

Recognition of the gains or losses resulting from changes in fair value depends on the purpose for issuing or holding the derivative. For derivatives that do not qualify for cash flow or net investment hedge accounting, any gains or losses arising from changes in fair value are taken directly to the Group Income Statement and are included within gross profit or investment income and financing costs. Where derivatives qualify for cash flow or net investment hedging, changes in fair value arising from the effective element of the hedge are recognised initially in the Group Statement of Comprehensive Income and are recycled to the Group Income Statement when the hedged item impacts profit or loss. Further details on the treatment of energy derivatives in the Group Income Statement is provided in note 2. Further detail on the treatment of derivatives in hedging relationships is provided in note S5.

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not carried at fair value, with gains or losses reported in the Group Income Statement. The closely related nature of embedded derivatives is reassessed when there is a change in the terms of the contract that significantly modifies the future cash flows under the contract. Where a contract contains one or more embedded derivatives, and providing that the embedded derivative significantly modifies the cash flows under the contract, the option to fair value the entire contract may be taken and the contract will be recognised at fair value with changes in fair value recognised in the Group Income Statement. Gains and losses arising from changes in the fair value of energy derivative contracts are recognised within 'Re-measurement and settlement of energy contracts' in the Group's results for the period under IFRS.

S2. Summary of material accounting policies

(k) Hedge accounting

The Group continues to apply the hedge accounting requirements of IAS 39 and has not adopted IFRS 9 hedge accounting.

For the purposes of hedge accounting, hedges are classified as either fair value hedges or cash flow hedges. Note S5 details the Group's accounting policies in relation to derivatives qualifying for hedge accounting under IAS 39.

(l) Financial guarantees

Financial guarantees are contracts that require the Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. The Group accounts for financial guarantee contracts under IFRS 9.

(m) Impairment of financial assets

In accordance with IFRS 9, the Group has applied the expected credit loss model to financial assets measured at amortised cost and to investments in debt instruments measured at fair value through other comprehensive income.

For trade receivables and contract assets the simplified approach is taken and the lifetime expected credit loss provided for.

For all other in-scope financial assets at the balance sheet date, either the lifetime expected credit loss or a 12-month expected credit loss is provided for, depending on the Group's assessment of whether the credit risk associated with the specific asset has increased significantly since initial recognition. As the Group's financial assets are predominantly short-term (less than twelve months), the impairment loss recognised is not materially different using either approach. Further details of the assumptions and inputs used to calculate expected credit losses are shown in note 17.

Nuclear activity

The Group has investments in Lake Acquisitions Limited ('Lake') and Sizewell C (Holding) Limited ('Sizewell C'). Both are accounted for as associates.

Sizewell C

The Group holds both a 15% equity interest in Sizewell C and is providing a shareholder loan to the investee, funded over the construction period. These are both classified within investments on the Group's balance sheet. See notes 3 and 14. The loan commitment is at a market rate of interest and cannot be net cash-settled, and hence is outside the scope of IFRS 9 with the exception of impairment requirements. Any expected credit loss, being the present value of the difference between the contractual cash flows due after draw down and the cash flows the Group expects to receive, will not be material.

Sizewell C itself is financed under the Nuclear Regulated Asset Base (RAB) financing model underpinned by the Nuclear Energy (Financing) Act 2022, whereby the project is subject to an economic regulatory framework that allows certain construction and financing costs to be recovered from consumers through regulated charges both prior to the commencement of operations, and during the generation phase. It is funded through the Nuclear RAB levy, charged to energy suppliers from 1 November 2025.

During the construction phase, Sizewell C expects to capitalise the cost of construction in accordance with IAS 16 'Property, Plant and Equipment'. The accounting RAB is initially measured at historic cost, including direct construction costs, capitalised borrowing costs and directly attributable development and project costs. It will subsequently be measured at amortised cost and depreciation will commence once the asset is operational. Therefore, the accounting RAB reflects actual incurred expenditure, not the value of future recoveries permitted by the regulator.

Conversely, the regulatory RAB is calculated under the regulated asset financing model and its purpose is to determine future permitted recoveries, rather than reflecting historical cost. The regulatory RAB is typically higher because it includes items such as capitalised financing returns, indexation and broader cost allowances including certain operating costs, regulatory adjustments and incentive mechanisms.

Under current IFRS, Sizewell C is expected to generate revenue, calculated with reference to the regulatory financing model, once operational and the Group will recognise its share of the investee's results at that time. Interest is earned on the shareholder loan at a rate of 9% over the course of the investment. Under the requirements of IAS 28 'Investments in Joint Ventures and Associates' the Group eliminates its 15% equity share of the gains realised on the shareholder loan, being the 9% interest earned, less the cost of providing the funding to the investee.

Lake

The following accounting policies are specific to the Lake associate:

(a) Fuel costs – nuclear front end

Front-end fuel costs consist of the costs of procurement of uranium, conversion and enrichment services, and fuel element fabrication. All costs are capitalised into inventory and charged to the Group Income Statement in proportion to the amount of fuel burnt.

(b) Fuel costs – nuclear back end

Advanced gas-cooled reactors (AGR)

Spent fuel extracted from the reactors is sent for reprocessing and/or long-term storage and eventual disposal of resulting waste products. Back-end fuel costs comprise of a loading-related cost per tonne of uranium and a rebate/surcharge to this cost which is dependent on the out-turn market electricity price and the amount of electricity generated from AGR stations in the year. These costs are capitalised into inventory and charged to the Group Income Statement in proportion to the amount of fuel burnt.

Pressurised water reactor (PWR)

Back-end fuel costs are based on wet storage in station ponds followed by dry storage and subsequent direct disposal of fuel. Back-end fuel costs are capitalised into inventory on loading and are charged to the Group Income Statement in proportion to the amount of fuel burnt.

S2. Summary of material accounting policies

(c) Nuclear PP&E – depreciation

The majority of the cost of the nuclear fleet is depreciated from the date of the Group acquiring its share of the fleet on a straight-line basis, with remaining depreciable periods currently of up to 30 years.

Other expenditure including amounts spent on major inspections and overhauls of production plant is depreciated over the period until the next outage which for AGR power stations is 2 to 3 years and for the PWR power station is 18 months.

(d) Nuclear Liabilities Fund (NLF) funding arrangements

Under the arrangements in place with the Secretary of State, the NLF will fund, subject to certain exceptions, qualifying uncontracted nuclear liabilities and qualifying decommissioning costs.

In part consideration for the assumption of these liabilities by the Secretary of State and the NLF, the former British Energy Group agreed to pay fixed decommissioning contributions each year and £150,000 (indexed to RPI) for every tonne of uranium in PWR fuel loaded into the Sizewell B reactor after the date of these arrangements.

(e) NLF and nuclear liabilities receivables

The UK Government indemnity is provided to indemnify any future shortfall on NLF funding of qualifying uncontracted nuclear liabilities (including PWR back-end fuel services) and qualifying nuclear decommissioning costs such that the receivable equals the present value of the associated qualifying nuclear liabilities (apart from a small timing difference due to timing of receipts from NLF).

(f) Nuclear liabilities

Nuclear liabilities represent provision for liabilities in respect of the costs of waste management of spent fuel and nuclear decommissioning.

(g) Unburnt fuels at shutdown

Due to the nature of the nuclear fuel process there will be quantities of unburnt fuel in the reactors at station closure. The costs relating to this unburnt fuel (final core) are fully provided for at the balance sheet date. The provision is based on a projected value per tonne of fuel remaining at closure, discounted back to the balance sheet date and recorded as a long-term liability.

S3. Financial risk management

The Group's normal operating, investing and financing activities expose it to a variety of financial risks: market risk (including commodity price risk, currency risk and interest rate risk), credit risk and liquidity risk. The Group's overall financial risk management processes are designed to identify, manage and mitigate these risks.

Further detail on the Group's overall risk management processes is included within the Strategic Report – Principal Risks and Uncertainties on pages 32 to 39.

Commodity price risk management is carried out in accordance with individual business unit policies and directives including appropriate escalation routes.

Treasury risk management, including management of currency risk, interest rate risk and liquidity risk is carried out by a central Group Treasury function in accordance with the Group's financing and treasury policy, as approved by the Board.

The wholesale credit risks associated with commodity trading and treasury positions are managed in accordance with the Group's credit risk policy. Downstream customer credit risk management is carried out in accordance with appropriate Group-wide and individual business unit credit policies.

Market risk management

Market risk is the risk of loss that results from changes in market prices (commodity prices, foreign exchange rates and interest rates). The level of market risk to which the Group is exposed at a point in time varies depending on market conditions, expectations of future price or market rate movements and the composition of the Group's physical asset and contract portfolios.

(a) Commodity price risk management

The Group is exposed to commodity price risk in its energy procurement and supply activities, production, generation and trading operations and uses specific limits to manage the exposure to commodity prices associated with the Group's activities to an acceptable level. The Group has a risk capital limit approved by the Board to manage the commodity price risk that the Group is exposed to. These are complemented by other limits including Value at Risk (VaR), volumetric or stop-loss limits to control risk around trading activities.

(i) Energy price exposed business activities

The Group's price exposed business activities consist of equity gas and liquids production, equity power generation, bilateral procurement and sales contracts, market-traded purchase and sales contracts and derivative positions primarily transacted with the intent of securing gas and power for the Group's supply customers, from a variety of sources at an optimal cost. The Group actively manages commodity price risk by optimising its asset and contract portfolios and making use of volume flexibility.

The Group's commodity price risk exposure within its business activities is driven by the cost of procuring gas and electricity to serve its supply customers and selling gas and electricity from its infrastructure production and generation, which varies with wholesale commodity prices. The primary risk is that market prices for commodities will fluctuate between the time that sales prices are fixed or tariffs are set and the time at which the corresponding procurement cost is fixed, thereby potentially reducing expected margins or making sales unprofitable.

The Group's supply activities are also exposed to volumetric risk in the form of an uncertain consumption profile arising from a range of factors, including the weather, energy consumption changes, customer attrition and the economic climate. There is also risk associated with ensuring that there is sufficient commodity available to secure supply to customers. The Group's production and generation activities are also exposed to volumetric risk in the form of uncertain production profiles.

In order to manage the exposure to market prices associated with the Group's business operations the Group is delegated a risk capital limit, established by the Board and sub-delegated to the commercial leaders.

Risk capital is used to bring together the different individual market and credit risks from across the business in order to understand the diversified risk that the Group is exposed to. This is complemented by the Profit at Risk (PaR), VaR and credit limits that are then sub-delegated to the business to operate efficiently. PaR measures the estimated potential loss in a position or portfolio of positions associated with the movement of a commodity price for a given confidence level, over the remaining term of the position or contract. VaR measures the estimated potential loss for a given confidence level over a predetermined holding period. The standard confidence level used is 95%. In addition, regular stress and scenario tests are performed to evaluate the impact on the portfolio of possible substantial movements in commodity prices.

The Group measures and manages the commodity price risk associated with the Group's entire energy price exposed business portfolio. Only certain of the Group's energy contracts constitute financial instruments under IFRS 9 (see note S6).

As a result, while the Group manages the commodity price risk associated with both financial and non-financial energy procurement and sales contracts, it is the notional value of energy contracts being carried at fair value that represents the exposure of the Group's energy price exposed business activities to commodity price risk according to IFRS 7 'Financial Instruments: Disclosures'. This is because energy contracts that are financial instruments under IFRS 9 are accounted for on a fair value basis and changes in fair value immediately impact profit. Conversely, energy contracts that are not financial instruments under IFRS 9 are accounted for as executory contracts and changes in fair value do not immediately impact profit and, as such, are not exposed to commodity price risk as defined by IFRS 7. So, whilst VaR associated with energy procurement and supply contracts that are outside the scope of IFRS 9 are monitored for internal risk management purposes, only those energy contracts within the scope of IFRS 9 are within the scope of the IFRS 7 disclosure requirements.

S3. Financial risk management

(ii) Proprietary energy trading

The Group's proprietary energy trading activities consist of physical and financial commodity purchases and sales contracts taken on with the intent of benefitting from changes in market prices or differences between buying and selling prices. The Group conducts its trading activities in the over-the-counter market and through exchanges in the UK and continental Europe. The Group is exposed to commodity price risk as a result of its proprietary energy trading activities because the value of its trading assets and liabilities will fluctuate with changes in market prices for commodities.

The Group sets volumetric and VaR limits to manage the commodity price risk exposure associated with the Group's proprietary energy trading activities. VaR measures the estimated potential loss at a 95% confidence level over a one-day holding period. The carrying value of energy contracts used in proprietary energy trading activities at 31 December 2025 is disclosed in note 19.

As with any modelled risk measure, there are certain limitations that arise from the assumptions used in the VaR calculation. VaR assumes that historical price behaviours will continue in the future and that the Group's trading positions can be unwound or hedged within the predetermined holding period. Furthermore, the use of a 95% confidence level, by definition, does not take into account changes in value that might occur beyond this confidence level.

(b) Currency risk management

The Group is exposed to currency risk on foreign currency denominated forecast transactions, firm commitments, monetary assets and liabilities (transactional exposure) and on its net investments in foreign operations (translational exposure). IFRS 7 only requires disclosure of currency risk arising on financial instruments denominated in a currency other than the functional currency of the commercial operation transacting. As a result, for the purposes of IFRS 7, currency risk excludes items that are not financial instruments, such as the Group's net investments in international operations as well as foreign currency denominated forecast transactions and firm commitments.

(i) Transactional currency risk

The Group is exposed to transactional currency risk on transactions denominated in currencies other than the underlying functional currency of the commercial operation transacting. The primary functional currencies remain pounds sterling in the UK, Danish krone in Denmark, euros in the Netherlands and the Republic of Ireland and US dollars in the Group's LNG business. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates. Transactional exposure arises from the Group's energy procurement, production and generation activities, where many transactions are denominated in foreign currencies. In addition, in order to optimise the cost of funding, the Group has, in certain cases, issued foreign currency denominated debt or entered into foreign currency loans, primarily in US dollars, euros and Japanese yen.

It is the Group's policy to hedge material transactional exposures using derivatives (either applying formal hedge accounting or economic hedge relationships) to fix the functional currency value of non-functional currency cash flows, except where there is an economic hedge inherent in the transaction. At 31 December 2025, there were no material unhedged non-functional currency monetary assets or liabilities, firm commitments or probable forecast transactions (2024: £nil), other than transactions which have an inherent economic hedge and foreign currency borrowings used to hedge translational exposures.

(ii) Translational currency risk

The Group is exposed to translational currency risk as a result of its overseas investments. The risk is that the pounds sterling value of the net assets of foreign operations will decrease with changes in foreign exchange rates. The Group's policy is to protect the pounds sterling book value of its net investments in foreign operations where appropriate, subject to certain parameters, by holding foreign currency debt, entering into foreign currency derivatives, or a mixture of both.

The Group manages translational currency risk taking into consideration the cash impact of any hedging activity as well as the risk to the net asset carrying values in the Group's Financial Statements. The translation hedging programme including the potential cash impact is managed by the Group Treasury function and monitored by the Chief Financial Officer.

(c) Interest rate risk management

In the normal course of business the Group borrows to finance its operations. The Group is exposed to interest rate risk because the fair value of fixed-rate borrowings and the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates. The Group's policy is to manage the interest rate risk on long-term borrowings by ensuring the exposure to floating interest rates remains within a 30% to 70% range, including the impact of interest rate derivatives.

The return generated on the Group's cash balance is also exposed to movements in short-term interest rates. The Group manages cash balances to protect against adverse changes in rates whilst retaining liquidity.

S3. Financial risk management

(d) Sensitivity analysis

IFRS 7 requires disclosure of a sensitivity analysis that is intended to illustrate the sensitivity of the Group's financial position and performance to changes in market variables (commodity prices, foreign exchange rates and interest rates) as a result of changes in the fair value or cash flows associated with the Group's financial instruments. The sensitivity analysis provided discloses the effect on profit or loss and equity at 31 December 2025, assuming that a reasonably possible change in the relevant risk variable had occurred at 31 December 2025, and has been applied to the risk exposures in existence at that date to show the effects of reasonably possible changes in price on profit or loss and equity. Reasonably possible changes in market variables used in the sensitivity analysis are based on implied volatilities, where available, or historical data for energy prices and foreign exchange rates. Reasonably possible changes in interest rates are based on management judgement and historical experience.

The sensitivity analysis has been prepared based on 31 December 2025 balances and on the basis that the balances, the ratio of fixed to floating rates of debt and derivatives, the proportion of energy contracts that are financial instruments, the proportion of financial instruments in foreign currencies and the hedge designations in place at 31 December 2025 are all constant. Excluded from this analysis are all non-financial assets and liabilities and energy contracts that are not financial instruments under IFRS 9. The sensitivity to foreign exchange rates relates only to monetary assets and liabilities denominated in a currency other than the functional currency of the commercial operation transacting, and excludes the translation of the net assets of foreign operations to pounds sterling.

The sensitivity analysis provided is hypothetical only and should be used with caution as the impacts provided are not necessarily indicative of the actual impacts that would be experienced. This is because the Group's actual exposure to market rates is changing constantly as the Group's portfolio of commodity, debt and foreign currency contracts changes. Changes in fair values or cash flows based on a variation in a market variable cannot be extrapolated because the relationship between the change in market variable and the change in fair value or cash flows may not be linear. In addition, the effect of a change in a particular market variable on fair values or cash flows is calculated without considering interrelationships between the various market rates or mitigating actions that would be taken by the Group.

(i) Transactional currency risk

The Group has performed an analysis of the sensitivity of the Group's financial position and performance to changes in foreign exchange rates. The sensitivity analysis is performed upon the Group's foreign currency denominated monetary assets and monetary liabilities. At the reporting date, the exposure is driven primarily by the portfolio of foreign currency exchange derivatives held for trading under IFRS 9, which are hedging material transactional exposures as explained above in S3(b)(i). The Group deems 10% movements to US dollar and euro currency rates relative to pounds sterling to be reasonably possible.

The material impact of such movements on profit and equity, both after taxation, are as follows:

	2025 Impact on profit £m	2024 Impact on profit £m
Incremental profit/(loss)		
US dollar – increase/(decrease)	174/(189)	192/(212)
Euro – increase/(decrease)	(78)/81	(59)/59

All other currency sensitivities are not material.

(ii) Interest rate risk

The Group has performed an analysis of the sensitivity of the Group's financial position and performance to changes in interest rates. The Group deems a one percentage point move in UK, US and Euro interest rates to be reasonably possible. The impact of such movements on profit and equity, both after taxation, is immaterial.

(iii) Commodity price risk

The Group has performed a sensitivity analysis of the Group's commodity price risk. The financial assets and financial liabilities which are exposed to this risk are energy derivatives which are either for procurement/optimisation or proprietary trading. As explained above in S3(a)(i), the procurement/optimisation or 'non-proprietary' trades are hedging material commodity price exposures, whilst proprietary energy trading is explained in S3(a)(ii).

	2025			2024		
	Active market base price ⁽ⁱ⁾	Inactive market base price ⁽ⁱⁱ⁾	Reasonably possible change in variable ⁽ⁱⁱⁱ⁾ %	Active market base price ⁽ⁱ⁾	Inactive market base price ⁽ⁱⁱ⁾	Reasonably possible change in variable ⁽ⁱⁱⁱ⁾ %
Energy prices						
UK gas (p/therm)	66	89	+/-25	98	85	+/-32
European gas (€/MWh)	26	32	+/-31	39	33	+/-32
UK power (£/MWh)	72	78	+/-34	80	74	+/-39
UK emissions (€/tonne)	85	n/a	+/-7	66	n/a	+/-7
UK oil (US\$/bbl)	61	66	+/-55	71	n/a	+/-46
North American gas (US cents/therm)	38	46	+/-44	38	38	+/-42
Japan Korea Marker (JKM) gas price (US\$/MMBtu)	9	11	+/-28	12	n/a	+/-26

(i) The active market base price represents the average forward market price over the duration of the active market curve used in the sensitivity analysis provided.

