



ANNUAL REPORT
AND ACCOUNTS 2024/25



OUR VISION AND PURPOSE

WE HAVE A BOLD NEW VISION TO

Lead the Way on Nuclear

We want Sizewell C to define what good leadership for the nuclear industry and British infrastructure looks like, and deliver on it.

We understand the feats of organisation, logistics, collaboration and imagination that building nuclear requires. We are building for the next generation – for their home-grown energy, energy price stability and ultra-low carbon power in abundance. We also want to set the benchmark for maximising long-lasting social value as we build and demonstrate how smart collaboration can work for the benefit of communities – locally, regionally and nationally. This will guide our decisions and prioritise our plans to deliver secure and clean energy, societal value for future generations and long-term benefit for the UK economy.

OUR PURPOSE

We have begun constructing a 3.2-gigawatt Power Station on the Suffolk coast in the East of England replicating, wherever possible, the design used for Hinkley Point C (HPC). When built, these will be the two largest power stations to operate in the UK.

The power station will generate low carbon electricity for at least 60 years, supplying over 6 million homes and supporting around 7% of the UK's current electricity needs. It will play a key role in His Majesty's Government (HMG) energy security ambitions.

There are four distinct stages in the approximate 100 year life of the power station:

- **Preconstruction.**
- **Construction.**
- **Operation.**
- **Decommissioning.**

The preconstruction stage, including early manufacturing of critical equipment, is well advanced and we are mobilising construction.

REBUILDING THE UK'S NUCLEAR CAPABILITY

The financing, construction and operation of the power station reinforces a new nuclear era for the UK.

We are developing the next generation of skills and expertise through collaboration and a forward-thinking approach to partnerships. Life-enhancing jobs are being created, including superb opportunities for engineering and manufacturing businesses nationwide.

The construction of the power station at Sizewell will make a major contribution to UK economic growth over the next decade, securing 70,000 jobs including 7,900 on the construction site.

At least 70% of the construction value will go to UK suppliers, with over 400 UK suppliers having secured a share of £2.8 billion in contracts up to March 2025. Alongside HPC, Sizewell C will help rebuild the national capability needed for future nuclear projects.

The innovative combination of public and private finance for Sizewell C will provide a cost-effective model that can be replicated for other major infrastructure projects in the UK, both nuclear and non nuclear.

By developing a clean and continuous energy supply the power station will help to:

- **Stabilise an energy grid that is increasingly reliant on intermittent renewables.**
- **Reduce the UK's dependence on imported gas.**
- **Provide more resilient and affordable home-grown electricity.**

AN INVESTIBLE PROPOSITION

The funding model for Sizewell C is a first for the construction of a nuclear power station, based on established approaches for regulated UK infrastructure companies.

Our arrangements provide assurance on accessing various sources of funding over the construction period. They ensure Sizewell C will maintain robust financial resilience that underpins investment grade ratings and the returns required by our investors.

Front cover and pictured below are computer-generated images of the Sizewell C Power Station.



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Pictured left members for the Sizewell C workforce look out from the Direct Air Capture (DAC) pilot plant in Suffolk. Designed to capture 100 tonnes of CO₂ annually, the plant will support research into scaling heat-powered DAC technology within the UK.

STRATEGIC REPORT

Pictured below are graduates and apprentices on an early careers visit to the Sizewell C site in Suffolk.



STRATEGIC REPORT

Chair's welcome

I was excited to join as Chair in March 2025. I know how important the development of Sizewell C is for the UK by delivering critical national infrastructure to support energy transition and provide secure and 'always on' energy into the next century.

Sizewell C will be a driving force in the UK's future low-carbon electricity system by delivering stable and continuous clean power to around six million homes. It will strengthen energy security and help lower costs for consumers.

We are already having a positive economic impact, helping company growth in the UK and creating thousands of meaningful jobs. This has been possible with the trigger of our Development Consent Order (DCO) and HMG's £2.7bn commitment in the 2024 Autumn Budget. This allowed signature of significant contracts and meant our delivery spend in 2024/25 totalled £1.7bn.

HMG's announcement of its Final Investment Decision (FID) on 22 July 2025 represented a major milestone and the dawn of a new era for Sizewell C. It cannot be underestimated as to the effort and stamina needed from the management team over a long period to ensure this was achieved successfully. We now have a clear line of sight on the Company's future with the necessary financial support to ensure we will deliver to budget and schedule.

Since taking up my role, I have visited local schools, colleges and universities, and met with a variety of Suffolk businesses. I am proud that Sizewell C has the opportunity to be a catalyst for regeneration in the area, leaving a legacy of skilled jobs and better infrastructure for local communities. I also appreciate how close the site is to Leiston and the need to minimise disruption during construction.

I can already see that the Sizewell C team is making good progress across a wide range of areas to deliver on its commitments, which go beyond the construction of the power station. These include:

- Minimising vehicle movement in Suffolk through road improvements and providing accommodation and bus services.
- Working with local schools to train young people for the wide range of jobs in Sizewell C and its supply chain.
- Building our 'College on the Coast' as a permanent educational facility that will offer skilled workers for Sizewell C and other infrastructure projects.

We are already benefitting from the strategy to replicate HPC, the sister power station in Somerset, through lower costs, and shorter delivery schedule. This low-risk delivery strategy and the economic regulatory model have attracted the interest of new institutional investors to join HMG and EDF Energy as shareholders, all of which will provide value for money for shareholders.

We have been subject to considerable external scrutiny and I have been encouraged that an external diligence report for a UK MP update concluded that:

"Sizewell C is likely the best prepared nuclear project in modern nuclear history."

In 2024/25, as part of its transition from an EDF-supported company to an independent, regulated company, there have been key appointments to strengthen the Board and the Executive Leadership Team (ELT), evolution of the Company's strategy and improvement in governance processes.

The extraordinary progress over the last few years is thanks in part to the leadership and vision of Robert Holden CBE, my predecessor.

On behalf of everyone at Sizewell C, I would like to thank Robert and wish him all the very best for the future.

It is a privilege to have joined this groundbreaking team, and I hope we will make the whole country proud as we lead the way on nuclear.

John Holland-Kaye
Chair

Pictured below with representatives of current and new investors, and the National Wealth Fund is the Chair, John Holland-Kaye (front centre), with Joint Managing Directors Julia Pyke and Nigel Cann (to left of the Chair), the Chancellor of the Exchequer, Rachel Reeves (back centre), and the Secretary of State for Energy Security and Net Zero, Ed Miliband (to right of the Chancellor), marking HMG's FID for Sizewell C in July 2025.



STRATEGIC REPORT

Managing Directors' review

Significant progress was made during the year as the Joint Managing Directors continued to build the Company and develop its capabilities to become a world-class, large-scale regulated utility focused on constructing and operating a power station as a replica of HPC. Our priorities included supporting the capital raise process and laying the groundwork for new financing. We also strengthened ties with local communities, expanded our workforce, built up both our current and future supply chain, and, with the Board, developed a new vision and Company strategy.

SAFETY AND QUALITY FIRST

Safety and quality remain the Company's highest priorities.

The Company is committed to ensuring that everyone returns home safely each day, and is proud to report that no significant safety incidents occurred during 2024/25.

Safety is critical from design to decommissioning. It is embedded in all decision-making and operational processes. This represents international best practice and supports long-term success and public confidence.

Targeted training programmes are in place to build safety awareness and capability across the workforce. These ensure our people are equipped to manage risk effectively and uphold the high standards required for safe and efficient delivery.

PROGRESS AND ACHIEVEMENTS

Sizewell C has focused on building momentum following the trigger of the DCO in January 2024, which enabled preconstruction activities to start. The scale and pace of activity has accelerated, with over 1,000 people working across three main sites and 40 other locations at 31 March 2025.

Key equipment contracts have been signed, major earthworks have begun, and the Orwell Logistics Park has been secured, providing over one million square feet of local storage space for key equipment, to support effective and efficient construction.

The granting of the Nuclear Site Licence in May 2024 marked a significant milestone for the Company. It reflects the Office of Nuclear Regulation's confidence in the suitability of the site, the safe delivery of the replicated HPC design, and the capability of the organisation to begin major construction work.

FUNDING TO SECURE THE FUTURE

Successful close of the capital raise process will result in a package of committed long-term funding arrangements. The financing of Sizewell C will be the first time in nuclear new build that significant private sector equity is invested and in which debt attracts a strong investment-grade rating. It will set a template for other nuclear programmes.

HMG will continue to be a significant investor and provider of financial protection for certain severe stress events. As Accounting Officers, we will continue to ensure Sizewell C adheres to the principles for Managing Public Money.

CREATING JOBS AND SUPPORTING THE LOCAL COMMUNITY

Ensuring access to life-enhancing, long-term jobs for the people who live locally to the site is important to us. We are working with schools and further education colleges to increase aspiration and remove barriers to work, and exploring opportunities to create legacy benefits such as improved public transport. Approximately two-thirds of the onsite workforce are employed by local and regional businesses that have secured contracts totalling £126m.

A £250m DCO package is already supporting local charities and other organisations. During the year, the Sizewell Community Fund awarded £1.4m to 20 local projects and we established Sizewell Creative to offer opportunities to schools, colleges and local residents to participate in events which build community with our team, make us more accessible and raise confidence.

We recognise Sizewell C will cause some disruption for residents. To ensure the local community is able to raise issues with us in person, we hold regular public forums and maintain an office on the high street in Leiston for people to explore job opportunities and raise any problems in person. Action to address traffic impacts already includes a £25m scheme near Lowestoft to reduce flood risk and other infrastructure improvements to reduce disruption. Our local presence is shown in the map on [page 7](#).

PROTECTING THE ENVIRONMENT

We remain committed to acting proactively to mitigate any adverse impact we know the construction will have on the local surroundings in Suffolk. Site preparation has seen the removal of trees and other vegetation, which inevitably gives rise to the perception that Sizewell C is not positive for nature despite the low carbon power it will produce. To compensate for the

felled trees, twenty-six thousand trees have been planted so far with up to one hundred thousand more trees to be planted over the next few years. Three nature reserves have been created, totalling 170 hectares, in keeping with typical Suffolk Sandlings landscapes. We aim not only to restore areas used during the construction period but to ensure part of the permanent site reaches a biodiversity standard higher than the state in which we found it. Increasing public access to nature is an important part of us delivering our vision, by demonstrating that big infrastructure and nature positivity can both be achieved.