(ii) The inactive market base price represents the average forward market price over the duration of the inactive market curve used in the sensitivity analysis provided. Inactive market base prices are not presented where there are no contracts in the illiquid period.

(iii) The reasonably possible change in variable is calculated using both the active and inactive market curves for energy prices.

S3. Financial risk management

The impacts of reasonably possible changes in commodity prices on profit applied to non-proprietary trades, both after taxation, based on the assumptions set out above are as follows:

	2025 Impact on profit ⁽ⁱ⁾ £m	2024 Impact on profit ⁽ⁱ⁾ £m
Incremental profit/(loss)		
UK gas price – increase/(decrease)	109/(119)	258/(265)
UK power price – increase/(decrease)	201/(201)	406/(411)
European gas price – (decrease)/increase	(183)/184	(146)/144
Other UK energy prices (oil and emissions) – increase/(decrease)	94/(94)	(49)/49
UK and European energy prices (combined) – increase/(decrease)	221/(230)	469/(483)
North American gas price – increase/(decrease)	78/(77)	44/(52)
JKM gas price – (decrease)/increase	(30)/30	(2)/2

(i) The impact on profit is calculated using both the active and inactive market curves for energy prices.

The impact on other comprehensive income of such price changes is immaterial.

(iv) Commodity price risk – proprietary trades

As at 31 December 2025 the VaR associated with proprietary trading was £3 million (2024: £6 million). This represents the statistical downside risk associated with the proprietary trade and associated hedging positions. The changes in the year only relate to changes in commodity prices. Intra-day trading positions are monitored using a live time risk management system. Proprietary trades are included in revenue in the business performance column of the Group Income Statement.

The impacts of reasonably possible changes using probability-based high and low gas and power price curves applied to Level 3 proprietary trades are as follows:

	2025 Impact on profit ⁽ⁱ⁾ £m	2024 Impact on profit ⁽ⁱ⁾ £m
Incremental profit/(loss)		
Level 3 proprietary trades – increase/(decrease) ⁽ⁱⁱ⁾	1/(1)	72/(62)

(i) The reasonably possible change in variable and the impact on profit are calculated using both the active and inactive market curves for energy prices, see note 7(c) for detail on market curves.

(ii) The Level 3 proprietary financial instruments' sensitivity has been valued using one of the Group's valuation models, and excludes associated hedges which would mitigate this impact.

(v) Commodity price risk – other non-proprietary Level 3 trades

Unrealised non-proprietary Level 3 trades are reported within certain re-measurements and are subsequently reflected in business performance when realised, which is generally when the underlying transaction or asset impacts profit or loss. These derivatives are in respect of underlying contracts to purchase large volumes of commodity and are highly sensitive to changes in commodity prices. The impacts of reasonably possible changes using probability-based high and low gas and power price curves applied to other Level 3 non-proprietary trades are as follows:

	2025 Impact on profit ⁽ⁱ⁾ £m	2024 Impact on profit ⁽ⁱ⁾ £m
Incremental profit/(loss)		
Level 3 non-proprietary trades – increase/(decrease) ⁽ⁱⁱ⁾	(219)/208	(182)/152

(i) The reasonably possible change in variable and the impact on profit are calculated using both the active and inactive market curves for energy prices.

(ii) The Level 3 non-proprietary financial instruments' sensitivity has been valued using one of the Group's valuation models, and excludes associated hedges or the underlying hedged transaction/asset which would offset this impact.

S3. Financial risk management

Credit risk management

Credit risk is the risk of loss associated with a counterparty's inability or failure to discharge its obligations under a contract.

The Group continually reviews its rating thresholds for relevant counterparty credit limits and updates these as necessary, based on a consistent set of principles. It continues to operate within its limits. In respect of trading activities for both the US and Europe, there is an effort to maintain a balance between exchange-based trading and bilateral transactions. This allows for a reasonable balance between counterparty credit risk and potential liquidity requirements. In addition, the Group actively manages the trade-off between credit and liquidity risks by optimising the use of contracts with collateral obligations and physically settled contracts without collateral obligations.

The Group is exposed to credit risk in its treasury, trading, energy procurement and downstream activities. The maximum exposure to credit risk for financial instruments at fair value is equal to their carrying value. Gross amounts are shown by counterparty credit rating in the table below. Further details of other collateral and credit security not offset against these amounts is shown in note S6.

	2025									
	Financial assets at amortised cost					Financial assets at fair value				
	Receivables including treasury, trading and energy procurement counterparties ⁽ⁱ⁾	Securities ⁽ⁱⁱ⁾	Other investments	Investments in joint ventures and associates ⁽ⁱⁱⁱ⁾	Cash and cash equivalents	Cash and cash equivalents	Derivative financial instruments with positive fair values	Securities	Other investments	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
31 December										
AAA to AA	14	—	—	—	5	3,515	—	59	—	
AA- to A-	506	—	—	—	710	—	337	—	—	
BBB+ to BBB-	506	—	—	—	24	—	433	—	—	
BB+ to BB-	93	—	—	—	23	—	58	—	—	
B+ or lower	80	—	—	—	—	—	27	—	—	
Unrated ^(iv)	5,031	48	29	343	30	—	21	—	92	
	6,230	48	29	343	792	3,515	876	59	92	

	2024									
	Financial assets at amortised cost					Financial assets at fair value				
	Receivables including treasury, trading and energy procurement counterparties ⁽ⁱ⁾	Securities ⁽ⁱⁱ⁾	Other investments	Investments in joint ventures and associates ⁽ⁱⁱⁱ⁾	Cash and cash equivalents	Cash and cash equivalents	Derivative financial instruments with positive fair values	Securities	Other investments	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
31 December										
AAA to AA	—	—	—	—	—	5,002	—	108	—	
AA- to A-	734	—	—	—	1,276	7	436	—	—	
BBB+ to BBB-	819	—	—	—	9	—	580	—	—	
BB+ to BB-	228	—	—	—	37	—	439	—	—	
B+ or lower	83	—	—	—	1	—	65	—	—	
Unrated ^(iv)	4,605	31	3	—	6	—	56	—	84	
	6,469	31	3	—	1,329	5,009	1,576	108	84	

(i) The Group holds a provision of £1.818 million (2024: £1.532 million) against receivables. The significant majority of this provision is held against amounts due from unrated counterparties. Further analysis of past due trade receivables may be found at note 17.

(ii) Securities held at amortised cost consist of other loans receivable of £48 million (2024: £31 million) – see note 25.

(iii) Investments in joint ventures and associates relates to the unrated shareholder loan of £343 million to Sizewell C (see note 14(a)). Sizewell C itself is financed under the Nuclear Regulated Asset Base (RAB) financing model underpinned by the Nuclear Energy (Financing) Act 2022, whereby the project is subject to an economic regulatory framework that allows certain construction and financing costs to be recovered from consumers through regulated charges both prior to the commencement of operations, and during the generation phase.

(iv) The unrated counterparty receivables primarily comprise amounts in respect of downstream customers, subsidiaries of rated entities, exchanges or clearing houses.

S3. Financial risk management

Details of how credit risk is managed across the asset categories are provided below:

(a) Treasury, trading and energy procurement activities

Wholesale counterparty credit exposures are monitored by individual counterparty and by category of credit rating, and are subject to approved limits. The Group uses master netting agreements to reduce credit risk and net settles payments with counterparties where net settlement provisions exist (see note S6 for details of amounts offset). In addition, the Group employs a variety of other methods to mitigate credit risk: margining, various forms of bank and parent company guarantees and letters of credit.

The vast majority of Group credit risk associated with its treasury, trading and energy procurement activities is with counterparties in related energy industries or financial institutions together with smaller exposures to commodity traders and small independent renewable producers. The impairment considerations of IFRS 9 are applicable to financial assets arising from treasury, trading and energy procurement activities that are carried at amortised cost and debt instruments that are carried at fair value through other comprehensive income (FVOCI). Debt instruments measured at FVOCI are not material for further disclosure.

Included in the table above within receivables including treasury, trading and energy procurement counterparties is £1,274 million (2024: £2,005 million) of treasury, trading and energy procurement assets. The Group's risk assessment procedures and counterparty selection process ensure that the credit risk on this type of financial asset is always low at initial recognition.

Included within the table above is information about the exposure to credit risk arising from only certain of the Group's energy procurement contracts – those in the scope of IFRS 9. Whilst the Group manages the credit risk associated with both financial and non-financial energy procurement contracts, it is the carrying value of financial assets within the scope of IFRS 9 that represents the maximum exposure to credit risk in accordance with IFRS 7.

(b) Trade receivables and contract assets

The simplified approach of measuring lifetime expected credit losses has been applied to trade receivables and contract asset balances, which are the focus of this disclosure. Therefore, consideration of the significance of any change in credit risk since initial recognition for the purpose of applying this model is not required for any material component of the receivables balance.

In the case of business customers, credit risk is managed by checking a company's creditworthiness and financial strength both before commencing trade and during the business relationship. For residential customers, creditworthiness is ascertained normally before commencing trade to determine the payment mechanism required to reduce credit risk to an acceptable level. Certain customers will only be accepted on a prepayment basis or with a security deposit. In some cases, an ageing of receivables is monitored and used to manage the exposure to credit risk associated with both business and residential customers. In other cases, credit risk is monitored and managed by grouping customers according to method of payment or profile.

Liquidity risk management and going concern

Liquidity risk is the risk that the Group is unable to meet its financial obligations as they fall due. The Group experiences significant movements in its liquidity position due primarily to the seasonal nature of its business and margin cash arrangements associated with certain wholesale commodity contracts. To mitigate this risk the Group maintains significant committed facilities and holds cash on deposit to ensure that there is sufficient liquidity headroom at all points in the seasonal trading cycle of the business. See note 25 for further information.

S3. Financial risk management

Maturity profiles

Maturities of derivative financial instruments, provisions, borrowings and leases are provided in the following tables (all amounts are remaining contractual undiscounted cash flows):

	<1 year £m	1 to 2 years £m	2 to 3 years £m	3 to 4 years £m	4 to 5 years £m	>5 years £m	Total £m
Due for payment 2025							
Energy and interest derivatives in a loss position that will be settled on a net basis ⁽ⁱ⁾	(149)	(49)	(33)	(12)	(9)	76	(176)
Gross energy procurement contracts and other derivative buy trades carried at fair value	(1,513)	(1,057)	(868)	(656)	(771)	(3,192)	(8,057)
Foreign exchange derivatives that will be settled on a gross basis:							
Outflow	(8,971)	(1,156)	(775)	(129)	(7)	—	(11,038)
Inflow	9,017	1,179	775	125	7	—	11,103
Trade and other payables	(4,528)	(116)	(10)	(4)	—	—	(4,658)
Borrowings (bank loans, bonds, overdrafts and interest)	(264)	(183)	(129)	(681)	(497)	(2,157)	(3,911)
	(6,408)	(1,382)	(1,040)	(1,357)	(1,277)	(5,273)	(16,737)
Leases: ⁽ⁱⁱ⁾							
Minimum lease payments	(101)	(69)	(45)	(35)	(28)	(105)	(383)
Capital elements of leases	(99)	(57)	(38)	(29)	(23)	(85)	(331)
Due for payment 2024							
Energy and interest derivatives in a loss position that will be settled on a net basis ⁽ⁱ⁾	(126)	(31)	(20)	(17)	(17)	(30)	(241)
Gross energy procurement contracts and other derivative buy trades carried at fair value	(3,169)	(168)	(74)	(29)	(101)	(1,487)	(5,028)
Foreign exchange derivatives that will be settled on a gross basis:							
Outflow	(4,992)	(1,234)	(701)	—	—	—	(6,927)
Inflow	5,007	1,256	730	—	—	—	6,993
Trade and other payables	(5,466)	(142)	(25)	(6)	—	—	(5,639)
Borrowings (bank loans, bonds, overdrafts and interest)	(878)	(184)	(183)	(126)	(678)	(2,654)	(4,703)
	(9,624)	(503)	(273)	(178)	(796)	(4,171)	(15,545)
Leases: ⁽ⁱⁱ⁾							
Minimum lease payments	(106)	(89)	(55)	(29)	(25)	(90)	(394)
Capital elements of leases	(104)	(78)	(48)	(24)	(21)	(70)	(345)

(i) Proprietary energy trades are excluded from this maturity analysis because these contracts are held for trading purposes and often net settled. The associated cash flows are expected to be equal to the contract fair value at the balance sheet date. See note 19 for further details.

(ii) The difference between the total minimum lease payments and the total capital elements of leases is due to future finance charges.

S4. Other equity

This section summarises the Group's other equity reserve movements.

	Cash flow hedging reserve £m	Foreign currency translation reserve £m	Actuarial gains and losses reserve £m	Financial asset at FVOCI reserve £m	Treasury and own shares reserve £m	Share- based payments reserve £m	Merger, capital redemption and other reserves £m	Total £m
1 January 2024	(12)	(170)	(1,812)	6	(650)	47	435	(2,156)
Actuarial losses on defined benefit pension schemes	—	—	(113)	—	—	—	—	(113)
Employee share schemes:								
Exercise of awards	—	—	—	—	27	(21)	—	6
Value of services provided	—	—	—	—	—	47	—	47
Purchase of own shares	—	—	—	—	(8)	—	—	(8)
Share buyback programme:								
Purchase of Treasury shares	—	—	—	—	(504)	—	—	(504)
Movement on accrual for committed share purchases	—	—	—	—	—	—	24	24
Shares cancelled in the year (note 26)	—	—	—	—	400	—	21	421
Impact of cash flow hedging	2	—	—	—	—	—	—	2
Share of other comprehensive gain of joint ventures and associates, net of taxation	—	—	38	—	—	—	—	38
Exchange differences on translation of foreign operations	—	(50)	—	—	—	—	—	(50)
Revaluation of other investments and securities measured at FVOCI	—	—	—	(27)	—	—	—	(27)
Taxation on above items	—	—	29	—	—	(4)	—	25
31 December 2024	(10)	(220)	(1,858)	(21)	(735)	69	480	(2,295)
Actuarial losses on defined benefit pension schemes	—	—	(429)	—	—	—	—	(429)
Employee share schemes:								
Exercise of awards	—	—	—	—	48	(29)	—	19
Value of services provided	—	—	—	—	—	56	—	56
Purchase of own shares	—	—	—	—	(9)	—	—	(9)
Share buyback programme:								
Purchase of Treasury shares	—	—	—	—	(827)	—	—	(827)
Movement on accrual for committed share purchases	—	—	—	—	—	—	57	57
Shares cancelled in the year (note 26)	—	—	—	—	681	—	31	712
Impact of cash flow hedging	(6)	—	—	—	—	—	—	(6)
Share of other comprehensive gain of joint ventures and associates, net of taxation	(8)	—	4	—	—	—	—	(4)
Exchange differences on translation of foreign operations	—	24	—	—	—	—	—	24
Exchange differences reclassified to Group Income Statement on disposal	—	2	—	—	—	—	—	2
Revaluation of other investments and securities measured at FVOCI	—	—	—	(4)	—	—	—	(4)
Taxation on above items	1	—	105	(1)	—	—	—	105
31 December 2025	(23)	(194)	(2,178)	(26)	(842)	96	568	(2,599)

S4. Other equity

Merger, capital redemption and other reserves

During February 1997, BG plc (formerly British Gas plc) demerged certain businesses (grouped together under GB Gas Holdings Limited (GBGH)) to form Centrica plc. Upon demerger, the share capital of GBGH was transferred to Centrica plc and was recorded at the nominal value of shares issued to BG plc shareholders. In accordance with the Companies Act 1985, no premium was recorded on the shares issued. On consolidation, the difference between the nominal value of the Company's shares issued and the amount of share capital and share premium of GBGH at the date of demerger was credited to a merger reserve.

On 8 December 2017, the Group's existing exploration and production business was combined with that of Bayerngas Norge AS to form the Spirit Energy business. The Group acquired 69% of the Spirit Energy business and Bayerngas Norge's former shareholders acquired 31%. The non-controlling interest established on acquisition has been based on its share of the carrying value of the combined business, with the other reserve representing the difference between the fair value and this carrying value.

In accordance with the Companies Act, the Company has transferred to the capital redemption reserve an amount equal to the nominal value of shares repurchased and subsequently cancelled. As at 31 December 2025 the cumulative nominal value of shares repurchased and subsequently cancelled was £80 million (2024: £49 million).

At the year-end, the Group has recognised a financial liability of £14 million (2024: £75 million) relating to the share buyback programme. See Treasury and own shares reserve section for more details.

Treasury and own shares reserve

The own shares reserve reflects the cost of shares in the Group held in the Centrica employee share ownership trusts to meet the future requirements of the Group's share-based payment plans.

Treasury shares are acquired equity instruments of the Company.

The Group has continued with its share buyback programme during 2025. The £230 million tranche which was underway at the 2024 year-end concluded in February 2025. Once this completed, a further tranche of £270 million, announced in December 2024, began in March 2025 and completed in June 2025.

In February 2025, a further £500 million extension was announced, split into two tranches of £250 million each. The first of these tranches began in June 2025 and was completed in September 2025. The second tranche began in September 2025 and was underway at the year end date.

Once complete, this will take the total value of shares repurchased under the current programme to £2 billion.

During the year ended 31 December 2025, the Group purchased 520 million ordinary shares, representing approximately 10.3% of the issued ordinary share capital at 31 December 2025, at an average price of 159.0 pence per share, and an aggregate cost of £827 million under the share buyback programme. The associated cash outflow is £827 million.

The Group has determined that the terms and conditions of the tranche ongoing at the year end date, mean that, at 31 December 2025, it was unable to cancel the obligation arising under the contract signed. Accordingly, a financial liability of £14 million was recognised at 31 December 2025 representing the difference between purchases paid for to date under the current tranche, and the maximum potential repurchase under the contract of £250 million.

The monthly breakdown of all shares purchased and the average price paid per share (excluding expenses) in relation to the financial liability of £68 million recognised at 31 December 2024 were as follows:

Period	Number of shares purchased under share buyback programme	Average price paid Pence	Total cost £m	Authorised purchases unutilised at month end £m
January 2025	26,826,326	137.9	37	31
February 2025	21,544,046	143.9	31	—
Total	48,370,372	140.6	68	—

The monthly breakdown of all shares purchased and the average price paid per share (excluding expenses) in relation to the £270 million programme which ran from March 2025 to June 2025 were as follows:

Period	Number of shares purchased under share buyback programme	Average price paid Pence	Total cost £m	Authorised purchases unutilised at month end £m
March 2025	29,062,088	148.0	43	227
April 2025	24,639,633	150.2	37	190
May 2025	78,712,497	153.7	121	69
June 2025	43,054,114	160.3	69	—
Total	175,468,332	153.9	270	—

S4. Other equity

The monthly breakdown of all shares purchased and the average price paid per share (excluding expenses) in relation to the £250 million programme which ran from June 2025 to September 2025 were as follows:

Period	Number of shares purchased under share buyback programme	Average price paid Pence	Total cost £m	Authorised purchases unutilised at month end £m
June 2025	27,827,440	165.3	46	204
July 2025	49,444,362	158.2	78	126
August 2025	32,482,724	164.7	54	72
September 2025	45,636,106	158.4	72	—
Total	155,390,632	160.9	250	—

The monthly breakdown of all shares purchased and the average price paid per share (excluding expenses) in relation to the further £250 million programme for the year ended 31 December 2025 were as follows. This includes £3 million relating to shares committed to being purchased at 31 December 2025 but not yet settled.

Period	Number of shares purchased under share buyback programme	Average price paid Pence	Total cost £m	Authorised purchases unutilised at month end £m
September 2025	13,785,920	166.8	23	227
October 2025	39,497,073	173.0	67	160
November 2025	49,899,005	169.8	85	75
December 2025	38,032,439	167.6	64	11
Total	141,214,437	169.2	239	11

S5. Hedge accounting

The Group primarily applies hedge accounting to address interest rate and foreign currency risk on borrowings. For the purposes of hedge accounting, hedges are classified either as fair value hedges or cash flow hedges.