AN OPPORTUNITY TO REPLICATE AND REFINE

We are utilising a unique opportunity to replicate the HPC design – already adapted to UK regulatory standards – and to benefit from the learning and experience gained during HPC's construction.

This allows thousands of components to be delivered and stored close to the construction site well ahead of installation, reducing the risk of delay to the construction schedule.

Finally, by taking advantage of skills and experience in the existing supply chain, the Company aims to significantly improve manufacturing quality with fewer technical issues.

THE PATH AHEAD

The Company entered 2025/26 with a high level of confidence and a clear, ambitious vision to set new benchmarks for the UK nuclear industry in construction and financing, and in ensuring that we give more than we take in the way we develop Sizewell C.

We remain on schedule and budget, and are prepared for the next stage of Sizewell C's development and full mobilisation of construction activities.

We want to take this opportunity to express our gratitude to everyone who has contributed to this success. Your continued hard work and dedication means that as one team, we will achieve our bold ambition to Lead the Way on Nuclear in the UK. Thank you!

Julia Pyke
Joint Managing Director

Nigel Cann
Joint Managing Director

Pictured below are Joint Managing Directors Nigel Cann (left) and Julia Pyke (right) with UK Prime Minister Sir Keir Starmer, as the government announced a £14.2 billion investment to build Sizewell C in June 2025.



STRATEGIC REPORT

Our local presence

The Company is interacting with over 50 local civil construction companies, service providers, local authorities, health and wellbeing companies and educational institutions.

It is also investing in transport and logistics infrastructure to mitigate the impact of construction activities on the environment and the local community.



STRATEGIC REPORT

Our business model

OWNERSHIP AND FUNDING

HMG has provided funding for ongoing development and site activity under approved subsidy schemes totalling £8.6bn. As at 31 March 2025, HMG had an ultimate beneficial ownership of 86.54% (31 March 2024: 72.87%) and EDF Energy had 13.46% (31 March 2024: 27.13%).

REGULATED ASSET BASE MODEL

Currently, Sizewell C holds a Generating Licence. At Financial Close, this will be expanded to include an Economic Licence, and the Office of Gas and Electricity Markets (Ofgem) will set economic and regulatory obligations.

The Economic Licence will protect consumers' interests and establish a stable, regulatory environment. It will provide a resilient base to raise future capital and draws on precedents for existing regulated companies in the UK energy and water sectors. The positive influence and oversight of private investors will result in value for money for consumers.

OUR KEY STAKEHOLDERS

We have a multi-faceted stakeholder landscape. HMG is a key stakeholder and majority shareholder with several different roles, including involvement from multiple departments and arm's length bodies, as well as planning and regulation.

Other stakeholders include:

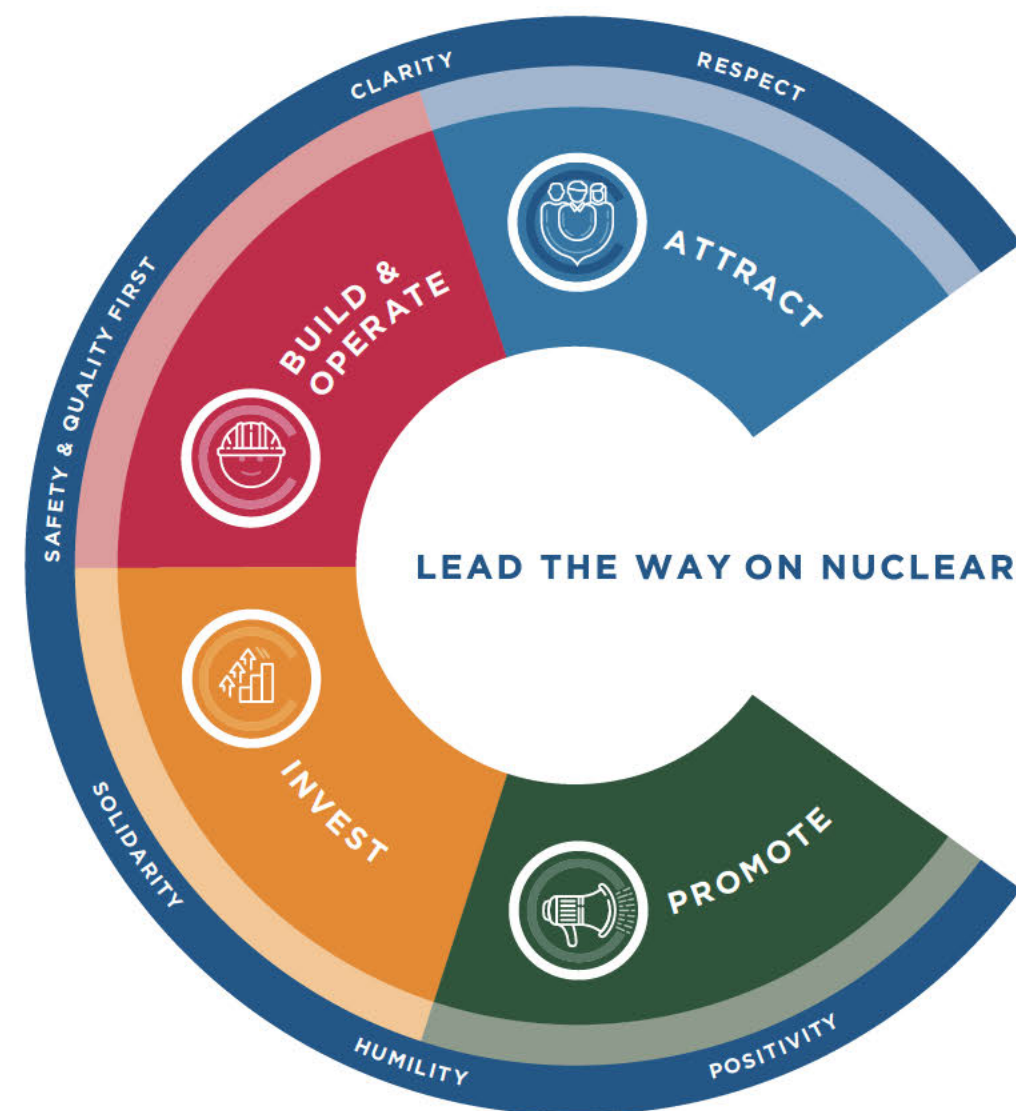
- Regulators
- Local community
- Employees
- Trade unions
- HPC
- Supply chain partners
- Shareholders
- Utilities
- Consenting bodies
- Delivery partners