The fair values of derivatives and primary financial instruments in hedge accounting relationships at 31 December were as follows:

31 December	Hedge	2025			2024		
		Assets £m	Liabilities £m	Change in fair value £m	Assets £m	Liabilities £m	Change in fair value £m
Interest rate risk	Fair value	—	(95)	40	—	(134)	(14)
Foreign exchange risk	Cash flow hedge	38	(16)	(5)	32	(6)	(8)

						Change in fair value of hedged item in year £m	Cumulative amount of fair value hedge adjustments on hedged item £m	Accumulated gains/(losses) in equity ⁽ⁱ⁾ £m
2025	Hedge	Timing of nominal amount	Average rate	Nominal value	Hedged item			
Interest rate risk	Fair value	2026-2033	Fixed to floating at Fallback LIBOR/SONIA + 2%-5%	£50 million- £550 million	Bonds ⁽ⁱⁱ⁾	(37)	100	N/A
Foreign exchange risk	Cash flow hedge	2032	GBP to euro at 1.171	€50 million	Euro bonds	(4)	N/A	5
	Cash flow hedge	2036-2038	GBP to yen at 198.86	¥20 billion	Yen bank loans	6	N/A	(22)

2024	Hedge	Timing of nominal amount	Average rate	Nominal value	Hedged item	Change in fair value of hedged item in year £m	Cumulative amount of fair value hedge adjustments on hedged item £m	Accumulated gains/(losses) in equity ⁽ⁱ⁾ £m
Interest rate risk	Fair value	2026-2033	Fixed to floating at Fallback LIBOR/SONIA + 2%-5%	£50 million-£550 million	Bonds ⁽ⁱⁱ⁾	13	136	N/A
Foreign exchange risk	Cash flow hedge	2032	GBP to euro at 1.171	€50 million	Euro bonds	3	N/A	5
	Cash flow hedge	2036-2038	GBP to yen at 192.81	¥20 billion	Yen bank loans	7	N/A	(20)

(i) In the years presented all amounts related to continuing cash flow hedge relationships.

(ii) The carrying amount of bonds designated as hedged items in hedging relationships is disclosed in note 25.

S5. Hedge accounting

The Group's accounting policies in relation to derivatives qualifying for hedge accounting under IAS 39 are described below.

Fair value hedges

A derivative is designated as a hedging instrument and its relationship to a recognised asset or liability is classified as a fair value hedge when it hedges the exposure to changes in the fair value of that recognised asset or liability. The Group's fair value hedges consist of interest rate swaps used to protect against changes in the fair value of fixed-rate, long-term debt due to movements in market interest rates. Any gain or loss from re-measuring the hedging instrument to fair value is recognised immediately in the Group Income Statement in net finance cost. Any gain or loss on the hedged item attributable to the hedged risk is adjusted against the carrying amount of the hedged item and recognised in the Group Income Statement within net finance cost. The Group discontinues fair value hedge accounting if the hedging instrument expires or is sold, terminated or exercised, the hedge no longer qualifies for hedge accounting or the Group revokes the designation. Any adjustment to the carrying amount of a hedged financial instrument for which the effective interest method is used is amortised to the Group Income Statement. Amortisation may begin as soon as an adjustment exists and begins no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

Cash flow hedges

A derivative is classified as a cash flow hedge when it hedges exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset, liability or a highly probable forecast transaction. The Group's cash flow hedges consist primarily of:

- Forward foreign exchange contracts used to protect against the variability of functional currency denominated cash flows associated with non-functional currency denominated highly probable forecast transactions; and
- Cross-currency interest rate swaps and forward foreign exchange contracts used to protect against the variability in cash flows associated with borrowings denominated in non-functional currencies.

The portion of the gain or loss on the hedging instrument which is effective is recognised directly in equity while any ineffectiveness is recognised in the Group Income Statement. The Group does not have any material sources of ineffectiveness. The gains or losses that are initially recognised in the cash flow hedging reserve through other comprehensive income are transferred to the Group Income Statement in the period in which the hedged item affects profit or loss. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, no longer qualifies for hedge accounting or the Group revokes the designation. At that point in time, any cumulative gain or loss on the hedging instrument recognised in equity remains in equity until the hedged transaction occurs. If the transaction is no longer expected to occur, the cumulative gain or loss recognised in equity is recognised in the Group Income Statement. Note S4 details movements in the cash flow hedging reserve.

S6. Fair value of financial instruments

The fair value of a financial instrument is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Group has documented internal policies for determining fair value, including methodologies used to establish valuation adjustments required for credit risk.

(a) Fair value hierarchy

Financial assets and financial liabilities measured and held at fair value are classified into one of three categories, known as hierarchy levels, which are defined according to the inputs used to measure fair value as follows:

- Level 1: fair value is determined using observable inputs that reflect unadjusted quoted market prices for identical assets and liabilities;
- Level 2: fair value is determined using significant inputs that may be directly observable inputs or unobservable inputs that are corroborated by market data; and
- Level 3: fair value is determined using significant unobservable inputs that are not corroborated by market data and may be used with internally developed methodologies that result in management's best estimate of fair value.

31 December	2025				2024			
	Level 1 £m	Level 2 £m	Level 3 £m	Total £m	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Financial assets								
Derivative financial instruments:								
Energy derivatives	—	718	80	798	—	1,252	164	1,416
Foreign exchange derivatives	—	78	—	78	—	160	—	160
Debt instruments	49	—	43	92	73	—	28	101
Equity instruments	10	—	49	59	35	—	56	91
Cash and cash equivalents	—	3,515	—	3,515	—	5,009	—	5,009
Total financial assets at fair value	59	4,311	172	4,542	108	6,421	248	6,777
Financial liabilities								
Derivative financial instruments:								
Energy derivatives	—	(679)	(140)	(819)	—	(1,033)	(131)	(1,164)
Interest rate derivatives	—	(95)	—	(95)	—	(134)	—	(134)
Foreign exchange derivatives	—	(122)	—	(122)	—	(89)	—	(89)
Contingent consideration payable	—	—	(109)	(109)	—	—	(100)	(100)
Total financial liabilities at fair value	—	(896)	(249)	(1,145)	—	(1,256)	(231)	(1,487)

The reconciliation of the Level 3 fair value measurements during the year is as follows:

	2025		2024	
	Financial assets £m	Financial liabilities £m	Financial assets £m	Financial liabilities £m
Level 3 financial instruments				
1 January	248	(231)	217	(395)
Total realised and unrealised (losses)/gains:				
Recognised in Group Income Statement	(26)	(60)	95	45
Recognised in Other Comprehensive Income	(9)	—	(30)	—
Net movement in contingent consideration liability	—	(9)	—	23
Purchase of other investments (note 24)	20	—	53	—
Settlements	(64)	54	(72)	100
Transfers between Level 3 and Level 2 ⁽ⁱ⁾	3	(2)	(15)	(3)
Foreign exchange movements	—	(1)	—	(1)
31 December	172	(249)	248	(231)
Total (losses)/gains for the period for Level 3 financial instruments held at the end of the reporting period	(26)	(60)	95	45

(i) Transfers between levels are deemed to occur at the beginning of the reporting year.

S6. Fair value of financial instruments

(b) Valuation techniques used to derive Level 2 and Level 3 fair values and Group valuation process

Level 2 interest rate derivatives and foreign exchange derivatives comprise interest rate swaps and forward foreign exchange contracts. Interest rate swaps are fair valued using forward interest rates extracted from observable yield curves. Forward foreign exchange contracts are fair valued using forward exchange rates that are quoted in an active market, with the resulting market value discounted back to present value using observable yield curves.

Level 2 energy derivatives are fair valued by comparing and discounting the difference between the expected contractual cash flows for the relevant commodities and the quoted prices for those commodities in an active market. The average discount rate applied to value this type of contract during the year was 4% per annum (2024: average discount rate of 5% per annum).

For Level 3 energy derivatives, the main input used by the Group pertains to deriving expected future commodity prices in markets that are not active as far into the future as some of our contractual terms. This applies to certain contracts within Europe and North America. Fair values are then calculated by comparing and discounting the difference between the expected contractual cash flows and these derived future prices using an average discount rate of 4% (Europe) and 3% (North America) per annum (2024: average discount rate of 5% (Europe) and 5% (North America) per annum).

Active period of markets	Gas	Power	Coal	Emissions	Oil
UK (years)	4	4	3	3	4

Because the Level 3 energy derivative valuations involve the prediction of future commodity market prices, sometimes a long way into the future, reasonably possible alternative assumptions for gas, power, coal, emissions or oil prices may result in a higher or lower fair value for Level 3 financial instruments. The impact of reasonably possible changes in commodity prices on profit and loss are included in note S3. Other than commodity prices, there are no other unobservable inputs which would have a material impact.

It should be noted that the fair values disclosed in the tables above only concern those contracts entered into that are within the scope of IFRS 9. The Group has numerous other commodity contracts that are outside of the scope of IFRS 9 and are not fair valued. The Group's actual exposure to market rates is constantly changing as the Group's portfolio of energy contracts changes.

The Group's valuation process includes specific teams of individuals that perform valuations of the Group's derivatives for financial reporting purposes, including Level 3 valuations. The Group has an independent team that derives future commodity price curves based on available external data and these prices feed into the energy derivative valuations, subject to adjustments, to ensure they are compliant with IFRS 13 'Fair Value Measurement'. The price curves are subject to review and approval by the Group's Executive Committee and valuations of all derivatives, together with other contracts that are not within the scope of IFRS 9, are also reviewed regularly as part of the overall risk management process. The Group adjusts the market value of derivative instruments to account for counterparty credit risk and corresponding possibility of a counterparty default preventing full realisation of the risk-free market value of the derivative. The Group estimates Credit Valuation Adjustments by computing an expected evolution of the market value of a counterpart's derivatives portfolio over the life of the contracts weighted by the probability of a default and an assumption of the market value recoverable in the event of a default. The default probability is calibrated to the price of Credit Default Swaps – a debt instrument reflecting the insurance premium payable to protect against a debtor's default. Debit valuation adjustments are the amount added back to the derivative value to account for the expected gain from the Group's own default and are calculated using a similar methodology with reference to the Group's own probability of default.

Where the fair value at initial recognition for contracts which have significant unobservable inputs and the fair value differs from the transaction price, a day-one gain or loss will arise. These deferred gains are presented net against respective derivative assets and derivative liabilities. Such gains and losses are deferred and amortised to the Group Income Statement based on volumes purchased or delivered over the contractual period until such time as observable market data becomes available (see note S2 for further detail). The amount that has yet to be recognised in the Group Income Statement relating to the differences between the transaction prices and the amounts that would have arisen had valuation techniques used for subsequent measurement been applied at initial recognition, less subsequent releases, is as follows:

	2025 £m	2024 £m
Day-one gains deferred		
1 January	110	142
Net (losses)/gains deferred on transactions in the period	(10)	10
Net amounts recognised in Group Income Statement	(45)	(37)
Exchange differences	3	(5)
31 December	58	110

Level 3 debt and equity financial instruments are measured at fair value in accordance with IFRS 13. These fair value measurements reflect the assumptions that market participants would use when pricing the asset based on an exit price concept. The fair value of investments in debt securities is determined using discounted cash flow techniques. The discount rates are derived from market observable interest rates adjusted by a credit spread applicable to the particular instrument. Unlisted equity instruments are valued using an income approach. The estimated future cash flows, usually based on management forecasts of future economic benefits to be derived from the ownership of these investees, are discounted using rates appropriate to the specific investment, business sector or recent economic rates of return. Recent transactions involving the sale of similar businesses may sometimes be used as a frame of reference in deriving an appropriate multiple.

S7. Fixed-fee service and insurance contracts

This section includes fixed-fee service (FFS) and insurance contract disclosures for services related to British Gas.

FFS non-insurance contracts in the UK are entered into with home services customers by British Gas Services Limited. FFS insurance contracts in the UK are entered into with home services customers by British Gas Insurance Limited, authorised by the PRA and regulated by the FCA and the PRA.

Product offerings include central heating, boiler and controls, plumbing and drains and electrical appliance insurance cover. Insurance contracts normally provide cover for twelve months with the option of renewal.

The contracts that protect policyholders against the risk of breakdowns result in risk transfer to the contract provider. Benefits provided to customers vary in accordance with terms and conditions of the contracts entered into. However, they generally include maintenance, repair and/or replacement of the items affected.

IFRS 17 'Insurance contracts' became effective on 1 January 2023 and replaced the existing insurance standard, IFRS 4. FFS insurance contracts fall within the scope of IFRS 17 where the Group reflects an assessment of the risk associated with an individual customer in setting the price of the contract, this captures materially all the Group's insurance contracts. The Group applies the simplified 'Premium Allocation Approach' to its contracts on the basis that the coverage period of the Group's insurance contracts is not greater than one year.

The levels of risk exposure and service provision to customers under the contract terms depend on the occurrence of uncertain future events, particularly the nature and frequency of faults, and the cost of repair or replacement of the items affected. Accordingly, the timing and the amount of future cash outflows associated with the contracts is uncertain. The Group's insurance contract portfolio is comprised of a large number of contracts with small individual values, and so results in a high volume of claims with relatively low unit cost. The characteristics of the business mean that material concentrations or aggregations of risk are relatively remote. The key terms and conditions that affect future cash flows are as follows:

- Provision of labour and parts for repairs, dependent on the agreement and associated level of service;
- A specified number of safety and maintenance inspections are carried out as set out in the agreement (usually once a year);
- No limit to the number of call-outs to carry out repair work; and
- Limits on certain maintenance and repair costs.

The most significant insurance risk is an extreme weather event for an extended period, which has the propensity to increase claim frequencies. The Group regularly assesses insurance risk sensitivities, the most significant relating to increases in breakdown frequency and increases in the average cost of repair. A reasonably possible increase in either would not have a material impact on the results of the Group.

Revenue is recognised over the life of contracts (usually a twelve-month period) regarding the incidence of risk, in particular the seasonal propensity of claims that span the life of the contract as a result of emergency maintenance being available throughout the contract term. Costs incurred to settle claims represent principally the engineer workforce employed by the Group within home services and the cost of parts utilised in repair or maintenance. Revenue is accounted for over a twelve-month period in accordance with the premium allocation approach required by IFRS 17, with adjustments made to reflect the seasonality of workload over a given year. Claims frequency is sensitive to the reliability of appliances as well as the impact of weather conditions. The contracts are not exposed to any interest rate risk or significant credit risk and do not contain any embedded derivatives.

Weather conditions and the seasonality of repairs both affect the profile of the workload and associated costs incurred across the year.

The risk exposure of these uncertain events is actively managed by undertaking the following risk mitigation activities:

- An initial service visit is provided to customers taking up most central heating contracts and in some instances pre-existing faults may lead to the contract being cancelled and no further cover being provided;
- An annual maintenance inspection is performed as part of most central heating contracts to help identify and prevent issues developing into significant maintenance or breakdown claims; and
- Contract limits are applied to certain types of maintenance and repair work considered to be higher risk in terms of frequency and cost.

Insurance service expenses recognised in cost of sales primarily relate to servicing claims including materials, labour and other costs required to fulfil the claim. Insurance service expenses recognised in operating costs largely relate to overhead expenses including non-engineer labour costs. These expenses are split for compatibility with the broader accounting policy of the Group.

S7. Fixed-fee service and insurance contracts

The following table shows the reconciliation from the opening to the closing balances of the liability for the remaining coverage and the liability for incurred claims for insurance contracts measured under the Premium Allocation Approach.

	2025			2024		
	Liability for remaining coverage £m	Liability of incurred claims £m	Total £m	Liability for remaining coverage £m	Liability of incurred claims £m	Total £m
Year ended 31 December						
1 January	(35)	(140)	(175)	(39)	(126)	(165)
Changes in the Group Income Statement:						
Insurance revenue:						
Contracts measured under the Premium Allocation Approach	799	—	799	800	—	800
Insurance service expenses:						
Incurred claim and other insurance service expenses recognised in cost of sales	—	(474)	(474)	—	(460)	(460)
Incurred claim and other insurance service expenses recognised in operating costs	—	(288)	(288)	—	(306)	(306)
Total insurance service expenses	—	(762)	(762)	—	(766)	(766)
Total changes in the Group Income Statement and insurance service result	799	(762)	37	800	(766)	34
Cash flows:						
Premiums received	(798)	—	(798)	(796)	—	(796)
Claims and other service expenses paid	—	814	814	—	752	752
Total cash flows	(798)	814	16	(796)	752	(44)
31 December	(34)	(88)	(122)	(35)	(140)	(175)

S8. Related party transactions

The Group's principal related parties mainly arise from its investments in joint ventures and associates, and other related entities. The disclosures below, including comparatives, only refer to related parties that were related in the current reporting period, and from the date the party was deemed to be related.

During the year, the Group entered into the following arm's length transactions with related parties who are not members of the Group, and had the following associated balances:

	2025				2024			
	Purchase of goods and services £m	Sale of goods and services £m	Amounts owed to £m	Amounts owed by £m	Purchase of goods and services £m	Sale of goods and services £m	Amounts owed to £m	Amounts owed by £m
31 December								
Associates:								
Lake Acquisitions Limited Group ⁽ⁱ⁾	(549)	—	(46)	—	(772)	—	(52)	—
Sizewell C ⁽ⁱⁱ⁾	—	—	—	343	—	—	—	—
Other	—	6	—	—	—	—	—	—
Joint ventures:								
Isle of Grain ⁽ⁱⁱⁱ⁾	(5)	—	(3)	—	—	—	—	—
	(554)	6	(49)	343	(772)	—	(52)	—

- (i) Purchase of goods and services, and amounts owed to, relate to power purchase agreements with EDF Energy Nuclear Generation Limited, a subsidiary of Lake Acquisitions Limited. The Group had also committed facilities to the Lake Acquisitions Limited Group totalling £40 million (2024: £40 million), although nothing has been drawn at 31 December 2025.
- (ii) Amounts owed by Sizewell C (Holding) Limited relate to shareholder loans outstanding at the balance sheet date, including £5 million of interest accrued. The Group has committed to invest a further £902 million, comprising £812 million of shareholder loans and £90 million of equity injections. These amounts are disclosed as commitments, see note 23. Loans made to Sizewell C (Holding) Limited bear interest at 9% and are treated as part of the Group's investment in the associate.
- (iii) Purchase of goods and services, and amounts owed to, relate to payments for LNG capacity at the Isle of Grain LNG terminal. These transactions are conducted on an arm's length basis with a subsidiary of Garden Topco Limited, Grain LNG Limited, which became a related party during the year. At the balance sheet date the Group has £243 million of contracted LNG capacity commitments to Grain LNG Limited, see note 23.

Remuneration of key management personnel

Year ended 31 December	2025 £m	2024 £m
Short-term benefits	5.4	5.3
Post-employment benefits	0.3	0.2
Share-based payments	4.0	4.0
	9.7	9.5

Key management personnel comprise members of the Board and Executive Committee, a total of 15 individuals at 31 December 2025 (2024: 13).

Remuneration of the Directors of Centrica plc

Year ended 31 December	2025 £m	2024 £m
Total emoluments ⁽ⁱ⁾	4.9	4.8
Amounts receivable under long-term incentive schemes	3.4	2.0
Contributions into pension schemes	0.2	0.1
	8.5	6.9

- (i) These emoluments were paid for services performed on behalf of the Group. No emoluments related specifically to services performed for the Company.

Directors' interests in shares are given in the Remuneration Report on pages 86 to 107.