See page 15 for further information on our stakeholders and how we engage with them.

Our strategic aims

A PIONEERING, INTEGRATED AND SOCIALLY RESPONSIBLE APPROACH

Our four strategic aims are: Attract, Build & Operate, Invest and Promote. They serve as a source of inspiration and direction, shaping the Company strategy, guiding decision-making and providing a roadmap for success. The focus they provide will enable us to achieve our vision while upholding our Company values (depicted in the outer ring in the graphic below).



ATTRACT

Attract, support and nurture outstanding talent and expertise in our people, and develop a centre of excellence for the nuclear industry in the UK.



BUILD & OPERATE

Set the model for the building and operation of a power station – on time, on budget, and with relentless focus on quality, safety and the environment.



INVEST

Develop genuine partnerships with our neighbours, suppliers and investors to create lasting economic and social value, pioneering a new integrated approach to building infrastructure in the UK.



PROMOTE

Ensure that the social, economic, environmental and energy security benefits of our work and of the wider nuclear industry are more widely understood and celebrated nationally.

STRATEGIC REPORT

Our objectives and priorities

Under each of the four strategic aims there are supporting objectives and priorities, each sponsored and championed by a member of our ELT.



ATTRACT

OUR OBJECTIVE

We want to attract and retain a respected, diverse, and productive Sizewell C workforce, empowered by a purposeful, performance-focused culture, with the required skills available where and when needed.

OUR LONG-TERM PRIORITIES

Create and maintain an attractive value proposition for our people.

Support the provision of effective transport links and industry leading local accommodation and food, health and leisure facilities.

Foster an inclusive Sizewell C culture, that encourages high performance across all the workforce, promoting respectful communication and collaboration.

Build a pipeline to all roles through harnessing local skills facilities and effective succession planning.

Maintain strong industrial and employee relations through effective trade union recognition arrangements.

Embed in Supply Chain contracts, requirements relating to diversity, inclusion and employment skills plans.

Assess and minimise the risk of modern slavery and human trafficking in connection to our business and supply chains.



BUILD & OPERATE

OUR OBJECTIVE

We will ensure the highest standards of safety, security, and regulatory compliance – reinforced by modern technologies. By leveraging learnings from replication and value of ERP construction we will deliver a quality build, faster and more cost-effectively than ever before in Europe. We will cultivate exceptional plant operational capability in preparation for operating the asset safely once the power plant is functioning.

OUR LONG-TERM PRIORITIES

Place greater focus on innovation to drive improvements in health, safety, wellbeing and the environment.

Secure construction permits, licences and consents on time and ensure compliance against these.

Deliver a mature design ‘right-first time’ to enable construction, maximising replication from HPC.

Improve construction productivity and efficiency through, maximising off site activity, optimising construction methodologies and modularisation, and enabling efficient interface management.

Foster and maintain supply chain excellence and optimal logistics.

Establish a programmatic approach for pre-operations and align to the Roadmap to Operational Readiness.



INVEST

OUR OBJECTIVE

We are building a financially resilient, investible company underpinned by mature operations – robust data, systems, and processes optimised to meet every business need. We are equally committed to maintaining our social licence: delivering local, regional, and national benefits that fosters sustainable growth, creates meaningful jobs, and generates enduring social value.

OUR LONG-TERM PRIORITIES

Manage capital expenditure in accordance with our funding model and optimal capital structure.

Embed a culture of compliance to meet our key stakeholder requirements.

Establish Sizewell C as a sustainable investment opportunity and transparently report the sustainability performance of our company.

Develop Sizewell C’s processes, data, systems and technology to serve the Company during construction and as a future asset operator.

Deliver on our environmental and social commitments to Suffolk and the UK.

Inspire a future workforce which is reflective of the community we serve with dedicated focus for local residents into employment with Sizewell C.

Support the development of UK nuclear and infrastructure capability, with a focus on supply chain growth and capability retention in the UK.



PROMOTE

OUR OBJECTIVE

We will realise maximum value from nuclear for the benefit of society and the energy system and be seen as the UK’s flagship infrastructure company, shaping the future landscape for both the nuclear and infrastructure sectors.