S9. Auditor's remuneration

Year ended 31 December	2025 £m	2024 £m
Fees payable to the Company's auditor for:		
Audit of the Company's individual and consolidated Financial Statements	5.8	5.5
Audit of the Company's subsidiaries	2.2	2.4
Total fees related to the audit of the parent and subsidiary entities	8.0	7.9
Fees payable to the Company's auditor and its associates for other services:		
Audit-related assurance services ⁽ⁱ⁾	0.9	0.8
Total fees	8.9	8.7
Fees in respect of pension scheme audits ⁽ⁱⁱ⁾	0.2	0.2

- (i) Predominantly relates to the review of the condensed interim Financial Statements.
- (ii) The pension scheme audit continues to be performed by PricewaterhouseCoopers LLP.

S10. Related undertakings

The Group has a large number of related undertakings principally in the UK, US, Canada and EU. These are listed below.

(a) Subsidiary undertakings**Investments held directly by Centrica plc with 100% voting rights**

31 December 2025	Principal activity	Country of incorporation/ registered address key ⁽ⁱ⁾		Class of shares held
Centrica Beta Holdings Limited ⁽ⁱⁱ⁾	Holding company	United Kingdom	A	Ordinary shares
Centrica Ireland Holdings Limited	Holding company	Republic of Ireland	B	Ordinary shares

Investments held indirectly by Centrica plc with 100% voting rights

31 December 2025	Principal activity	Country of incorporation/ registered address key ⁽ⁱ⁾		Class of shares held
Accord Energy Ukraine Holdings ApS ⁽ⁱⁱⁱ⁾	Holding company	Denmark	L	Ordinary shares
Accord Energy Ukraine LLC ⁽ⁱⁱⁱ⁾	Energy services and wholesale energy trading	Ukraine	AJ	Ordinary shares
Ardar Holdings Limited ⁽ⁱⁱⁱ⁾	Holding company	Republic of Ireland	B	Ordinary shares
Ardar Limited ⁽ⁱⁱⁱ⁾	Professional referrals and scheduling	Republic of Ireland	B	Ordinary shares
Ardar Technology Limited ⁽ⁱⁱⁱ⁾	Intellectual property company	Republic of Ireland	B	Ordinary shares
Astrum Solar, Inc.	Home and/or commercial services	United States	C	Ordinary shares
Bord Gáis Energy Limited	Energy supply and power generation	Republic of Ireland	B	Ordinary shares
Bord Gáis Energy Trustees DAC	Pension trustee company	Republic of Ireland	B	Ordinary shares
British Gas Finance Limited	Vehicle leasing	United Kingdom	A	Ordinary shares
British Gas Insurance Limited	Insurance provision	United Kingdom	A	Ordinary shares
British Gas Limited	Energy supply	United Kingdom	A	Ordinary shares
British Gas New Heating Limited	Electrical and gas installations	United Kingdom	A	Ordinary shares
British Gas Services (Commercial) Limited ⁽ⁱⁱ⁾	Non-trading	United Kingdom	A	Ordinary shares
British Gas Services Limited	Home services	United Kingdom	A	Ordinary shares
British Gas Social Housing Limited	Servicing and installation of heating systems	United Kingdom	A	Ordinary shares
British Gas Trading Limited	Energy supply	United Kingdom	A	Ordinary shares
Caythorpe Gas Storage Limited	Non-trading	United Kingdom	D	Ordinary shares
CBS Energy Assets Belgium B.V.	Construction and operation of battery storage	Belgium	E	Ordinary shares
CBS Energy Storage Assets UK Limited	Construction and operation of battery storage	United Kingdom	A	Ordinary shares
CBS Services Holdings Limited ⁽ⁱⁱ⁾	Holding company	United Kingdom	A	Ordinary shares
CBS Solar Assets UK Limited	Power generation	United Kingdom	A	Ordinary shares
Centrica Barry Limited	Power generation	United Kingdom	A	Ordinary shares
Centrica Business Holdings Inc.	Holding company	United States	C	Ordinary shares
Centrica Business Solutions (Generation) Limited	Power generation	United Kingdom	A	Ordinary shares
Centrica Business Solutions B.V. ^(iv)	Energy management products and services	Netherlands	F	Ordinary shares
Centrica Business Solutions Belgium NV	Demand response aggregation	Belgium	E	Ordinary shares
Centrica Business Solutions Canada Inc.	Holding company	Canada	G	Ordinary shares
Centrica Business Solutions Deutschland GmbH	Demand response aggregation	Germany	H	Ordinary shares
Centrica Business Solutions France SAS	Demand response aggregation	France	I	Ordinary shares
Centrica Business Solutions Ireland Limited	Energy management products and services	Republic of Ireland	B	Ordinary shares
Centrica Business Solutions Italia Srl ^(iv)	Energy management products and services	Italy	J	Ordinary shares
Centrica Business Solutions Management Limited ⁽ⁱⁱ⁾	Holding company	United Kingdom	A	Ordinary shares
Centrica Business Solutions Services, Inc.	Energy management products and services	United States	C	Ordinary shares
Centrica Business Solutions UK Limited	Energy management products and services	United Kingdom	A	Ordinary shares

S10. Related undertakings

31 December 2025	Principal activity	Country of incorporation/ registered address key ⁽ⁱ⁾		Class of shares held
Centrica Business Solutions UK Optimisation Limited	Demand response aggregation	United Kingdom	A	Ordinary shares
Centrica Business Solutions US, Inc.	Energy management products and services	United States	C	Ordinary shares
Centrica Combined Common Investment Fund Limited	Dormant	United Kingdom	A	Ordinary shares
Centrica Directors Limited	Dormant	United Kingdom	A	Ordinary shares
Centrica Distributed Generation Limited	Power generation	United Kingdom	A	Ordinary shares
Centrica Energy Assets Holdings Limited	Holding company	United Kingdom	A	Ordinary shares
Centrica Energy Investments Limited ^{(ii) (v)}	Holding company	United Kingdom	A	Ordinary shares
Centrica Energy Limited	Wholesale energy trading	United Kingdom	A	Ordinary shares
Centrica Energy, LLC	Energy services and wholesale energy trading	United States	K	Membership interest
Centrica Energy Marketing Limited	Wholesale energy trading	United Kingdom	A	Ordinary shares
Centrica Energy Pty Ltd ⁽ⁱⁱⁱ⁾	Business services	Australia	AK	Ordinary shares
Centrica Energy Storage Limited	Gas production and processing	United Kingdom	D	Ordinary shares
Centrica Energy Trading A/S	Energy services and wholesale energy trading	Denmark	L	Ordinary shares
Centrica Energy Trading GmbH	Energy services and wholesale energy trading	Germany	M	Ordinary shares
Centrica Energy Trading, LLC	Energy services and wholesale energy trading	United States	K	Membership interest
Centrica Energy Trading Pte. Ltd	Energy services and wholesale energy trading	Singapore	N	Ordinary shares
Centrica Energy Trading Srl ⁽ⁱⁱⁱ⁾	Business services	Italy	AL	Ordinary shares
Centrica Engineers Pension Trustees Limited	Dormant	United Kingdom	A	Ordinary shares
Centrica Finance (Scotland) Limited ⁽ⁱⁱ⁾	Holding company	United Kingdom	O	Ordinary shares
Centrica Finance Norway Limited	Dormant	Jersey	P	Ordinary shares
Centrica Gamma Holdings Limited ⁽ⁱⁱ⁾	Holding company	United Kingdom	A	Ordinary shares
Centrica Hive Limited	Energy management products and services	United Kingdom	A	Ordinary shares
Centrica Holdings Limited ⁽ⁱⁱ⁾	Holding company	United Kingdom	A	Ordinary shares
Centrica India Offshore Private Limited	Business services	India	Q	Ordinary shares
Centrica Innovations UK Limited ⁽ⁱⁱ⁾	Investment company	United Kingdom	A	Ordinary shares
Centrica Innovations US, Inc.	Investment company	United States	C	Ordinary shares
Centrica Insurance Company Limited	Insurance provision	Isle of Man	R	Ordinary and preference shares
Centrica Lake Limited ⁽ⁱⁱ⁾	Holding company	United Kingdom	A	Ordinary shares
Centrica LNG Company Limited	LNG trading	United Kingdom	A	Ordinary shares
Centrica LNG UK Limited	LNG trading	United Kingdom	A	Ordinary shares
Centrica Nederland B.V.	Holding company	Netherlands	F	Ordinary shares
Centrica Nigeria Limited ⁽ⁱⁱ⁾	Holding company	United Kingdom	A	Ordinary shares
Centrica Offshore Investments Limited ⁽ⁱⁱ⁾	Non-trading	United Kingdom	D	Ordinary shares
Centrica Offshore UK Limited	Gas production	United Kingdom	D	Ordinary shares
Centrica Overseas Holdings Limited ⁽ⁱⁱ⁾	Holding company	United Kingdom	A	Ordinary shares
Centrica Pension Plan Trustees Limited	Dormant	United Kingdom	A	Limited by guarantee
Centrica Pension Trustees Limited	Dormant	United Kingdom	A	Ordinary shares
Centrica Production Limited	In liquidation	United Kingdom	O	Ordinary shares
Centrica Resources (Nigeria) Limited	Non-trading	Nigeria	S	Ordinary shares
Centrica River Limited ^{(ii) (iii)}	Holding company	United Kingdom	A	Ordinary shares
Centrica Secretaries Limited	Dormant	United Kingdom	A	Ordinary shares
Centrica Services Limited	Business services	United Kingdom	A	Ordinary shares
Centrica Smart Meter Assets Limited	Metering assets and services	United Kingdom	A	Ordinary shares
Centrica Storage Holdings Limited ⁽ⁱⁱ⁾	Holding company	United Kingdom	D	Ordinary shares
Centrica Supply Chain Limited	Non-trading	United Kingdom	A	Ordinary shares
Centrica Trading Limited	Dormant	United Kingdom	A	Ordinary shares
Centrica Trinidad and Tobago Limited	Business services	Trinidad and Tobago	T	Ordinary shares

S10. Related undertakings

31 December 2025	Principal activity	Country of incorporation/ registered address key ⁽ⁱ⁾		Class of shares held
Centrica Trust (No.1) Limited ⁽ⁱⁱ⁾	Healthcare trust	United Kingdom	A	Ordinary shares
CP Energy Storage Assets Sweden 1 AB	Construction of battery storage	Sweden	U	Ordinary shares
CP Energy Storage Assets Sweden 2 AB	Construction of battery storage	Sweden	U	Ordinary shares
DEML Investments Limited	Holding company	Canada	G	Ordinary shares
DER Development No. 10 Ltd.	Holding company	Canada	G	Ordinary shares
Distributed Energy Customer Solutions Limited	Energy management products and services	United Kingdom	A	Ordinary shares
Dyno-Rod Limited	Operation of a franchise network	United Kingdom	A	Ordinary shares
ECL Contracts Limited	Dormant	United Kingdom	A	Ordinary shares
ECL Investments Limited	Dormant	United Kingdom	A	Ordinary shares
ENER-G Rudox, LLC	Energy management products and services	United States	C	Membership interest
Energy For Tomorrow ⁽ⁱⁱ⁾	Not-for-profit energy services	United Kingdom	A	Limited by guarantee
Ensek Holdings Limited ⁽ⁱⁱ⁾	Holding company	United Kingdom	V	Ordinary shares
Ensek Limited	Information technology consultancy activities	United Kingdom	V	Ordinary shares
GB Gas Holdings Limited	Holding company	United Kingdom	A	Ordinary shares
Generation Green Solar Limited	Dormant community benefit society	United Kingdom	A	Ordinary shares
GF One Limited ^(vi)	In liquidation	United Kingdom	W	Ordinary shares
GF Two Limited ^(vi)	In liquidation	United Kingdom	W	Ordinary shares
Greener Ideas Limited ^(vii)	Development of flexible power generation sites	Republic of Ireland	B	Ordinary shares
Intelligen Limited	Dormant	United Kingdom	V	Ordinary shares
Leicestershire Solar 1 Limited	Construction of solar asset	United Kingdom	A	Ordinary shares
Neas Energy Limited	Energy services and wholesale energy trading	United Kingdom	A	Ordinary shares
Neas Invest A/S	Dormant	Denmark	L	Ordinary shares
P.H Jones Group Limited ⁽ⁱⁱ⁾	Holding company	United Kingdom	A	Ordinary shares
Pioneer Shipping Limited	LNG vessel chartering	United Kingdom	A	Ordinary shares
Rolleston 2 Solar Farm Limited	Construction of solar asset	United Kingdom	A	Ordinary shares
SN12 6EF Limited	Power generation	United Kingdom	A	Ordinary shares
South Energy Investments, LLC	Power generation	United States	C	Membership interest
Vista Solar, Inc.	Energy management products and services	United States	C	Ordinary shares

S10. Related undertakings**Investments held indirectly by Centrica plc with 69% voting rights**

31 December 2025	Principal activity	Country of incorporation/ registered address key ⁽ⁱ⁾		Class of shares held
Bowland Resources (No.2) Limited	Decommissioning of exploration and production assets	United Kingdom	A	Ordinary shares
Bowland Resources Limited	Decommissioning of exploration and production assets	United Kingdom	A	Ordinary shares
Elswick Energy Limited	Decommissioning of exploration and production assets	United Kingdom	A	Ordinary shares
Spirit Energy Limited	Holding company	United Kingdom	A	Ordinary and deferred shares
Spirit Energy Nederland B.V.	Gas and/or liquid exploration and production	Netherlands	X	Ordinary shares
Spirit Energy North Sea Limited	Gas and/or liquid exploration and production	United Kingdom	A	Ordinary shares
Spirit Energy North Sea Oil Limited	Gas and/or liquid exploration and production	United Kingdom	Y	Ordinary shares
Spirit Energy Norway AS	Non-trading	Norway	Z	Ordinary shares
Spirit Energy Production UK Limited	Gas and/or liquid exploration and production	United Kingdom	A	Ordinary shares
Spirit Energy Resources Limited	Gas and/or liquid exploration and production	United Kingdom	A	Ordinary shares
Spirit Energy Southern North Sea Limited	Gas and/or liquid exploration and production	United Kingdom	A	Ordinary shares
Spirit Energy Treasury Limited	Finance company	United Kingdom	A	Ordinary shares
Spirit Europe Limited	Holding company	United Kingdom	A	Ordinary shares
Spirit Infrastructure B.V.	Non-trading	Netherlands	X	Ordinary shares
Spirit North Sea Gas Limited	Gas and/or liquid exploration and production	United Kingdom	Y	Ordinary shares
Spirit Norway Holdings AS	Holding company	Norway	Z	Ordinary shares
Spirit Norway Limited	Holding company	United Kingdom	A	Ordinary shares
Spirit Production (Services) Limited	Business services	United Kingdom	Y	Ordinary shares
Spirit Resources (Armada) Limited	Decommissioning of exploration and production assets	United Kingdom	A	Ordinary shares

(i) For list of registered addresses, refer to note S10(d).

(ii) Companies where Centrica plc has provided guarantees under section 479C of the Companies Act 2006 over the liabilities of these entities. They are, therefore, exempt from audit under the requirements of sections 479A-C of the Companies Act 2006.

(iii) Incorporated or acquired in 2025.

(iv) Sold in February 2026.

(v) Entity changed its name during the year from Centrica Hydrogen Innovations Limited to Centrica Energy Investments Limited.

(vi) GF One Limited and GF Two Limited are 75% indirectly owned by Centrica plc.

(vii) Greener Ideas Limited is 80% indirectly owned by Centrica plc.

S10. Related undertakings

(b) Subsidiary undertakings – partnerships held indirectly by Centrica plc with 100% voting rights

31 December 2025	Principal activity	Country of incorporation/ registered address key ⁽ⁱ⁾		Class of shares held
CF 2016 LLP ⁽ⁱⁱ⁾	Group financing	United Kingdom	A	Membership interest
CFCEPS LLP ⁽ⁱⁱ⁾	Group financing	United Kingdom	A	Membership interest
Direct Energy Resources Partnership	Holding entity	Canada	G	Membership interest
Finance Scotland 2016 Limited Partnership	Group financing	United Kingdom	O	Membership interest
Finance Scotland CEPS Limited Partnership	Group financing	United Kingdom	O	Membership interest

(i) For list of registered addresses, refer to note S10(d).

(ii) Companies where Centrica plc has provided guarantees under section 479C of the Companies Act 2006 over the liabilities of these entities. They are, therefore, exempt from audit under the requirements of sections 479A-C of the Companies Act 2006.

The following partnerships are fully consolidated into the Group Financial Statements and the Group has taken advantage of the exemption (as confirmed by regulation 7 of the Partnerships (Accounts) Regulations 2008) not to prepare or file separate accounts for these entities:

- Finance Scotland 2016 Limited Partnership; and
- Finance Scotland CEPS Limited Partnership.

(c) Joint arrangements and associates

31 December 2025	Principal activity	Country of incorporation/ registered address key ⁽ⁱ⁾		Class of shares held	Indirect interest and voting rights
Joint ventures ⁽ⁱⁱ⁾					
Allegheny Solar 1, LLC	Energy supply and/or services	United States	AA	Membership interest	40.0%
EDPRNA DG Centrica MT, LLC ⁽ⁱⁱⁱ⁾	Energy supply and/or services	United States	AB	Membership interest	50.0%
Eurowind Polska VI Sp z.o.o.	Operation of an onshore windfarm	Poland	AC	Ordinary shares	50.0%
Garden Topco Limited ^(iv)	Holding company	United Kingdom	AI	Ordinary shares	50.0%
Three Rivers Solar 1, LLC	Energy supply and/or services	United States	AA	Membership interest	40.0%
Three Rivers Solar 2, LLC	Energy supply and/or services	United States	AA	Membership interest	40.0%
Three Rivers Solar 3, LLC	Energy supply and/or services	United States	AA	Membership interest	40.0%
Vindpark Keblowo ApS	Holding company	Denmark	AD	Ordinary shares	50.0%
Associates ⁽ⁱⁱ⁾					
Gasrec Limited ^(iv)	Manufacture of gas	United Kingdom	AO	Ordinary shares	16.4%
Grid Edge Limited ^(iv)	Business and domestic software development	United Kingdom	AM	Ordinary shares	37.8%
Kestrel Energy Storage DAC	Offshore gas storage development	Republic of Ireland	AF	Ordinary shares	33.3%
Lake Acquisitions Limited	Holding company	United Kingdom	AG	Ordinary shares	20.0%
Sizewell C (Holding) Limited ^(iv)	Holding company	United Kingdom	AN	Ordinary shares	15.0%
Tickd Limited	Trade of electricity	United Kingdom	AH	Ordinary shares	20.0%
Young Energy Holding Company Limited	Offshore windfarm development	Republic of Ireland	AE	Ordinary shares	30.0%

(i) For list of registered addresses, refer to note S10(d).

(ii) Further information on the principal joint ventures and associate investments held by the Group is disclosed in notes 6 and 14.

(iii) Entity changed its name during the year from C2 Centrica MT, LLC to EDPRNA DG Centrica MT, LLC.

(iv) Incorporated or acquired in 2025.

All Group companies principally operate within their country of incorporation unless noted otherwise.

S10. Related undertakings**(d) List of registered addresses**

Registered address key	Address
A	Millstream, Maidenhead Road, Windsor, SL4 5GD, United Kingdom
B	1 Warrington Place, Dublin 2, Republic of Ireland
C	2111 Ellsworth Boulevard, Malta NY 12020, United States
D	Woodland House, Woodland Park, Hessle, HU13 0FA, United Kingdom
E	Roderveldlaan 2 bus 2, 2600 Antwerp, Belgium
F	Wiegerbruinlaan 2A, 1422 CB Uithoorn, Netherlands
G	Suite 2400, 745 Thurlow Street, Vancouver BC V6E 0C5, Canada
H	Neuer Wall 10, 20354 Hamburg, Germany
I	60 Avenue Charles de Gaulle, Cs 60016, 92573, Neuilly sur Seine Cedex, France
J	Milan (MI), Via Emilio Cornalia 26, Italy
K	c/o Corporate Creations Network Inc., 1521 Concord Pike Suite 201, Wilmington, DE19803, United States
L	Skelagervej 1, 9000 Aalborg, Denmark
M	Esplanade 40, 20354 Hamburg, Germany
N	220 Orchard Road, #05-01 Midpoint Orchard, Singapore 238852, Republic of Singapore
O	1 Waterfront Avenue, Edinburgh, Scotland EH5 1SG, United Kingdom
P	47 Esplanade, St Helier, JE1 0BD, Jersey, Channel Islands
Q	G-74, LGF, Kalkaji, New Delhi, South Delhi, 110019, India
R	3rd floor, St George's Court, Upper Church Street, Douglas, IM1 1EE, Isle of Man
S	Sterling Towers, 20 Marina, Lagos, Nigeria
T	48-50 Sackville Street, Port of Spain, Trinidad and Tobago
U	Box 16285, 103 25 Stockholm, Sweden
V	Hounds Gate, 30-34 Hounds Gate, Nottingham, NG1 7AB, United Kingdom
W	1 More London Place, London, SE1 2AF, United Kingdom
X	Transpolis Building, Polarisavenue 39, 2132 JH Hoofddorp, Netherlands
Y	5th floor, IQ Building, 15 Justice Mill Lane, Aberdeen, AB11 6EQ, United Kingdom
Z	c/o Advokatfirmaet Schjødt AS Kongsgårdbakken 3, Stavanger, Rogaland 4005, Norway
AA	1209 Orange Street, Wilmington, New Castle County, DE 19801, United States
AB	Corporation Service Company, 251 Little Falls Drive, Wilmington DE 19808, United States
AC	Ul. Wysogotowska 23, 62-081 Przewmierowo, Wielkopolskie, Poland
AD	Mariagervej 58B, DK 9500 Hobro, Denmark
AE	Block 1, Harcourt Centre, Harcourt Street, Dublin 2, DO2 YA40, Republic of Ireland
AF	1 Stokes Place, St Stephen's Green, Dublin, Republic of Ireland
AG	Nova North, 11 Bressenden Place, London, SW1E 5BY, United Kingdom ®
AH	4th Floor, Regent House, 50 Frederick Street, Birmingham, B1 3HR, United Kingdom
AI	Grain Road, Rochester, Kent, ME3 0AB, United Kingdom
AJ	Lavrska Street 20, 01601 Kyiv, Ukraine
AK	Level 5, 60 Martin Place, 2000 Sydney NSW, Australia
AL	Viale Monte Santo 1/3, 20124 Milano, Italy
AM	3 Waterfront Business Park, Dudley Road, Brierley Hill, West Midlands, DY5 1LX, United Kingdom
AN	25 Copthall Avenue, London, EC2R 7BP, United Kingdom
AO	C/O Ampa Holdings LLP Level 19, The Shard, 32 London Bridge Street, London, SE1 9SG, United Kingdom

(i) Lake Acquisitions Limited changed its registered address during the year from 90 Whitfield Street, London, W1T 4EZ, United Kingdom to the address listed above.

S10. Related undertakings

(e) Summarised financial information

Management has determined that the investments in Lake Acquisitions Limited, Garden Topco Limited and Sizewell C (Holding) Limited are sufficiently material to warrant further disclosure on an individual basis. Accordingly, the Group presents summarised financial information, along with reconciliations to the amounts included in the consolidated Group Financial Statements, for these investees.

Lake Acquisitions Limited

Summarised statement of total comprehensive income

	2025				2024			
	Associate information reported to Group £m	Unadjusted 20% share £m	Fair value and other adjustments £m	Group share £m	Associate information reported to Group £m	Unadjusted 20% share £m	Fair value and other adjustments £m	Group share £m
Year ended 31 December								
Revenue	2,913	583	—	583	4,040	808	—	808
Operating profit/(loss) before interest and tax	1,237	247	(17)	230	2,148	430	(56)	374
Profit/(loss) for the year	896	179	(11)	168	1,494	299	(43)	256
Other comprehensive income	20	4	—	4	189	38	—	38
Total comprehensive income/(loss)	916	183	(11)	172	1,683	337	(43)	294

Summarised balance sheet

	2025				2024			
	Associate information reported to Group £m	Unadjusted 20% share £m	Fair value and other adjustments ⁽ⁱ⁾ £m	Group share £m	Associate information reported to Group £m	Unadjusted 20% share £m	Fair value and other adjustments ⁽ⁱ⁾ £m	Group share £m
31 December								
Non-current assets	17,793	3,559	562	4,121	18,201	3,640	638	4,278
Current assets	3,642	728	—	728	3,791	758	—	758
Current liabilities	(2,399)	(480)	—	(480)	(1,526)	(305)	—	(305)
Non-current liabilities	(12,036)	(2,407)	(39)	(2,446)	(13,710)	(2,742)	(101)	(2,843)
Net assets	7,000	1,400	523	1,923	6,756	1,351	537	1,888

(i) Before cumulative impairments of £1,345 million (2024: £1,094 million) of the Group's associate investment.

During the year, dividends of £135 million (2024: £355 million) were paid by the associate to the Group.

Garden Topco Limited

Summarised statement of total comprehensive income

	2025				2024			
	Joint venture information reported to Group £m	Unadjusted 50% share £m	Fair value and other adjustments £m	Group share £m	Joint venture information reported to Group £m	Unadjusted 50% share £m	Fair value and other adjustments £m	Group share £m
Year ended 31 December								
Revenue	23	11	—	11	—	—	—	—
Operating loss before interest and tax	(21)	(10)	(2)	(12)	—	—	—	—
Loss for the year	(27)	(13)	(2)	(15)	—	—	—	—
Other comprehensive income	—	—	(8)	(8)	—	—	—	—
Total comprehensive loss	(27)	(13)	(10)	(23)	—	—	—	—

Summarised balance sheet

	2025				2024			
	Joint venture information reported to Group £m	Unadjusted 50% share £m	Fair value and other adjustments £m	Group share £m	Joint venture information reported to Group £m	Unadjusted 50% share £m	Fair value and other adjustments £m	Group share £m
31 December								
Non-current assets	1,730	865	(2)	863	—	—	—	—
Current assets	223	111	—	111	—	—	—	—
Current liabilities	(288)	(144)	—	(144)	—	—	—	—
Non-current liabilities	(1,275)	(637)	(8)	(645)	—	—	—	—
Net assets/(liabilities)	390	195	(10)	185	—	—	—	—

S10. Related undertakings

Sizewell C (Holding) Limited

Summarised statement of total comprehensive income

	2025				2024			
	Associate information reported to Group £m	Unadjusted 15% share £m	Fair value and other adjustments £m	Group share £m	Associate information reported to Group £m	Unadjusted 15% share £m	Fair value and other adjustments £m	Group share £m
Year ended 31 December								
Revenue	—	—	—	—	—	—	—	—
Operating loss before interest and tax	(1)	—	—	—	—	—	—	—
Loss for the year	(3)	—	—	—	—	—	—	—
Other comprehensive income	—	—	—	—	—	—	—	—
Total comprehensive loss	(3)	—	—	—	—	—	—	—

Summarised balance sheet

	2025				2024			
	Associate information reported to Group £m	Unadjusted 15% share £m	Fair value and other adjustments £m	Group share £m	Associate information reported to Group £m	Unadjusted 15% share £m	Fair value and other adjustments £m	Group share £m
31 December								
Non-current assets	7,357	1,104	—	1,104	—	—	—	—
Current assets	1,699	255	11	266	—	—	—	—
Current liabilities	(752)	(113)	—	(113)	—	—	—	—
Non-current liabilities	(8,054)	(1,208)	—	(1,208)	—	—	—	—
Net assets	250	38	11	49	—	—	—	—

Joint operations - fields/assets

31 December 2025

	Location	Percentage holding
Cygnus ⁽ⁱ⁾	UK North Sea	15%

(i) During the year, the holding in Cygnus was reduced from 61.25% to 15%. The remaining 15% was classified as held for sale at the year end date. See notes 3 and 12 for more information.

S11. Non-controlling interests

The Group has one subsidiary undertaking with a material non-controlling interest: Spirit Energy Limited, through which the Group carries out the majority of its exploration and production activities.

	2025					2024				
	Non-controlling interests %	Profit for the year £m	Total comprehensive income £m	Total equity £m	Distributions to non-controlling interests £m	Non-controlling interests %	Profit for the year £m	Total comprehensive income £m	Total equity £m	Distributions to non-controlling interests £m
Year ended 31 December										
Spirit Energy Limited	31	21	21	411	—	31	33	34	390	—

Summarised financial information

The summarised financial information disclosed is shown on a 100% basis. It represents the consolidated position of Spirit Energy Limited and its subsidiaries that would be shown in its consolidated financial statements prepared in accordance with IFRS under Group accounting policies before intercompany eliminations.

Summarised statement of total comprehensive income

Year ended 31 December	2025 £m	2024 £m
Revenue	763	1,140
Profit for the year	67	106
Other comprehensive income	2	3
Total comprehensive income	69	109

Summarised balance sheet

31 December	2025 £m	2024 £m
Non-current assets	584	992
Current assets	2,022	1,980
Assets of disposal groups classified as held for sale	172	—
Current liabilities	(376)	(557)
Liabilities of disposal groups classified as held for sale	(157)	—
Non-current liabilities	(920)	(1,158)
Net assets	1,325	1,257

Summarised cash flow

Year ended 31 December	2025 £m	2024 £m
Net (decrease)/increase in cash and cash equivalents	(8)	5

Company Statement of Changes in Equity

	Share capital £m	Share premium £m	Retained earnings £m	Other equity (note 11) £m	Total equity £m
1 January 2024	365	2,394	5,317	(830)	7,246
Profit for the year ⁽ⁱ⁾	—	—	185	—	185
Other comprehensive income	—	—	—	5	5
Total comprehensive income	—	—	185	5	190
Employee share schemes and other share transactions ⁽ⁱⁱ⁾	—	—	(8)	43	35
Share buyback programme ⁽ⁱⁱⁱ⁾	—	—	—	(480)	(480)
Shares cancelled in the period ⁽ⁱⁱⁱ⁾	(21)	—	(400)	421	—
Dividends paid to equity holders	—	—	(219)	—	(219)
31 December 2024	344	2,394	4,875	(841)	6,772
Profit for the year ⁽ⁱ⁾	—	—	2,346	—	2,346
Other comprehensive loss	—	—	—	(33)	(33)
Total comprehensive income/(loss)	—	—	2,346	(33)	2,313
Employee share schemes and other share transactions ⁽ⁱⁱ⁾	—	—	(12)	66	54
Share buyback programme ⁽ⁱⁱⁱ⁾	—	—	—	(770)	(770)
Shares cancelled in the period ⁽ⁱⁱⁱ⁾	(31)	—	(681)	712	—
Dividends paid to equity holders	—	—	(237)	—	(237)
31 December 2025	313	2,394	6,291	(866)	8,132

(i) Includes intercompany dividend income of £2,236 million (2024: £nil).

(ii) Includes taxation on employee share schemes and other share transactions attributable to the Company only.

(iii) See notes 26 and S4 of the Group consolidated Financial Statements for further details of the share buyback programme and share cancellations.

As permitted by Section 408(3) of the Companies Act 2006 no Income Statement or Statement of Comprehensive Income is presented.

Details of the interim and final dividends are provided in notes 11 and 27 to the Group consolidated Financial Statements.

Details of the Company's share capital are provided in the Group Statement of Changes in Equity and note 26 to the Group consolidated Financial Statements.

The notes on pages 237 to 244 form part of these Financial Statements, along with note 26 to the Group consolidated Financial Statements.

Company Balance Sheet

31 December	Notes	2025 £m	2024 £m
Non-current assets			
Property, plant and equipment	IV	12	9
Investments	V	150	121
Deferred tax assets	XII	11	—
Trade and other receivables	VI	14,381	15,288
Derivative financial instruments	VII	52	103
Retirement benefit assets	XIV	16	42
Securities	IX	59	108
		14,681	15,671
Current assets			
Trade and other receivables	VI	166	483
Derivative financial instruments	VII	132	140
Cash and cash equivalents		3,975	5,498
		4,273	6,121
Total assets		18,954	21,792
Current liabilities			
Derivative financial instruments	VII	(130)	(147)
Trade and other payables	XI	(8,041)	(11,543)
Provisions for other liabilities		(2)	—
Bank overdrafts, loans and other borrowings	XIII	(122)	(694)
		(8,295)	(12,384)
Non-current liabilities			
Deferred tax liabilities	XII	(3)	(1)
Derivative financial instruments	VII	(127)	(204)
Provisions for other liabilities		(1)	(1)
Retirement benefit obligations	XIV	(53)	(48)
Bank loans and other borrowings	XIII	(2,343)	(2,382)
		(2,527)	(2,636)
Total liabilities		(10,822)	(15,020)
Net assets		8,132	6,772
Share capital		313	344
Share premium		2,394	2,394
Retained earnings ⁽ⁱ⁾		6,291	4,875
Other equity	II	(866)	(841)
Total shareholders' equity		8,132	6,772

(i) Retained earnings includes a net profit after taxation of £2,346 million (2024: £185 million) which includes intercompany dividend income of £2,236 million (2024: £nil).

The Financial Statements on pages 235 to 244, of which the notes on pages 237 to 244 form part, along with note 26 to the Group consolidated Financial Statements, were approved and authorised for issue by the Board of Directors on 18 February 2026 and were signed on its behalf by:

Chris O'Shea
Group Chief Executive

Russell O'Brien
Group Chief Financial Officer

Centrica plc Registered No: 03033654

Notes to the Company Financial Statements

I. GENERAL INFORMATION AND MATERIAL ACCOUNTING POLICIES OF THE COMPANY

General information

The Company is a public company limited by shares, incorporated and domiciled in the UK, and registered in England and Wales. The registered office is Millstream, Maidenhead Road, Windsor, Berkshire, SL4 5GD.

The Company's principal activity is to act as an investment holding company that provides both management and treasury services to its subsidiaries.

(a) Basis of preparation

The separate financial statements of the Company are presented as required by the Companies Act 2006. The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements are prepared in accordance with FRS 101 'Reduced Disclosure Framework'.

The Company Financial Statements are presented in pounds sterling which is the functional currency of the Company.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard in relation to share-based payment, financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, disclosure requirements relating to compensation of key management personnel, disclosure relating to prior year share capital reconciliation, standards not yet effective, and certain related party transactions. Where required, equivalent disclosures are given in the Group consolidated Financial Statements. The principal accounting policies adopted are the same as those set out in note S2 to the Group consolidated Financial Statements except as noted below. Investments in subsidiaries are stated at cost less, where appropriate, provisions for impairment. The Company receives income from its subsidiaries in the form of interest and dividends.

In the current year, the Company has applied an amendment to IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) which became mandatorily effective for an accounting period that begins on or after 1 January 2025. The adoption of this amendment has not had any material impact on the disclosures or on the amounts reported in these financial statements. See note 1 of the Group consolidated Financial Statements for further details.

Measurement convention

The Company Financial Statements have been prepared on the historical cost basis except for: investments in subsidiaries that have been recognised at deemed cost on transition to FRS 101; derivative financial instruments, financial instruments required to be measured at fair value through profit or loss or other comprehensive income, and those financial assets so designated at initial recognition, and the assets of the defined benefit pension schemes that have been measured at fair value; the liabilities of the defined benefit pension schemes that have been measured using the projected unit credit valuation method; and the carrying values of recognised assets and liabilities qualifying as hedged items in fair value hedges that have been adjusted from cost by the changes in the fair values attributable to the risks that are being hedged.

Going concern

The accounts have been prepared on a going concern basis, as described in the Directors' Report and note 25(b) of the Group consolidated Financial Statements.

I. GENERAL INFORMATION AND MATERIAL ACCOUNTING POLICIES OF THE COMPANY

(b) Critical accounting judgements and key sources of estimation uncertainty

There were no critical judgements that would have a significant effect on the amounts recognised in the Company Financial Statements. The key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of other financial assets and credit losses for financial guarantee contracts

There is estimation uncertainty involved in determining expected credited losses for certain intercompany receivable balances where the ability of the counterparty to repay is based on the valuation of the underlying business. The Company's impairment policies in relation to financial assets are consistent with those of the Group, with additional consideration given to amounts owed by Group undertakings.

All outstanding receivable balances are repayable on demand and arise from funding provided by the Company to its subsidiaries. A detailed review of the amounts owed by Group undertakings for the expected credit loss provision is carried out on an annual basis. The model considers whether the receivable is repayable on demand within a 12-month period and the probability of default by the counterparty, considering the financial position of that entity, and the effect of wider macroeconomic conditions on the business performance of the counterparty, which in turn have direct impact on both the amount that could be recovered from Group undertakings through generated future cash flows and on the timing of the recovery. The level of provision is sensitive to the assessment of credit worthiness of specific legal entities as a result. In the current year, the Company holds an expected credit loss provision for amounts owed by Group undertakings of £126 million (2024: £692 million) on a gross balance of £14,640 million (2024: £16,444 million). This represents 0.9% (2024: 4.2%) of the gross amounts owed by Group undertakings balance. See note VI(ii) for further details on the expected credit loss provision movement during the year.

Given the impact of expected business performance of Group undertakings on the determination of the level of provision for expected credit losses, it is reasonably possible that changes to wider macroeconomic conditions impacting the credit worthiness of Group undertakings could result in a material adjustment to the intercompany receivable carrying amount within the next financial year. Whilst impracticable to determine the full extent of the possible effects of these changes, based on historic analysis, such a reasonably possible change, could lead to an increase or decrease in the provision of £84 million (2024: £82 million).

The Company has provided financial guarantees relating to its subsidiaries' trading activities and decommissioning obligations.

At 31 December 2025, the Group has derivative liabilities of £1,036 million (2024: £1,387 million), and decommissioning liabilities of £1,302 million (2024: £1,459 million). See notes 19 and 21 of the Group consolidated Financial Statements. In the current year, the Company holds an expected credit loss provision of £16 million (2024: £21 million) on these financial guarantee contracts. This represents 0.7% (2024: 0.7%) of the gross balances. A 0.5% change in the provision would lead to an increase or decrease of £11 million (2024: £14 million). As a result, we do not consider expected credit losses on financial guarantee contracts to be a key source of estimation uncertainty.

(c) Summary of material accounting policies

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these Company Financial Statements.

Pensions and other post-employment benefits

The Company's employees participate in a number of the Group's defined benefit pension schemes. The total Group cost of providing benefits under defined benefit schemes is determined separately for each of the Group's schemes under the projected unit credit actuarial valuation method. Actuarial gains and losses are recognised in full in the period in which they occur. The key assumptions used for the actuarial valuation are based on the Group's best estimate of the variables that will determine the ultimate cost of providing post-employment benefits, on which further detail is provided in notes 3(b) and 22 to the Group consolidated Financial Statements. Asset-backed contribution assets are included within Company Financial Statements.

Investments

Fixed asset investments in subsidiaries' shares are held at deemed cost on transition to FRS 101 and at cost in accordance with IAS 27 'Separate Financial Statements', less any provision for impairment as necessary. The carrying values of investments in subsidiary undertakings are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

Financial guarantees

The Company has issued financial guarantees to its subsidiary undertakings, which it accounts for under IFRS 9. The Company has applied the impairment requirements of IFRS 9 to these financial guarantees. A financial guarantee contract is measured at fair value at the reporting date and where the expected credit loss is higher than calculated on recognition, an additional liability is recognised. Expected credit losses which arise on such arrangements have been calculated according to the nature of the guarantee and the Company's estimate of potential exposure at the balance sheet date.

Amounts owed by Group undertakings

Interest bearing amounts owed by Group undertakings are initially recognised at a value based on their transaction price, and are subsequently held at amortised cost using the effective interest method (taking into account the Group's business model, which is to collect the contractual cash flows owing) less an allowance for impairment losses. Balances are written off when recoverability is assessed as being remote. If collection is expected in one year or less, receivables are classified as current assets. If not, they are presented as non-current assets.