OUR LONG-TERM PRIORITIES

Demonstrate that nuclear power is a critical part of the UK energy system and communicate the benefits in the best way to different local and national audiences.

Maximise the benefits of nuclear assets for society, including helping to kickstart new clean technologies to power Britain’s future.

Establish proactive external communications to promote a positive Sizewell C narrative.

Promote Sizewell C’s successes to trade bodies and set the standards for key differentiators.

STRATEGIC REPORT

Our values

Our Company values are the foundation of our culture. They guide us through everything we do and underpin the nature of how we work together, how we listen and learn from each other, how we inspire one another, how we go the extra mile to succeed together and how we deliver against our vision and strategic aims. These values are:

SAFETY AND QUALITY

The safety of our employees, suppliers, and the public is of utmost importance. All our activities, whether on site, in our offices or the transportation of materials, must be carried out to the highest standards. This is why we will always put safety and quality first.

POSITIVITY

Being an “energiser” and focusing on solutions when faced with challenges.

RESPECT

Valuing people, safety, the environment and rules under which we operate.

SOLIDARITY

One team, working closely together and helping each other.

CLARITY

Knowing how far we've come, how far we've got to go and how we're going to get there.

HUMILITY

Recognising there is always opportunity to learn from others and improve.



Pictured right are members of the Sizewell C workforce participating in the St Elizabeth charity walk in September 2024.

STRATEGIC REPORT

Performance review

PROGRESS AND ACHIEVEMENTS

The timeline below shows key milestones over the four stages of the life of the power station.

In April 2024, the Board approved the project baseline for the construction stage. We remain on track to complete and become operational by the mid-to-late 2030s in line with this baseline.

There were 16 delivery and management objectives set at the start of 2024 and 14 were achieved in that year, including mobilisation of the Main Construction Area earthworks. The two outstanding objectives related to the capital raise process that continued into 2025.

The main site office opened in July 2024 and there has been good progress during the year with site clearance and preparation. This included clearance of unexploded ordnance and archaeological investigations. We have also been protecting and relocating wildlife, such as bats and badgers.

For DCO commitments, all First Commencement anniversary obligations are complete. For land required to build the power station and related infrastructure, 94% of off site and 97% of main development site land had been acquired by the end of 2024/25. We had also obtained 101 of the 164 required permits with the remaining applications either submitted or at pre-application stage.

Sites have been prepared for a programme of highway improvements to ease the impact of construction activity on Suffolk roads and bring long-term safety benefits. In addition, work has started on two park and ride schemes to transport workers to the main development site and a pilot hydrogen bus service was launched to reduce carbon emissions.

Spend in 2024/25 totalled £1.70bn against an approved budget of £1.76bn. The key reason for the budget underspend was slightly slower progress than planned for construction mobilisation.

Our project controls capability has increased steadily during 2024/25 following the appointment of a PMO Director in November 2023 and, shortly after, a Head of Programme Controls, whose experience includes Thames Tideway Tunnel and Lower Thames Crossing. We have also strengthened leadership for schedule, risk, reporting and change management disciplines. The project controls team is now nearly fully resourced, bringing the capability required to implement effective controls.

The project baseline has been set and is under active management. The core baseline management tools are in place (P6, EcoSys, ARM), processes are defined in our Integrated Management System, and baseline data is structured and managed according to controlled master data structures, such as work and cost breakdown structures and defined control accounts. The baseline is managed through active change management.

The maturity required for FID within project controls was achieved in June 2024. The project controls plans, processes and core systems are established and have successfully supported the project preconstruction phase. Work continues to implement and embed aligned practices within the supply chain as new partners join.

SAFETY

There were no major injuries or significant incidents during 2024/25. There were six lost time incidents, with six high potential events and one RIDDOR specified injury.

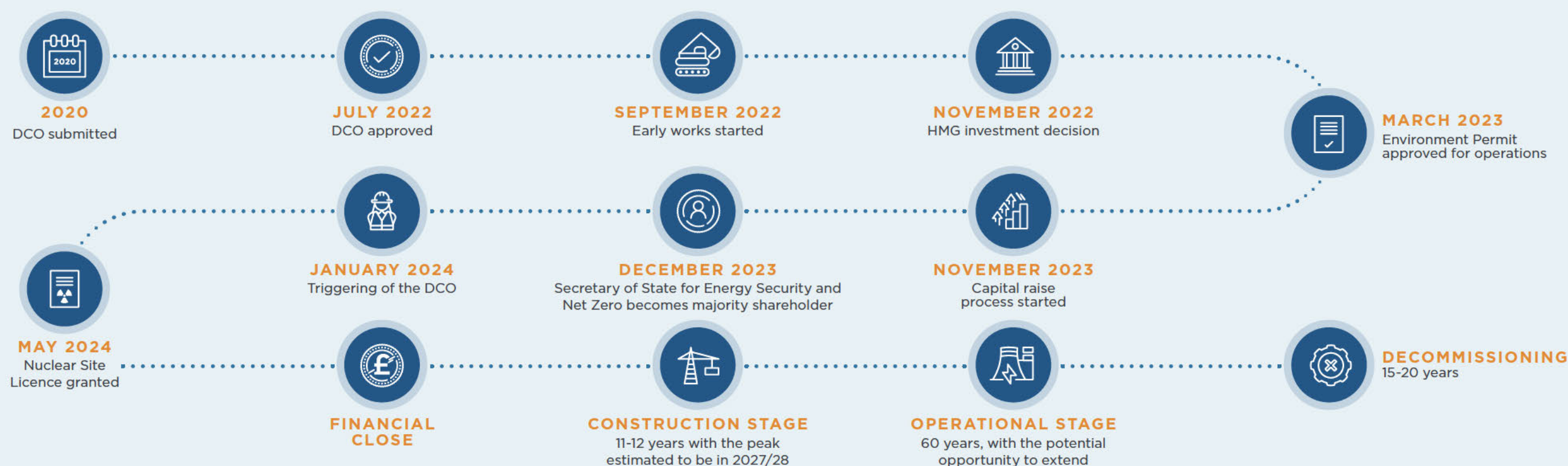
Despite a large increase in the total hours worked in the year to 1,976,157 (2023/24: 1,004,211) and an increase in the average daily number of people on-site to 1,227 people (2023/24: 619) our Accident Frequency Rate remained very low at 0.05 (2023/24: 0).

In August 2024, we established a Safety, Health & Environment Forum to promote innovation, learning and best practice from other projects. In 2024/25, we completed 212 leadership engagement tours (2023/24: 54) and 841 assurance activities (2023/24: 121).

New Life Saving Rules and Health & Safety Basics were launched alongside the publication of our Site Delivery Health & Safety standards.

A QR code Health & Safety reporting app was launched in March 2023, with site workforce engagement more than quadrupling in the year. We also launched our on-site Employee Assistance Programme, provided by the Lighthouse Charity.

Sizewell C Timeline



STRATEGIC REPORT

Performance review

DESIGN AND ENGINEERING PROGRESS

The Nuclear Services Agreement, Intellectual Property Licence and Design Performance Guarantee Agreement were formally approved in 2024 and became effective from 1 January 2025. This enables critical engineering and technical support, and the provision of technical expertise for design assurance and Construction Design Management (CDM) Regulations activities.

We have started authoring the Preconstruction Safety Report, which will support the permissioning of the first nuclear safety concrete pour.

The site enabling and off-site infrastructure detailed design was 82% complete at the end of 2024/25 and being used to support procurement and construction activities. The design of the civil structures is underway.

EARLY MANUFACTURING STRATEGY

Our early manufacturing strategy focuses on protecting the construction schedule by maximising the benefits of replication from HPC. Since April 2024, significant progress has been made:

- 93% of the large forgings are complete for the Unit 1 reactor and 23% for Unit 2.
- Manufacture of the Unit 1 pressuriser has begun, the steam generators are in assembly ahead of schedule, and the first reactor vessel core shell has been completed.
- Siemens completed an early instrumentation and control manufacturing programme in August 2024 to ensure design and supply chain continuity.

In addition, a lease was signed in May 2024 for the Orwell Logistics Park near Ipswich to provide one million square feet of storage for manufactured equipment to allow just-in-time delivery to site and for a freight management facility that became operational in February 2025.

SUPPLY CHAIN

A total of 229 contracts (2023/24: 134) were signed with suppliers.

These included:

- More than 45 key equipment contracts to secure manufacturing capacity and the benefits of HPC design replication. These included key contracts with Framatome to design, supply and commission two nuclear heat production systems and to provide safety instrumentation and control systems, as well as long-term services to support and maintain the operation of the power station.
- Key technology and construction alliance contracts, as well as significant progress in finalising the Programme Alliance Agreement between the Company and the lead contractors for the civil works.

QUALITY

In 2024/25, collaboration began with HPC through the European Pressurised Reactor (EPR) programme to replicate construction quality arrangements and apply key lessons learnt. A quality strategy was introduced that features clear lines of defence to ensure supply chain procedural compliance, manage quality risks, and provide oversight through internal audits and annual management reviews of the integrated management system.

Quality processes, IT tools and resource capability continue to be developed ahead of increased manufacturing and construction activities. Independent Nuclear Assurance provides the Board with objective assurance and risk management advice.

Direction Qualite Industrielle reviews supply chain documentation and manufacturing surveillance under the Nuclear Services Agreement. The current number of open non-conformance reports is estimated to be approximately 50% of the number raised for HPC at an equivalent manufacturing point.



Financial review

INTRODUCTION

I joined Sizewell C in September 2024 and it was rapidly clear as to the enormity of the task in hand, over the next decade, to build a nuclear power station and an independent, regulated company that will be financially resilient.

My initial focus has been to continue the good work started by my predecessor, Frederic Mayoux, growing teams within the finance function to their full size and preparing for the completion of the capital raise process that will see the arrival of new investors.

At Financial Close, Sizewell C will be required to comply with over 2,500 requirements for a range of key stakeholders. Good progress has been made defining and introducing new procedures and reporting to meet these requirements, which will continue through the rest of 2025 and into 2026. This annual report represents one of the steps forward as we comply with the UK Corporate Governance Code.

The Chair’s welcome notes our 2024/25 spend and HMG’s committed funding for 2025/26 spend. This represents a 56% year-on-year increase and demonstrates HMG’s continuing commitment and the ambition to be prepared for the full mobilisation of construction activities. We will seek to deliver this ambition in a financially resilient manner.