Amounts due to Group undertakings

Interest bearing amounts due to Group undertakings are initially recognised at fair value, which is usually the original invoice amount and are subsequently held at amortised cost using the effective interest method. If payment is due within one year or less, payables are classified as current liabilities. If not, they are presented as non-current liabilities.

II. OTHER EQUITY

	Cash flow hedging reserve £m	Actuarial gains and losses reserve £m	Financial asset at FVOCI reserve £m	Treasury and own shares reserve £m	Share-based payments reserve £m	Capital redemption reserve £m	Total £m
1 January 2024	(15)	(156)	13	(650)	42	(64)	(830)
Actuarial gain on defined benefit pension schemes	—	1	—	—	—	—	1
Employee Share Schemes:							
Exercise of awards	—	—	—	27	(21)	—	6
Value of services provided	—	—	—	—	47	—	47
Purchase of own shares	—	—	—	(8)	—	—	(8)
Share buyback programme: ⁽ⁱ⁾							
Purchase of Treasury shares	—	—	—	(504)	—	—	(504)
Movement on accrual for committed share purchases	—	—	—	—	—	24	24
Shares cancelled in the year ⁽ⁱ⁾	—	—	—	400	—	21	421
Impact of cash flow hedging	2	—	—	—	—	—	2
Revaluation of securities measured at FVOCI	—	—	4	—	—	—	4
Taxation on above items ⁽ⁱⁱ⁾	(1)	—	(1)	—	(2)	—	(4)
31 December 2024	(14)	(155)	16	(735)	66	(19)	(841)
Actuarial losses on defined benefit pension schemes	—	(44)	—	—	—	—	(44)
Employee Share Schemes:							
Exercise of awards	—	—	—	48	(29)	—	19
Value of services provided	—	—	—	—	56	—	56
Purchase of own shares	—	—	—	(9)	—	—	(9)
Share buyback programme: ⁽ⁱ⁾							
Purchase of Treasury shares	—	—	—	(827)	—	—	(827)
Movement on accrual for committed share purchases	—	—	—	—	—	57	57
Shares cancelled in the year ⁽ⁱ⁾	—	—	—	681	—	31	712
Impact of cash flow hedging	(4)	—	—	—	—	—	(4)
Revaluation of securities measured at FVOCI	—	—	4	—	—	—	4
Taxation on above items ⁽ⁱⁱ⁾	1	11	(1)	—	—	—	11
31 December 2025	(17)	(188)	19	(842)	93	69	(866)

(i) See notes 26 and S4 of the Group consolidated Financial Statements for further details of the share buyback programme and share cancellation.

(ii) Includes current and deferred taxation on above items attributable to the Company only.

III. DIRECTORS AND EMPLOYEES

(a) Employee costs

Year ended 31 December	2025 £m	2024 £m
Wages and salaries	(12)	(11)
Other	(11)	(9)
	(23)	(20)

(b) Average number of employees during the year

Year ended 31 December	2025 Number	2024 Number
Group Functions ⁽ⁱ⁾	219	229
Infrastructure ⁽ⁱ⁾	—	4
	219	233

(i) Segmental description have been restated to reflect the new and relevant operating structure of the Group. See note 1(d) of the Group consolidated Financial Statements for further details.

IV. PROPERTY, PLANT AND EQUIPMENT

	Plant, equipment & vehicles 2025 £m
Cost	
1 January	20
Additions	5
Disposals/retirements	(1)
Lease modifications and re-measurements	4
31 December	28
Accumulated depreciation	
1 January	(11)
Charge for the year	(6)
Disposals/retirements	1
31 December	(16)
NBV at 31 December ⁽ⁱ⁾	12

(i) Included within the above are right-of-use assets relating to £8 million of staff salary sacrifice electric vehicles (2024: £7 million) and £4 million of infrastructure services (2024: £2 million).

V. INVESTMENTS IN SUBSIDIARIES

	2025 ⁽ⁱ⁾ £m	2024 ⁽ⁱ⁾ £m
Cost		
1 January	121	94
Employee share scheme net capital movement ⁽ⁱⁱ⁾	29	27
31 December	150	121
Provision		
1 January	—	—
31 December	—	—
NBV at 31 December	150	121

(i) Direct investments are held in Centrica Beta Holdings Limited, which is incorporated in England, and Centrica Ireland Holdings Limited, which is incorporated in Ireland. Related undertakings are listed in note S10 to the Group consolidated Financial Statements.

(ii) Employee share scheme movement is the net change in shares to be awarded under employee share schemes to employees of Group undertakings.

The Directors believe that the carrying value of the investments is supported by their recoverable value.

VI. TRADE AND OTHER RECEIVABLES

	2025		2024	
	Current ⁽ⁱ⁾ £m	Non-current ⁽ⁱⁱ⁾ £m	Current ⁽ⁱ⁾ £m	Non-current ⁽ⁱⁱ⁾ £m
31 December				
Amounts owed by Group undertakings	144	14,373	475	15,277
Prepayments and other receivables	22	8	8	11
	166	14,381	483	15,288

(i) The amounts receivable by the Company include a gross balance of £113 million (2024: £290 million) that bears interest at a quarterly rate determined by Group treasury and linked to the Group cost of funds. The quarterly rates ranged between 2.0% and 4.8% per annum during 2025 (2024: 3.6% and 5.5%). The other amounts receivable from Group undertakings are interest free. All amounts receivable from Group undertakings are unsecured and repayable on demand. Amounts receivable from Group undertakings are presented net of expected credit loss provisions, which were £nil as at 31 December 2025 (2024: £nil). No additional expected credit loss provision was recognised during the year (2024: £nil).

(ii) The amounts receivable by the Company include a gross balance of £12.968 million (2024: £15.910 million) that bears interest at a quarterly rate determined by Group treasury and linked to the Group cost of funds. The quarterly rates ranged between 2.0% and 4.8% per annum during 2025 (2024: 3.6% and 5.5%). The other amounts receivable from Group undertakings are interest-free. All amounts receivable from Group undertakings are unsecured, repayable on demand, and are not expected to be settled within 12 months from the reporting date. Amounts receivable by the Company are stated net of credit loss provisions of £126 million (2024: £692 million). During the year, the Company recognised an expected credit loss provision of £58 million (2024: £37 million) on amounts owed by Group undertakings. A £624 million reduction in expected credit loss was recognised during the year, primarily due to the settlement of an intercompany loan that had been previously fully impaired. This amount represents the reversal of the expected credit loss previously charged.

VII. DERIVATIVE FINANCIAL INSTRUMENTS

31 December	2025			2024		
	Current £m	Non-current £m	Total £m	Current £m	Non-current £m	Total £m
Derivative financial assets	132	52	184	140	103	243
Derivative financial liabilities	(130)	(127)	(257)	(147)	(204)	(351)

All derivatives are recognised at fair value on the date on which the derivative is entered into and are re-measured to fair value at each reporting date. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Derivative assets and derivative liabilities are offset and presented on a net basis only when there is a currently enforceable legal right of set-off and the intention to net settle the derivative contracts is present. The disclosure of current and non-current derivative assets and liabilities is determined by the settlement date of the derivative.

Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. Interest rate swaps are measured at the present value of future cash flows estimated and discounted based on the applicable yield curves derived from quoted interest rates. The details of external instruments, and the disclosures in respect of hedging, are presented in note 19 and note S5 to the Group consolidated Financial Statements.

Intercompany derivatives have equal and opposite terms to the external derivatives, therefore the impact on the Company's profit or loss is £nil. These instruments are used by the subsidiaries of the Company to economically hedge transactional currency risk of purchases and sales in foreign currencies.

VIII. FINANCIAL INSTRUMENTS

(a) Determination of fair values

The Company's policies for the classification and valuation of financial instruments carried at fair value are consistent with those of the Group, as detailed in note S6 to the Group consolidated Financial Statements.

(b) Financial instruments carried at fair value

31 December	Level 1 £m	Level 2 £m	2025 Total £m	Level 1 £m	Level 2 £m	2024 Total £m
Financial assets						
Derivative financial assets held for trading:						
Foreign exchange derivatives - External	—	40	40	—	128	128
Foreign exchange derivatives - Internal	—	106	106	—	83	83
Derivative financial assets in hedge accounting relationships:						
Foreign exchange derivatives	—	38	38	—	32	32
Debt instruments	49	—	49	73	—	73
Equity instruments	10	—	10	35	—	35
Cash and cash equivalents ⁽ⁱ⁾	—	3,333	3,333	—	4,825	4,825
Total financial assets at fair value	59	3,517	3,576	108	5,068	5,176
Financial liabilities						
Derivative financial liabilities held for trading:						
Foreign exchange derivatives - External	—	(106)	(106)	—	(83)	(83)
Foreign exchange derivatives - Internal	—	(40)	(40)	—	(128)	(128)
Derivative financial liabilities in hedge accounting relationships:						
Interest rate derivatives	—	(95)	(95)	—	(134)	(134)
Foreign exchange derivatives	—	(16)	(16)	—	(6)	(6)
Total financial liabilities at fair value	—	(257)	(257)	—	(351)	(351)

(i) The cash and cash equivalents of £3,333 million (2024: £4,825 million) at Level 2 relates to money market funds.

IX. SECURITIES

31 December	2025	2024
	Non-current £m	Non-current £m
Debt instruments	49	73
Equity instruments	10	35
	59	108

Within non-current securities, £59 million (2024: £108 million) of investments were held in trust, on behalf of the Company, as security in respect of the Centrica Unapproved Pension Scheme (refer to note XIV(c)).

X. LEASE LIABILITIES MATURITY ANALYSIS

A maturity analysis of lease liabilities based on undiscounted gross cash flow is reported in the table below:

	2025 £m	2024 £m
Less than one year	6	5
1-2 years	4	3
2-3 years	2	1
Total lease liabilities (undiscounted)	12	9

Analysed as:	2025 £m	2024 £m
Non-current	6	4
Current	6	5
	12	9

Future finance charges are expected to be £0.5 million (2024: £0.5 million).

XI. TRADE AND OTHER PAYABLES

31 December	2025 Current £m	2024 Current £m
Amounts owed to Group undertakings ⁽ⁱ⁾	(7,962)	(11,430)
Payable on financial guarantee contracts ⁽ⁱⁱ⁾	(15)	(21)
Accruals and other creditors ⁽ⁱⁱⁱ⁾	(63)	(91)
Taxation and social security	(1)	(1)
	(8,041)	(11,543)

(i) The current amounts payable by the Company include £7,655 million (2024: £10,667 million) that bears interest at a quarterly rate determined by Group treasury and linked to the Group cost of funds. The quarterly rates ranged between 2.0% and 4.8% per annum during 2025 (2024: 3.6% and 5.5%). The other amounts payable to the Group undertakings, are interest free. All amounts payable to the Group undertakings are unsecured and repayable on demand.

(ii) During the year, the Company has released £6 million (2024: £12 million) of expected credit loss provision on financial guarantee contracts. See note XV for further details.

(iii) During the year, the Company recognised a financial liability of £14 million (2024: £75 million) relating to the share buyback programme. See 'Own and treasury shares reserve' section in note S4 of the Group consolidated Financial Statements for more details.

XII. DEFERRED TAX ASSETS AND LIABILITIES

	Retirement benefit obligation £m	Other £m	Total £m
1 January 2024	7	1	8
Charge to income	(3)	—	(3)
Charge to equity	(3)	(3)	(6)
Net deferred tax assets/(liabilities) at 31 December 2024	1	(2)	(1)
(Charge)/credit to income	(2)	1	(1)
Credit to equity	10	—	10
Net deferred tax assets/(liabilities) at 31 December 2025	9	(1)	8

Other net deferred tax liabilities primarily relate to other temporary differences. All deferred tax crystallises in over one year.

XIII. BANK OVERDRAFTS, LOANS AND OTHER BORROWINGS

	2025		2024	
31 December	Current £m	Non-current £m	Current £m	Non-current £m
Bank loans and overdrafts	(20)	(114)	(645)	(124)
Bonds	(51)	(2,223)	—	(2,254)
Interest accruals	(45)	—	(44)	—
Lease obligations	(6)	(6)	(5)	(4)
	(122)	(2,343)	(694)	(2,382)

Disclosures in respect of the Group's financial liabilities are provided in notes 25 and S3 to the Group consolidated Financial Statements. With the exception of leases and overdrafts, materially all of the Group's financing activity is carried out through the Company.

XIV. PENSIONS

(a) Summary of main schemes

The Company's employees participate in the following Group defined benefit pension schemes: Centrica Pension Plan (CPP), Centrica Pension Scheme (CPS) and Centrica Unapproved Pension Scheme. Its employees also participate in the defined contribution Centrica Savings Plan. Information on these schemes is provided in note 22 to the Group consolidated Financial Statements.

Together with the Centrica Engineers Pensions Scheme (CEPS), CPP and CPS form the significant majority of the Group's and Company's defined benefit obligation and are referred to below and in the Group consolidated Financial Statements as the 'Registered Pension Schemes'.

(b) Accounting assumptions, risks and sensitivity analysis

The accounting assumptions, risks and sensitivity analysis for the Registered Pension Schemes are provided in note 22 to the Group consolidated Financial Statements.

(c) Movements in the year

	2025		2024	
	Pension liabilities £m	Pension assets £m	Pension liabilities £m	Pension assets £m
1 January	(810)	804	(929)	908
Items included in the Company Income Statement:				
Current service cost	(1)	—	(1)	—
Contributions by employer in respect of employee salary sacrifice arrangements ⁽ⁱ⁾	(1)	—	(2)	—
Total current service cost	(2)	—	(3)	—
Past service cost	(1)	—	—	—
Interest (expense)/income	(43)	42	(42)	41
Termination cost	(2)	—	—	—
Items included in the Company Statement of Comprehensive Income:				
Returns on plan assets, excluding interest income	—	(23)	—	(119)
Actuarial gain/(loss) from changes to demographic assumptions	9	—	(2)	—
Actuarial gain from changes in financial assumptions	37	—	122	—
Actuarial loss from experience adjustments	(67)	—	—	—
Other movements:				
Employer contributions	—	18	—	16
Contributions by employer in respect of employee salary sacrifice arrangements	—	1	—	2
Benefits paid from schemes	44	(44)	44	(44)
31 December	(835)	798	(810)	804

(i) A salary sacrifice arrangement was introduced on 1 April 2013 for pension scheme members. The contributions paid via the salary sacrifice arrangement have been treated as employer contributions and included within the current service cost, with a corresponding reduction in salary costs.

Presented in the Company Balance Sheet as:

	2025 £m	2024 £m
31 December		
Retirement benefit pension assets	16	42
Retirement benefit pension liabilities	(53)	(48)

The pension scheme liabilities include £46 million (2024: £48 million) relating to the Centrica Unapproved Pension Scheme and £7 million (2024: £nil) relating to the Centrica Pension Plan (CPP).

XIV. PENSIONS

(d) Defined benefit pension scheme contributions

Note 22 to the Group consolidated Financial Statements provides details of the triennial review carried out at 31 March 2024 in respect of the UK Registered Pension Schemes and the future pension scheme contributions, including asset-backed arrangements, agreed as part of this review. Under IAS 19, the Company's contribution and trustee interest in the Scottish Limited Partnerships are recognised as scheme assets.

Independent valuations

The Registered Pension Schemes are subject to independent valuations at least every three years, on the basis of which the qualified actuary certifies the rate of employer contributions, which together with the specified contributions payable by the employees and proceeds from the schemes' assets, are expected to be sufficient to fund the benefits payable under the schemes.

The latest full actuarial valuations agreed and finalised with the Pension Trustees were carried out at 31 March 2024 in respect of the UK Registered Pension Schemes. These valuations have been updated to 31 December 2025 for the purpose of meeting the requirements of IAS 19. Investments held in all schemes have been valued for this purpose at market value.

In February 2025, full actuarial valuations of the Registered Pension Schemes at 31 March 2024 were agreed and finalised with the Pension Trustees. The impact on pension scheme contributions is shown in note 22(g) of the Group consolidated Financial Statements. These valuations will be updated prospectively in future reporting periods for the purpose of meeting the requirements of IAS 19.

The Company estimates that it will pay £1 million of ordinary employer contributions during 2026 for its defined benefit schemes, together with £1 million of contributions paid via the salary sacrifice arrangement.

For details of the weighted average duration of the liabilities of the Registered Pension Schemes, see note 22 of the Group consolidated Financial Statements.

(e) Pension scheme assets

The market values of plan assets were:

	2025			2024		
	Quoted £m	Unquoted £m	Total £m	Quoted £m	Unquoted £m	Total £m
31 December						
Equities	55	416	471	19	491	510
Corporate bonds ⁽ⁱ⁾	435	—	435	12	—	12
High-yield debt	15	945	960	14	1,063	1,077
Liability matching assets	2,430	—	2,430	2,388	—	2,388
Other long-dated income assets	—	913	913	—	1,025	1,025
Property	—	287	287	—	303	303
Cash pending investment	110	—	110	248	—	248
Asset-backed contribution assets	—	344	344	—	408	408
Group pension scheme assets ⁽ⁱⁱ⁾	3,045	2,905	5,950	2,681	3,290	5,971
			2025 £m			2024 £m
Company share of the above			798			804

(i) Corporate bonds includes investment grade asset-backed securities.

(ii) Total pension scheme assets, including asset-backed contribution assets not recognised in the Group consolidated Financial Statements.

XV. COMMITMENTS AND FINANCIAL GUARANTEES

At 31 December 2025, the Company had commitments of £22 million (2024: £37 million) relating to contracts for outsourced services, £221 million (2024: £162 million) relating to other contracts and £7 million (2024: £6 million) relating to contracts for property services.

The Company has provided guarantees and letters of credit relating to its subsidiaries' trading activities and decommissioning obligations. At 31 December 2025, the Group has derivative liabilities of £1,036 million (2024: £1,387 million), and decommissioning liabilities of £1,302 million (2024: £1,459 million). See notes 19 and 21 to the Group consolidated Financial Statements for further information on these balances.

As at 31 December 2025, £902 million (2024: nil) of letters of credit have been issued in respect of commitments to invest in Sizewell C (Holding) Limited by the Company. See note 23(a) to the Group consolidated Financial Statements for further details on commitments.

XVI. RELATED PARTIES

During the year the Company accepted cash deposits on behalf of the Spirit Energy group of companies giving rise to a trade and other payables balance of £1,754 million (2024: £1,621 million) at 31 December 2025. This balance is unsecured and repayable on demand. The Company also recognised an interest cost of £72 million (2024: £78 million) in its Income Statement in respect of this balance. Spirit Energy Limited is a subsidiary of the Company, held indirectly, that is not wholly owned.

XVII. EVENTS AFTER THE BALANCE SHEET DATE

The events after the balance sheet date disclosed by the Group are also applicable to the Company. See note 27 to the Group consolidated Financial Statements for further information.

Gas and Liquids Reserves (unaudited)

The Group's estimates of reserves of gas and liquids are reviewed as part of the full year reporting process and updated accordingly.

A number of factors affect the volumes of gas and liquids reserves, including the available reservoir data, commodity prices and future costs. Due to the inherent uncertainties and the limited nature of reservoir data, estimates of reserves are subject to change as additional information becomes available.

The Group discloses 2P gas and liquids reserves, representing the central estimate of future hydrocarbon recovery. Reserves for Centrica operated fields are estimated by in-house technical teams composed of geoscientists and reservoir engineers. Reserves for non-operated fields are estimated by the operator but are subject to internal review and challenge.

As part of the internal control process related to reserves estimation, an assessment of the reserves, including the application of the reserves definitions, is undertaken by an independent technical auditor. An annual reserves assessment has been carried out by RISC Advisory for the Group's global reserves. Reserves are estimated in accordance with a formal policy and procedure standard.

The Group has estimated 2P gas and liquids reserves in Europe.

The principal retained fields in Spirit Energy are Morecambe Hub, Clipper South, Galleon and Eris & Ceres. The principal non-Spirit Energy field is Rough. The European reserves estimates are consistent with the guidelines and definitions of the Society of Petroleum Engineers, the Society of Petroleum Evaluation Engineers and the World Petroleum Council's Petroleum Resources Management System using accepted principles.

Estimated net 2P reserves of gas (billion cubic feet)	Spirit Energy ⁽ⁱ⁾	Rough	Total
1 January 2025	175	14	189
Revisions of previous estimates ⁽ⁱⁱ⁾	24	—	24
Disposals ⁽ⁱⁱⁱ⁾	(79)	—	(79)
Production ^(iv)	(28)	(6)	(34)
31 December 2025	92	8	100

Estimated net 2P reserves of liquids (million barrels)	Spirit Energy ⁽ⁱ⁾	Rough	Total
1 January 2025	1	—	1
Production ^(iv)	(1)	—	(1)
31 December 2025	—	—	—

Estimated net 2P reserves (million barrels of oil equivalent)	Spirit Energy ⁽ⁱ⁾	Rough	Total
31 December 2025 ^(v)	16	1	17

(i) The movements represent Centrica's 69% interest in Spirit Energy.

(ii) Revision of previous estimates include those associated with Morecambe Hub and Cygnus.

(iii) Disposals relate to the disposal of part of Spirit Energy's interest in the Cygnus gas field to Ithaca. Reserves relating to the Spirit Energy disposal group held for sale are included in the closing balance as at 31 December 2025. See note 12.

(iv) Represents total sales volumes of gas and liquids produced from the Group's reserves.

(v) Includes the total of estimated gas and liquids reserves at 31 December 2025 in million barrels of oil equivalent.

Liquids reserves include oil, propane, butane, condensate and natural gas liquids.

Five Year Summary (unaudited)

Year ended 31 December	2021 (restated) ⁽ⁱ⁾	2022 (restated) ⁽ⁱ⁾	2023 (restated) ⁽ⁱ⁾	2024 (restated) ⁽ⁱ⁾	2025 £m
Total Group revenue included in business performance	18,300	33,637	33,374	24,636	22,365
Operating profit before exceptional items and certain re-measurements:					
Retail ⁽ⁱ⁾	206	34	808	458	424
Optimisation ⁽ⁱ⁾	66	1,481	831	339	155
Infrastructure ⁽ⁱ⁾	676	1,816	1,121	799	314
Colleague profit share	—	(23)	(8)	(25)	(34)
Meter asset provider consolidation adjustment	—	—	—	(19)	(45)
	948	3,308	2,752	1,552	814
Exceptional items and certain re-measurements after taxation	866	(2,755)	2,165	322	(606)
Profit/(loss) attributable to equity holders of the parent	1,210	(782)	3,929	1,332	(72)
	Pence	Pence	Pence	Pence	Pence
Earnings per ordinary share	20.7	(13.3)	70.6	25.7	(1.5)
Adjusted earnings per ordinary share	4.1	34.9	33.4	19.0	11.2
Dividend per ordinary share in respect of the year	—	3.0	4.0	4.5	5.5

ASSETS AND LIABILITIES

31 December	2021 £m	2022 £m	2023 £m	2024 £m	2025 £m
Goodwill and other non-current intangible assets	1,161	1,116	745	796	822
Other non-current assets	6,040	7,234	4,555	3,793	4,086
Net current assets/(liabilities)	1,465	(1,023)	4,930	5,242	3,210
Non-current liabilities	(6,360)	(6,047)	(5,997)	(5,019)	(4,685)
Net assets of disposal groups held for sale	444	—	—	—	63
Net assets	2,750	1,280	4,233	4,812	3,496
Adjusted net cash (note 25)	680	1,199	2,744	2,858	1,487

CASH FLOWS

Year ended 31 December	2021 £m	2022 £m	2023 £m	2024 £m	2025 £m
Net cash flow from operating activities before exceptional payments	1,687	1,338	2,758	1,155	733
Payments relating to exceptional charges in operating costs	(76)	(24)	(6)	(6)	(38)
Net cash flow from investing activities	2,263	(566)	115	493	(690)
Net cash flow before cash flow from financing activities	3,874	748	2,867	1,642	5

(i) Results have been restated to reflect the new operating structure of the Group, effective during 2025. See note 1(d) for further details.

Shareholder information

General enquiries

Centrica's share register is administered and maintained by Equiniti, our Registrar, whom you can contact directly if you have any questions about your shareholding which are not answered here or on our website. You can contact Equiniti using the following details:

Address: Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, UK

Telephone: +44 (0)371 384 2985*

Contact: help.shareview.co.uk

Website: equiniti.com

* Calls to an 03 number cost no more than a national rate call to an 01 or 02 number. Lines open 8.30am to 5.30pm, Monday to Friday (UK time), excluding public holidays in England and Wales.

When contacting Equiniti or registering via shareview.co.uk, you should have your shareholder reference number to hand. This can be found on your share certificate, dividend confirmation or any other correspondence you have received from Equiniti.

Together with Equiniti, we have introduced an electronic queries service to enable our shareholders to manage their investment at a convenient time. Details of this service can be found at shareview.co.uk.

Dividend

As communicated previously, dividends are now paid only by direct transfer to your bank or building society account, rather than by cheque. This is faster, more secure and better for the environment.

If you have not already done so, please provide Equiniti with your bank or building society account details. You can do this online at shareview.co.uk or by telephoning Equiniti on +44 (0)371 384 2985.

American Depositary Receipt (ADR)

We have an ADR programme, trading under the symbol CPYYY. Centrica's ratio is one ADR being equivalent to four ordinary shares. Further information is available on our website or please contact:

Regular mail delivery address: BNY Mellon Shareowner Services, PO Box 43006, Providence, RI 02940-3006, USA

Overnight, certified, registered delivery address: BNY Mellon Shareowner Services, 150 Royall Street, Suite 101, Canton, MA 02021, USA

Email: shrrelations@cpshareownerservices.com

Website: mybnymdr.com

Telephone: +1 888 269 2377 (toll-free in the US)

Outside the US: +1 201 680 6825

Manage your shares online

We actively encourage our shareholders to receive communications via email and view documents electronically via our website, centrica.com. Receiving communications and documents electronically reduces our environmental impact and saves your Company money. If you sign up for electronic communications, you will receive an email to notify you that new shareholder documents are available to view online, including the Annual Report and Accounts, on the day it is published.

You will also receive alerts to let you know that you can cast your Annual General Meeting (AGM) vote online. You can manage your shareholding online by registering at shareview.co.uk, a free online platform provided by Equiniti, which allows you to:

- View information about your shareholding;
- Update your personal details and your bank account details; and
- Appoint a proxy for the AGM.

Centrica FlexiShare

FlexiShare is an easy way to hold Centrica shares without a share certificate. Whilst your shares are held by a nominee company, Equiniti Financial Services Limited, you are able to attend and vote at general meetings as if the shares were held in your own name. Holding your shares in this way is free and gives you:

- Low cost share dealing rates (full details of which are available on centrica.com, together with dealing charges);
- Quicker settlement periods for buying and selling shares; and
- No paper share certificates to store.

Centrica website

The Shareholder Centre on our website contains a wide range of information including a dedicated investors section where you can find further details about shareholder services including:

- Share price information;
- Dividend history;
- Telephone and internet share dealing;
- Downloadable shareholder forms; and
- Taxation.

This Annual Report and Accounts can also be viewed online by visiting centrica.com/ar25.

ShareGift

If you have a small number of shares and the dealing costs or the minimum fee make it uneconomical to sell, it is possible to donate them to ShareGift, a registered charity, which provides a free service to enable you to dispose charitably of such shares.

More information on this service can be found at sharegift.org or by calling +44 (0)20 7930 3737.

Financial calendar

Ex-dividend date for 2025 final dividend	9 April 2026
Record date for 2025 final dividend	10 April 2026
Annual General Meeting (AGM)	7 May 2026
Payment of 2025 final dividend	14 May 2026

For more information on Centrica's financial calendar, please visit centrica.com/investors/financial-calendar.

Additional information – explanatory notes (unaudited)

Definitions and reconciliation of adjusted performance measures

Centrica's 2025 consolidated Financial Statements include a number of non-GAAP measures. These measures are chosen as they provide additional useful information on business performance and underlying trends. They are also used to measure the Group's performance against its strategic financial framework. They are not however, defined terms under IFRS and may not be comparable with similarly titled measures reported by other companies. Where possible they have been reconciled to the statutory equivalents from the primary statements (Group Income Statement (I/S), Group Balance Sheet (B/S), Group Cash Flow Statement (C/F)) or the notes to the Financial Statements.

Adjusted revenue, adjusted gross margin, adjusted operating profit and adjusted earnings have been defined and reconciled separately in notes 2, 4 and 10 to the Financial Statements where further explanation of the measures is given. Additional performance measures are used within these Financial Statements to help explain the performance of the Group and these are defined and reconciled below. Further information has been provided to help readers when reconciling between different parts of the consolidated Group Financial Statements, and when reconciling cash flow measures to the Group Cash Flow Statement.

Adjusted EBITDA

Adjusted EBITDA is a business performance measure of operating profit, after adjusting for depreciation and amortisation. It provides a clear view of operating performance before accounting adjustments, such as depreciation, and is a more relevant performance metric as the Group continues to invest in growing its portfolio.

Year ended 31 December	Notes	2025 £m	2024 £m	Change
Group operating profit	I/S	106	1,703	
Exceptional items before taxation	7	405	128	
Certain re-measurements before taxation	7	303	(279)	
Share of interest, taxation, depreciation and amortisation of joint ventures and associates	6	164	257	
Depreciation and impairments of property, plant and equipment ⁽ⁱ⁾	4	348	409	
Amortisation and impairments of intangibles ⁽ⁱ⁾	4	91	87	
Group total adjusted EBITDA		1,417	2,305	(39)%
Less: share of EBITDA relating to joint ventures and associates	6	(322)	(513)	
Group total adjusted EBITDA excluding share of EBITDA from joint ventures and associates		1,095	1,792	(39)%

(i) These line items relate to business performance only.

Definitions and reconciliation of adjusted performance measures

Free cash flow

Free cash flow is used by management to assess the cash-generating performance of the business after taking account of the need to maintain its capital asset base. Free cash flow is defined as net cash flow from operating and investing activities before:

- Deficit reduction payments made to the UK defined benefit pension schemes;
- Movements in variation margin and collateral;
- Interest received; and
- Sale, settlement and purchase of securities.

By excluding deficit reduction payments and movements in variation margin and collateral, which are predominantly triggered by wider market factors and, in the case of collateral and margin movements, represent timing differences, free cash flow gives a measure of the underlying performance of the Group.

Interest received and cash flows from the sale, settlement and purchase of securities are excluded from free cash flow as these items are included in the Group's adjusted net cash/(debt) measure and are therefore viewed by the Directors as related to the manner in which the Group finances its operations.

The below table shows the reconciliation between net cash flow from operating and investing activities to Group total free cash flow:

Year ended 31 December	Notes	2025 £m	2024 £m
Net cash flow from operating activities	C/F	695	1,149
Net cash flow from investing activities	C/F	(690)	493
Total cash flow from operating and investing activities		5	1,642
Reconciling items:			
UK pension deficit payments	22	150	176
Movements in variation margin and collateral	25	(51)	(131)
Interest received	C/F	(227)	(317)
Settlement of securities	C/F	(57)	(400)
Purchase of securities	C/F	13	19
Group total free cash flow		(167)	989

The below table shows how adjusted EBITDA reconciles to net cash flow from operating activities, adjusted operating cash flow, and free cash flow:

Year ended 31 December	Notes	2025 £m	2024 £m
Group total adjusted EBITDA excluding share of EBITDA from joint ventures and associates		1,095	1,792
Group operating (loss)/profit, including results relating to joint ventures and associates, from exceptional items and certain re-measurements	I/S	(708)	151
Impairments included in exceptional items	7	508	75
Gain on disposals	C/F	(74)	(4)
(Decrease)/increase in provisions	C/F	(129)	110
Cash contributions to defined benefit schemes in excess of service cost income statement charge	C/F	(150)	(208)
Employee share scheme costs	C/F	56	47
Unrealised losses arising from re-measurement of energy contracts	C/F	362	96
Net movement in working capital	C/F	164	(252)
Taxes paid	C/F	(375)	(636)
Operating interest paid	C/F	(16)	(16)
Payments relating to exceptional charges in operating profit	C/F	(38)	(6)
Net cash flow from operating activities		695	1,149
Dividends received from joint ventures and associates	C/F	135	355
UK pension deficit payments	22	150	176
Movements in variation margin and collateral	25	(51)	(131)
Group total adjusted operating cash flow		929	1,549
Purchase of businesses and assets, net of cash acquired	C/F	(22)	(92)
Sale of businesses and interests in joint operations, including receipt of deferred consideration	C/F	119	4
Purchase of property, plant and equipment and intangible assets	C/F	(554)	(416)
Sale of property, plant and equipment and intangible assets	C/F	12	—
Investments in joint ventures and associates	C/F	(609)	—
Net purchase of other investments	C/F	(42)	(56)
Group total free cash flow		(167)	989

Definitions and reconciliation of adjusted performance measures

The below table shows the reconciliation from net movement in working capital to adjusted net movement in working capital:

Year ended 31 December	Notes	2025 £m	2024 £m
Decrease in inventories	C/F	546	164
Decrease in trade and other receivables and contract-related assets relating to business performance	C/F	413	241
Decrease in trade and other payables and contract-related liabilities relating to business performance	C/F	(795)	(657)
Net movement in working capital		164	(252)
Add back/(deduct) movements in collateral included within working capital	25	93	(47)
Other reconciling items:			
Increase/(decrease) in provisions related to business performance, excluding payments related to decommissioning provisions ⁽ⁱ⁾		7	(5)
Unrealised (gains)/losses arising from re-measurement of energy contracts relating to business performance		(120)	429
Operating interest paid	C/F	(16)	(16)
Other ⁽ⁱⁱ⁾		55	15
Adjusted net movement in working capital		183	124

(i) Increase/(decrease) in provisions related to business performance excludes payments related to decommissioning provisions of £71 million (2024: £80 million).

(ii) Other includes employee share scheme costs of £56 million (2024: £47 million) and cash contributions to defined benefit schemes in excess of service cost income statement charge of £(150) million (2024: £(208) million), excluding the impact of pension benefit payments of £150 million (2024: £176 million).

Group net investment

With an increased focus on cash generation, capital discipline and managing adjusted net cash/(debt), Group net investment provides a measure of the Group's capital expenditure from a cash perspective and allows the Group's capital discipline to be assessed.

Year ended 31 December	Notes	2025 £m	2024 £m	Change
Capital expenditure ⁽ⁱ⁾		1,227	564	
Net disposals ⁽ⁱⁱ⁾		(131)	(4)	
Group net investment		1,096	560	96%
Dividends received from joint ventures and associates	C/F	(135)	(355)	
Interest received	C/F	(227)	(317)	
Settlement of securities	C/F	(57)	(400)	
Purchase of securities	C/F	13	19	
Net cash flow from investing activities	C/F	690	(493)	(240)%

(i) Capital expenditure is the net cash flow on capital expenditure, purchases of businesses, assets and other investments, and investments in joint ventures and associates. See table (a).

(ii) Net disposals is the net cash flow from sales of businesses and interests in joint operations, and property, plant and equipment and intangible assets. See table (b).

Group net investment is capital expenditure including acquisitions less net disposals. It excludes cash flows from investing activities not associated with capital expenditure as detailed in the table above.

(a) Capital expenditure

Year ended 31 December	Notes	2025 £m	2024 £m	Change
Purchase of property, plant and equipment and intangible assets	C/F	554	416	
Purchase of businesses and assets, net of cash acquired	C/F	22	92	
Investments in joint ventures and associates	C/F	609	—	
Net purchase of other investments	C/F	42	56	
Capital expenditure		1,227	564	118%

(b) Net disposals

Year ended 31 December	Notes	2025 £m	2024 £m	Change
Sale of businesses and interests in joint operations, including receipt of deferred consideration	C/F	(119)	(4)	
Sale of property, plant and equipment and intangible assets	C/F	(12)	—	
Net disposals		(131)	(4)	3,175%

Definitions and reconciliation of adjusted performance measures

The following tables provide additional information to help readers when reconciling between different parts of the consolidated Group Financial Statements, and the Group Cash Flow Statement.

Reconciliation from free cash flow to change in adjusted net cash

Year ended 31 December	Notes	2025 £m	2024 £m
Group total free cash flow		(167)	989
Financing interest paid	C/F	(181)	(283)
Interest received	C/F	227	317
Premium paid on debt repurchase	8	—	(68)
UK pension deficit payments	22	(150)	(176)
Payments for own shares	C/F	(9)	(8)
Share buyback programme	C/F	(827)	(499)
Equity dividends paid	C/F	(237)	(219)
Movements in variation margin and collateral	25	51	131
Cash flows affecting adjusted net cash		(1,293)	184
Non-cash movements in adjusted net cash		(78)	(70)
Change in adjusted net cash		(1,371)	114
Opening adjusted net cash	25	2,858	2,744
Closing adjusted net cash	25	1,487	2,858

Reconciliation of adjusted net cash to unadjusted net cash

Adjusted net cash is a business performance measure used by management to assess the underlying indebtedness of the business.

Year ended 31 December	Notes	2025 £m	2024 £m
Adjusted net cash	25	1,487	2,858
Less: current and non-current securities	25	(107)	(139)
Unadjusted net cash		1,380	2,719

Depreciation, amortisation and impairments

Year ended 31 December	Notes	2025 £m	2024 £m
Movement from depreciation, amortisation and impairments, from exceptional items included in the Group Cash Flow Statement		508	75
Comprised of:			
Impairment of power assets	7	264	75
Impairment of gas field assets	7	244	—
Movement from depreciation and amortisation, from business performance included in the Group Cash Flow Statement		439	496
Comprised of:			
Business performance property, plant and equipment depreciation	4	343	387
Business performance property, plant and equipment impairments	4	5	22
Business performance intangibles amortisation	4	85	86
Business performance intangibles impairments	4	6	1
Movement from depreciation, amortisation and impairments included in the Group Cash Flow Statement		947	571

Definitions and reconciliation of adjusted performance measures

Reconciliation of receivables and payables to the Group Cash Flow Statement

Year ended 31 December	Notes	2025 £m	2024 £m
Receivables opening balance	B/S	5,383	5,619
Less: receivables closing balance	B/S	(4,929)	(5,383)
Payables (including insurance contract liabilities) opening balance	B/S	(6,742)	(7,372)
Less: payables (including insurance contract liabilities) closing balance	B/S	5,841	6,742
Net movement in receivables and payables		(447)	(394)
Non-cash changes, and other reconciling items:			
Movement in share buyback liability		61	19
Business acquisitions and disposals (including transfers to disposal groups held for sale)		14	(28)
Movement in capital creditors		(10)	(20)
Movement in ROCs and emission certificate intangible assets		31	(26)
Other movements (including foreign exchange movements)		(31)	33
Non-cash changes, and other reconciling items		65	(22)
Movement in trade and other receivables, trade and other payables and contract-related assets/liabilities relating to business performance	C/F	(382)	(416)

Pensions

Year ended 31 December	Notes	2025 £m	2024 £m
Cash contributions to defined benefit schemes in excess of service cost income statement charge	C/F	(150)	(208)
Ordinary employer contributions	22	(29)	(51)
UK pension deficit payments	22	(150)	(176)
Contributions by employer in respect of employee salary sacrifice arrangements	22	(17)	(24)
Total current service cost, including salary sacrifice	22	35	42
Past service cost	22	3	—
Termination cost	22	8	1

People and Planet – Performance measures

In 2025, we engaged DNV Business Assurance Services UK Limited (DNV) to conduct an independent limited assurance engagement using the International Standard on Assurance Engagements (ISAE) 3000 (Revised): 'Assurance Engagements Other Than Audits or Reviews of Historical Financial Information'. DNV has provided an unqualified opinion in relation to five KPIs that are identified with the symbol '†' and feature on pages 1, 31, 45, 55, 56, 253 and 255. It is important to read the responsible business information in the Annual Report and Accounts 2025 in the context of DNV's full limited assurance statement and Centrica's Basis of Reporting, which are available at centrica.com/assurance

— **Read more** about our People & Planet Plan on pages 42 to 57

— **Read more** about our wider non-financial performance at centrica.com/performanceandreports

Progress against our People & Planet Plan

Key | Progress against goals: ■ On track ■ Behind

Goal	Milestone	2025 Progress	2024 Progress
Create an engaged team that reflects the full diversity of the communities we serve by 2030 – this means all company and senior leaders to be: ⁽ⁱ⁾	By the end of 2025: • 40% women • 16% ethnically diverse • 10% disability • 3% LGBTQ+ • 3% ex-service • 48% women • 18% ethnically diverse • 20% disability • 3% LGBTQ+ • 4% ex-service	All company: ⁽ⁱⁱ⁾ • 30% women ■ – 43% excluding Field engineers • 16% ethnically diverse ■ • 6% disability ■ • 4% LGBTQ+ ■ • 2% ex-service ■ Senior leaders: ⁽ⁱⁱ⁾ • 34% women ■ – 34% excluding Field engineers • 10% ethnically diverse ■ • 6% disability ■ • 2% LGBTQ+ ■ • 3% ex-service ■	All company: ⁽ⁱⁱ⁾ • 31% women ■ – 41% excluding Field engineers • 16% ethnically diverse ■ • 6% disability ■ • 4% LGBTQ+ ■ • 2% ex-service ■ Senior leaders: ⁽ⁱⁱ⁾ • 34% women ■ – 31% excluding Field engineers • 10% ethnically diverse ■ • 5% disability ■ • 2% LGBTQ+ ■ • 2% ex-service ■
Recruit 3,500 apprentices and provide career development opportunities for under-represented groups by 2030 (base year 2021)	2,000 apprentices by the end of 2025	1,947 apprentices ■	1,537 apprentices ■
Inspire colleagues to give 100,000 days to build inclusive communities by 2030 (base year 2019)	35,000 days by the end of 2025	42,104 days ■	31,639 days ■
Help our customers be net zero by 2050 ⁽ⁱⁱⁱ⁾ (base year 2019)	28% greenhouse gas (GHG) intensity reduction by the end of 2030	18% reduction ■	10% reduction ^(iv) ■
Be a net zero business by 2040 ^(v) (base year 2019)	50% GHG reduction by the end of 2032	25% reduction † ■	18% reduction ■

† Included in DNV's independent limited assurance report. See above or centrica.com/assurance for more.