ACCOUNTING POLICIES

The Company financial statements have been prepared and approved in accordance with UK-adopted International Accounting Standards (IAS), as required by the Companies Act 2006 (“UK-Adopted IFRS”).

They follow the historical cost accounting convention except where International Financial Reporting Standards (IFRS) mandates otherwise and comply with IFRS 1 for first-time adoption. Details of the transition from UK GAAP to IFRS, including impacts on financial position, performance, and cash flow, are provided in Note 24 of the Financial Statements.

During the construction phase, expenditure directly related to bringing the Sizewell C nuclear power station into use will be capitalised as an ‘Asset Under Construction’ within the Statement of Financial Position.

Post commencement of operations, it has been determined that accounting for the nuclear power station as ‘Property, Plant & Equipment’ is the most appropriate presentation under IFRS.

INCOME STATEMENT

During the year, Sizewell C reported a Net Income of £2.4m (2023/24: £4.3m), with no dividends paid or proposed (2023/24: £nil). The Company recognised £5.8m of Profit Before Tax in the period (2023/24: £5.8m), mainly relating to interest income on cash balances, offset by a charge for underpaid tax for off payroll working arrangements. The resulting corporation tax charge for the period was £3.4m (2023/24: £1.5m).

STATEMENT OF FINANCIAL POSITION

At 31 March 2025, cumulative costs of £3,360.4m had been capitalised as an Asset Under Construction in the Statement of Financial Position. This represents £1,687.6m of capital additions during the year (2024: £834.6m). The capitalised costs were funded directly by shareholder capital injections.

Capitalised costs have been apportioned as follows:

	2024/25 £m	2023/24 £m
Costs directly related to the design and delivery of the new power station, which has been principally spent on critical nuclear equipment	£596.6	£251.5
Preparation of the construction site at Sizewell	£619.6	£281.0
Other design and delivery support	£138.2	£17.6
Total	£1,354.4	£550.1

	2024/25 £m	2023/24 £m
Corporate costs including people costs	£142.1	£95.2
Insurances	£44.2	£50.2
Other corporate cost	£146.9	£139.1
Total	£333.2	£284.5

CASHFLOWS

Cash available for use at 31 March 2025 totalled £292.1m (31 March 2024: £210.9m), which excludes £73.0m of restricted cash held as collateral.

The table below summarises the movement in cash available for use:

	2024/25	2023/24
Profit before tax	5.8	5.8
Net finance income/(expense)	(15.7)	(6.5)
Increase in provisions	7.5	-
(Increase)/Decrease in working capital	(255.8)	148.1
Net cash flow from operating activities	(258.2)	147.4
Interest income on cash and cash equivalents	15.0	5.7
Net acquisition of property, plant and equipment	(1,694.6)	(1,090.4)
Net cash flows from investing activities	(1,679.6)	(1,084.7)
Proceeds from issue of shareholder loans	2,025.0	1,093.0
Increase in restricted cash	-	(73.0)
Lease liability payments	(6.0)	(0.6)
Net cash flows from financing activities	2,019.0	1,019.4
Net increase in cash available for use	81.2	82.1
Cash available for use at 1 April	210.9	128.8
Cash available for use at 31 March	292.1	210.9

TAX

The directors are responsible for ensuring that Sizewell C complies with UK tax laws, which is the only territory the Company undertakes business in. The Company complies with tax laws in a responsible manner and has open and constructive relationships with the tax authorities.

The scope of business in the UK means that Sizewell C is subject to corporation tax, employment taxes, Value Added Tax (VAT) and other taxes, such as environmental levies related to delivery activities. The Company’s tax strategy can be found at www.sizewellc.com/investor

We comply with all applicable UK tax legislation and pay the correct taxes on time and in full. Where any non-compliance with UK Tax legislation is identified, immediate remedial action will be taken.

Corporation tax on interest income has been paid during the construction phase. This is because the power station is an asset that will not be ready for economic use until it is fully operational. Significant expenditures incurred during construction go towards the development of that asset.

SUBSEQUENT EVENTS OCCURRING AFTER THE REPORTING DATE

On 10 June 2025, HMG announced its £14.2bn spending review commitment through to 2030 for the development and construction of a new nuclear power station at Sizewell. This was followed by its FID announcement on 22 July 2025 that included a package of financial support totalling £54.6bn, in line with HMG’s long-standing objective for a new large-scale nuclear project. This latest support represents a strong endorsement of Sizewell C and provides significant, long-term funding.

GOING CONCERN

The financial statements have been prepared on a going concern basis and further details are set out in Note 2 to the financial statements.

The directors have performed a going concern assessment that has taken into account the continuing support and scope for future funding from HMG to meet agreed spending plans and construction schedule. In particular, as noted above, the recent FID announcement was considered by the Board.

David Gregg
Chief Financial Officer

Section 172 statement

In accordance with Section 172(1) Companies Act 2006, the Company’s directors must act in a way that they consider, in good faith, is most likely to promote the success of the Company for the benefit of its members as a whole. In doing so the directors must have regard (amongst other matters) to the range of factors set out below.

During the year, the Board took these considerations into account in:

- Setting the agenda for meetings.
- Planning activities.
- Discussions at Board meetings.