(i) Aligns with latest 2021 Census data for working populations.

(ii) Beyond gender, 2025 data is based on colleague voluntary disclosure of 94% ethnically diverse, 53% disability, 61% LGBTQ+ and 4% ex-service. For 2024, this was 94% ethnically diverse, 51% disability, 59% LGBTQ+ and 4% ex-service. All company relates to everyone who works for Centrica. Senior leaders include colleagues above general management and spans senior leaders, the Centrica Leadership Team and the Board.

(iii) Net zero goal measures the GHG intensity of our customers' energy use including electricity and gas with a 2019 base year of 182gCO₂e/kWh. Target is normalised to reflect acquisitions and divestments in line with changes in Group customer base. It's also aligned to the Paris Agreement and based on science to limit global warming, corresponding to a well below 2°C pathway initially and 1.5°C by mid-century.

(iv) Restated due to availability of improved data.

(v) Our updated Climate Transition Plan published at the start of 2025, accelerated and replaced our outgoing goal to be net zero by 2045 (40% reduction in GHG emissions by the end of 2034). The goal measures Scope 1 (direct) and 2 (indirect) GHG emissions based on operator boundary. Comprises emissions from all operated assets and activities including the shipping of Liquefied Natural Gas (LNG) alongside the Spirit Energy assets in the UK and the Netherlands. Non-operated nuclear emissions are excluded. Target is normalised to reflect acquisitions and divestments in line with changes in Group structure against a 2019 base year of 2,120,446tCO₂e. It's also aligned to the Paris Agreement and based on science to limit global warming, corresponding to a well below 2°C pathway initially and 1.5°C by 2040.

Progress against our Foundations

People

Metric	2025	2024	What's next
Customers			
Home Energy Supply UK Touchpoint Net Promoter Score (NPS) ⁽ⁱ⁾	+33	+29	Continue to invest in customer service and deliver energy, services and solutions that energise a greener, fairer future for all
Home Services UK Engineer NPS ⁽ⁱ⁾	+76	+73	
Business UK Touchpoint NPS ⁽ⁱ⁾	+37	+28	
Home Energy Supply complaints per UK customer ⁽ⁱⁱ⁾	8.1%	10.1%	Maintain focus on driving down complaints by acting on customer feedback to improve experience
Home Services complaints per UK customer ⁽ⁱⁱ⁾	4.8%	5.3%	
Business complaints per UK site ⁽ⁱⁱ⁾	5.2%	5.8%	
Customer safety incident frequency rate per 1m jobs completed	1.18	1.15	Keep customers safe by following controls and encouraging customers to maintain distance from work areas

(i) Measured independently, through individual questionnaires, the customer's willingness to recommend British Gas following contact or a Home Services gas engineer visit.

(ii) Measured as a percentage of average customers over the year, UK only.

Metric	2025	2024	What's next
Colleagues			
Colleague engagement ⁽ⁱ⁾	7.9	8.1	Work to strengthen colleague engagement by helping individuals feel connected to our Purpose and strategy whilst cultivating a supportive and inclusive workplace, that empowers everyone to deliver for our customers
Gender pay gap ⁽ⁱⁱ⁾	16% median 13% mean	13% median 13% mean	Reduce our pay gaps by building a diverse and inclusive team through our People & Planet Plan and associated Diversity, Equity and Inclusion open letter commitments
Gender bonus gap ⁽ⁱⁱⁱ⁾	28% median 43% mean	20% median 48% mean	
Ethnicity pay gap ^{(ii) (iv)}	7% median 10% mean	7% median 10% mean	
Ethnicity bonus gap ^{(iii) (iv)}	28% median 23% mean	21% median -12% mean	
Retention	89%	91%	Improve retention through our focus on talent development and targeted action plans whilst continuing to build a supportive and inclusive culture
Absence ^(v)	13 days	12 days	Reduce absence through effective management practices alongside proactive support and education via our comprehensive health and wellbeing suite of support
Total recordable injury frequency rate (TRIFR) per 200,000 hours worked	0.61	0.63	Reduce TRIFR and LTIFR by reinforcing a strong safety culture among colleagues and contractors, with a focus on strengthening preventative behaviours and following procedures, controls and monitoring
Lost time incident frequency rate (LTIFR) per 200,000 hours worked	0.37	0.38	
Process safety incident frequency rate (Tier 1 and 2) per 200,000 process safety hours worked	0.12	0.21 ^(vi)	Maintain robust operational controls and operator competencies, safety-critical maintenance programmes and management of contractors working with process safety risk
Significant process safety events (Tier 1)	1	1	
Fatalities	0	0	Maintain zero fatalities

(i) Based on an average score out of 10, measuring how colleagues feel about the Company.

(ii) Based on hourly rates of pay for all employees at full pay (including bonus and allowances) at the snapshot dates of 5 April 2024 and 2025. Read our Gender and Ethnicity Pay Statement to find out more at centrica.com/pay.

(iii) Includes anyone receiving a bonus during the 12-month period leading up to the pay gap snapshot date and who are still employed on the snapshot date.

(iv) Based on 77% of colleagues in 2024-25 who confirmed whether they are from a Black, Asian or Mixed/Other ethnic group. A negative number indicates the bonus gap is in favour of ethnically diverse colleagues.

(v) Relates to absence from sickness rather than wider forms of absence such as bereavement. Scope based on UK where the majority of our team are located due to absence being tracked differently across geographies.

(vi) Restated due to availability of improved data.

Metric	2025	2024	What's next
Communities			
Total community contributions	£510.2m⁽ⁱ⁾	£603.3m ⁽ⁱⁱ⁾	Continue to make a big difference across our local communities – from helping people with their energy bills and emissions, to volunteering and fundraising for local causes that colleagues care passionately about
On the ground site audits completed	35	27	Continue to monitor and raise standards across our supply chain to reduce risk and guard against modern slavery, focusing on enhancing engagement and controls
Sites completing remote worker surveys	5	7	
Colleagues committed to Our Code	97%	99%	Ensure all colleagues uphold Our Code as part of our commitment to doing the right thing and acting with integrity

(i) Comprises £505.4m in mandatory and £42.8k in voluntary contributions to support vulnerable customers and communities, alongside £4.8m in charitable donations which includes £3.1m in corporate donations, £1.3m in time to volunteer during work and £0.3m in third party contributions such as fundraising and payroll giving. Sum of constituent parts does not align with total due to rounding.

(ii) Comprises £596.8m in mandatory and £1.4m in voluntary contributions to support vulnerable customers and communities, alongside £5.1m in charitable donations which includes £3.4m in corporate donations, £1.3m in time to volunteer during work and £0.3m in third party contributions such as fundraising and payroll giving. Restated due to availability of improved data and changes in methodology to align with best practice, incorporating cost of during work time volunteering and core fundraising. Sum of constituent parts does not align with total due to rounding.

Planet

Metric	2025	2024	What's next
Greenhouse gas (GHG) and energy use			
Total GHG emissions (Scope 1 and 2) ⁽ⁱ⁾	1,580,933tCO₂e^{(ii)†}	1,732,328tCO ₂ e ^{(iii)(iv)}	Measure and reduce emissions to achieve our People & Planet Plan goals of being a net zero business by 2040 and helping our customers be net zero by 2050, enabled through the delivery of our Climate Transition Plan and associated climate ambitions
Scope 1 emissions	1,571,517tCO₂e^{(v)†}	1,725,987tCO ₂ e ^{(iii)(vi)}	
Scope 2 emissions	9,415tCO₂e^{(vii)†}	6,341tCO ₂ e ^{(iii)(viii)}	
Scope 3 emissions ^(ix)	18,294,835tCO₂e	21,860,510tCO ₂ e	
Total GHG intensity by revenue ^(x)	81tCO₂e/£m^(xi)	87tCO ₂ e/£m ^(xii)	Analyse the impact of our strategy on decoupling GHG emissions from value creation
Total energy use	7,177,638,803kWh^{(xiii)†}	7,925,163,679kWh ^(xiv)	Remain focused on energy efficiency as we strive to be a net zero business by 2040
Water, waste and non-compliance			
Total water use	348,958m³	357,260m ³	Effectively monitor, manage and reduce our water use and waste production, as well as our incidence of environmental non-compliance
Total waste generated	23,109 tonnes	16,651 tonnes	
Environmental non-compliance ^(xv)	12	2	

Reporting practices for environmental metrics are drawn from the WRI/WBCSD Greenhouse Gas Protocol and Defra's Environmental Reporting Guidelines. Reporting is additionally based on operator boundary which is the more commonly used approach for reporting environmental matters, and includes all emissions from our shipping activities relating to LNG alongside the retained Spirit Energy assets in the UK and Netherlands. Non-operated nuclear emissions are excluded.

† Included in DNV's independent limited assurance report. See page 253 or centrica.com/assurance for more.

(i) Comprises Scope 1 and Scope 2 emissions as defined by the Greenhouse Gas Protocol.

(ii) Comprises UK 604,640tCO₂e and non-UK 976,293tCO₂e.

(iii) Included in DNV's limited assurance scope for the Annual Report 2024. See centrica.com/performanceandreports for our 2024 Basis of Reporting and DNV's 2024 Assurance Statement. Although there were no material changes to reported data, previous figures included in DNV's limited assurance scope have subsequently been restated due to availability of improved data and were as follows: Total GHG emissions (Scope 1 and 2): 1,733,882tCO₂e, Scope 1: 1,726,177tCO₂e and Scope 2: 7,706tCO₂e.

(iv) Comprises UK 579,094tCO₂e and non-UK 1,153,234tCO₂e.

(v) Comprises UK 595,709tCO₂e and non-UK 975,808tCO₂e.

(vi) Comprises UK 572,985tCO₂e and non-UK 1,153,002tCO₂e.

(vii) Market-based, comprises UK 8,931tCO₂e and non-UK 485tCO₂e. Sum of constituent parts does not align with total due to rounding. Location-based is 16,492tCO₂e.

(viii) Market-based, comprises UK 6,109tCO₂e and non-UK 232tCO₂e. Location-based is 17,347tCO₂e.

(ix) Includes emissions from the following Scope 3 categories defined by the Greenhouse Gas Protocol: purchased goods and services, capital goods, fuel and energy-related activities, waste generated in operations, business travel, employee commuting, upstream and downstream transportation and distribution, use of sold product and investments. All emissions are calculated in line with the methodologies set out by the Greenhouse Gas Protocol's technical guidance. Other categories spanning upstream leased assets, processing of sold products, end-of-life treatment of sold product, downstream leased assets and franchises, are not included because they are not relevant to our business.

(x) Carbon intensity of revenue is employed as our intensity measure because it is the most meaningful intensity measure for our diverse business and is the most widely used and understood measure for climate-related stakeholders such as CDP. Based on statutory revenue.

(xi) Comprises UK 38tCO₂e/£m and non-UK 266tCO₂e/£m.

(xii) Comprises UK 36tCO₂e/£m and non-UK 314tCO₂e/£m. Non-UK value has been restated due to availability of improved data.

(xiii) Comprises UK & Offshore 2,006,825,467kWh and non-UK energy use 5,170,813,337kWh. Sum of constituent parts does not align with total due to rounding.

(xiv) Included in DNV's limited assurance scope for the Annual Report 2024. See centrica.com/performanceandreports for our 2024 Basis of Reporting and DNV's 2024 Assurance Statement. Comprises UK & Offshore 1,812,987,689kWh and non-UK energy use 6,112,175,991kWh. Sum of constituent parts does not align with total due to rounding.

(xv) Includes breaches of environmental authorisation including permit, licence and consent coupled with wider environmental legislation where we are either required to notify the regulator or where an authority or regulator is involved. The majority of incidents relate to offshore activities and did not result in legal action.

Glossary

\$	Refers to US dollars unless specified otherwise
2P reserves	Proven and probable reserves
AGM	Annual General Meeting
AI	Artificial Intelligence
AIP	Annual Incentive Plan
bcf	Billion cubic feet
CHP	Combined Heat and Power
CLT	Centrica Leadership Team
CO ₂ e	Universal unit of measurement of the global warming potential (GWP) of greenhouse gases (GHG) expressed in terms of the GWP of one unit of CO ₂ e (carbon dioxide equivalent)
CPI	Consumer Price Index
CSRD	Corporate Sustainability Reporting Directive
Data analytics	The process of examining data sets to draw conclusions and insights about the information they contain
DE&I	Diversity, Equity and Inclusion
EBITDA	Earnings before interest, tax, depreciation and amortisation
EBT	Employee Benefit Trust
EPS	Earnings per share
ESG	Environmental, Social & Governance
Ethnically diverse	Colleagues from a Black, Asian, Mixed or other ethnic background
EV	Electric vehicle
EU	European Union
FCA	Financial Conduct Authority
FCF	Free cash flow
FRC	Financial Reporting Council
FRS	Financial Reporting Standards
GAAP	Generally Accepted Accounting Practice
GHG	Greenhouse gas emissions
GM	Gross margin
GMB	Trade union
GRCCF	Group Risk, Control and Compliance Forum
Green jobs	Jobs that have a direct positive impact on the planet
Green skills	Ability to install, repair or maintain products such as heat pumps, EV chargers and smart meters
GW	Gigawatt
GWh	Gigawatt hour
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
KPIs	Key performance indicators
kWh	Kilowatt hour
LGBTQ+	Lesbian, Gay, Bisexual, Trans and Queer/Questioning plus. The 'plus' is inclusive of other groups such as asexual, intersex and questioning
LNG	Liquefied natural gas
LTIFR	Lost time injury frequency rate

LTIP	Long-Term Incentive Plan
Malus & Clawback	Malus and clawback are contractual mechanisms allowing companies to reduce or recover executive compensation (bonuses/incentives) following misconduct or poor performance. Malus reduces unvested, unpaid rewards, while clawback recovers cash or shares already paid. Both aim to align pay with long-term risk and prevent unfair rewards.
mmboe	Million barrels of oil equivalent
Mmths	Million therms
MWh	Megawatt hour
Net zero	The point at which there is a balance between human-related carbon dioxide (CO ₂) being emitted into the atmosphere and the CO ₂ taken out
NGOs	Non-governmental organisations
NPS	Net Promoter Score
OECD	Organisation for Economic Co-operation and Development
Ofgem	The government regulator for gas and electricity markets in Great Britain
Paris Agreement	A global agreement to keep temperature rise well below 2°C above pre-industrial levels, and pursue efforts to limit the increase to 1.5°C
PP&E	Property, Plant and Equipment
PPAs	Power Purchase Agreements
ppt	Percentage point
Process safety	Process safety is concerned with the prevention of harm to people and the environment, or asset damage from major incidents such as fires, explosions and accidental releases of hazardous substances
PRA	Prudential Regulatory Authority
PRT	Petroleum Revenue Tax
PWR	Pressurised water reactor
ROC	Renewable Obligation Certificate
RPI	Retail Price Index
RSP	Restricted Share Plan
SAYE	Save As You Earn
SESC	Safety, Environment and Sustainability Committee
SIP	Share Incentive Plan
tCO ₂ e	Tonnes of carbon dioxide equivalent
TCFD	Task Force on Climate-related Financial Disclosures
The Company	Centrica plc
The Group	Centrica plc and all of its subsidiary entities
TRIFR	Total recordable injury frequency rate
TSR	Total shareholder return
TWh	Terawatt hour
Under-represented groups	A person/group who are insufficiently or inadequately represented in society such as those who are women, ethnically diverse, have a disability or are LGBTQ+
VIU	Value in use
WBCSD	World Business Council for Sustainable Development
WRI	World Resources Institute



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This Annual Report and Accounts contains certain forward-looking statements, forecasts and projections that reflect the current intentions, beliefs or expectations of Centrica's Management with respect to, the Group's financial condition, goals and commitments, prospects, growth, strategies, results, operations and businesses of Centrica.

These statements only take into account information that was available up to and including the date that this Annual Report and Accounts was approved and can be identified by the use of terms such as 'intend', 'aim', 'project', 'anticipate', 'estimate', 'plan', 'believe', 'expect', 'forecasts', 'may', 'could', 'should', 'will', 'continue' and other similar expressions of future performance and results including any of their negatives.

Although we make such statements based on assumptions that we believe to be reasonable, by their nature, readers are cautioned that these forward-looking statements are not guarantees or predictions of the Group's future performance and undue reliance should not be placed on them when making investment decisions. Any reliance placed on this Annual Report and Accounts or past performance is not indicative of future results and is done entirely at the risk of the person placing such reliance.

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At any time subsequent to the approval of this Annual Report and Accounts, neither Centrica nor any other person assumes responsibility for the accuracy and completeness or undertakes any obligation, to update or revise any of these forward-looking statements to reflect any new information or any changes in events, conditions or circumstances on which any such forward-looking statement is based save in respect of any requirement under applicable law or regulation.

Further when considering the information contained in, or referred to in this Annual Report and Accounts, please note that profit and inventory from Rough operations are reported under Centrica Energy Storage Limited, also referred to as Centrica Energy Storage+, for presentational purposes only. Centrica Energy Storage Limited does not produce, supply or trade gas, except to the extent necessary for the efficient operation of the storage facility. In accordance with the Gas Act 1986, such production, supply and trading of gas is carried out wholly independently of Centrica Energy Storage Limited by other Centrica group companies.

Certain figures shown in this announcement were rounded in accordance with standard business rounding principles and therefore there may be discrepancies.

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