The Board’s decision-making process during 2024/25, the outcomes of which are referenced throughout this Annual Report and Accounts, were consistent with the directors obligations under Section 172. The following two case studies illustrate this point for two areas of decision-making that were particularly significant in 2024/25:

- Securing key supplier contracts – securing key contracts during the preconstruction stage was critical to getting the site prepared for construction and the construction stage itself.
- Establishing a corporate strategy – following the granting of the Nuclear Site Licence in May 2024, the Board focused heavily on establishing a clear strategic direction for the Company as it transitioned towards full independence.

During the year, the Board has performed these duties by taking into consideration a number of matters with key points summarised opposite and as referenced throughout this Annual Report and Accounts.



Principal decision:
Key supplier contracts

DECISION-MAKING PROCESS

The Board deliberated on the following points when considering key material contracts:

- **Design:** aimed to follow a replicated design or where this was not possible, considered the rationale and challenged the reasoning for deviation. Provided assurances on safety case principals for non-replicated supply chain.
- **Sole sourcing:** challenged management on any sole sourcing decisions. Considered how this interacted with the replicated supply chain design and any associated risks for deviations from replicated design.
- Followed established governance to manage and monitor all EDF Energy related party matters and the position under the replicated design principles.
- Challenged management on any cost implications that deviated from expected estimates during final negotiations of supply chain contracts.
- Considered the principles for the Civils Works Alliance (a first of a kind in the UK) that will support key delivery schedule milestones for complex arrangements and which will drive collaborative supply chain behaviours and align with Sizewell C safety principles.

KEY S172 CONSIDERATIONS

- **Shareholders:** as a public interest company with the majority interest held by HMG, the Board was cognisant of its responsibilities to ensure value for money principles are challenged on approvals and decisions sought from the Board.
- **Community/local environment:** recognising the unique opportunities Sizewell C brings to the local environment, the Board,

together with management focused on building solid local community relationships. This included identifying where local supply chain could be sourced and supporting local community opportunities and initiatives in respect to education, skills and infrastructure improvements.

- **People/contractors:** recognising the inevitable impact of Sizewell C as it increases workforce productivity in location, Governance considered how productivity will impact delivery across the life of Sizewell C. While we continue to evolve our independent employee base, delivery is only achievable through the contracted workforce. Governance recognises the unique skills that the contractor workforce will bring and wants to provide the right culture and level of health, safety and nuclear safety standards at this crucial start of the Sizewell C lifecycle. This included considering how accommodation, induction and training would be developed.
- **Supply chain:** securing and building supply chain relationships has been a key focus to ensure replication knowledge is leveraged, keeping lessons learnt at the forefront of our delivery and meeting construction schedule commitments. Governance has considered with care the related party matters for our EDF Energy relationship.

ACTIONS, OUTCOMES
AND IMPACT

- The Board approved key material contracts.
- A key contract was secured to facilitate replicated design exchange with EDF.



Principal decision:
Strategy

DECISION-MAKING PROCESS

- The Board held its first Strategy Day in February 2025.
- Received detailed strategy proposals from the ELT.
- Held positive collaborative discussions between the Board, the immediate shareholder and the ELT, taking into consideration short, medium and long term aims and purpose across the lifecycle of Sizewell C.
- Discussions included wider strategic and risk development. This is a key focus for the Audit and Risk Committee during 2024/25.

KEY S172 CONSIDERATIONS

The long term consequences for our employee, suppliers, customers, the local community, the environment were considered in the Board’s consideration of the strategy.

ACTIONS, OUTCOMES
AND IMPACT

The Board’s approval of the strategy enabled the development of long term objectives for the Company which started a framework in April 2025 for setting KPIs against those objectives.

STRATEGIC REPORT

Stakeholder engagement

REGULATORS

Office for Nuclear Regulation (ONR) – Our open and productive relationship with the ONR was instrumental in securing our Nuclear Site Licence in May 2024. We will continue to work closely with the ONR as it establishes a regulatory footprint to assess our compliance with health and safety, and security requirements.

Office of Gas and Electricity Markets (Ofgem) – While we have held a Generating Licence with Ofgem for several years, the modifications to this licence to allow the Regulated Asset Base (RAB) model funding will mean that we will have more regular active engagement with Ofgem. During 2024/25, we have regularly engaged with the Ofgem team responsible for the RAB model, building a constructive working relationship and identifying areas of useful bespoke guidance. Following Financial Close, we will work closely with Ofgem, who will also sit on the ‘Liaison Committee’ alongside the Department for Energy Security and Net Zero (DESNZ), and we will report regularly via our Independent Technical Advisor to ensure it has clear oversight of the progress of the development.

Environment Agency (EA) – Given the unique and complex nature of the site, maintaining an open and productive relationship with the EA through our regular engagement is critical, particularly as on-site enabling works have progressed rapidly. The EA issued adequate permissions on a timeframe to enable work to continue on schedule.

We have also worked with the EA to demonstrate continuing compliance with the permits obtained to date, including through on-site EA inspections, collaborative site orientation visits and regular engagement at all levels of seniority.

Marine Management Office (MMO) – As enabling works commenced off shore – an area of high public interest – it has been crucial to maintain our open, trusted and productive relationship with the MMO, which regulates our construction activities in the sea. The MMO issued new/varied licences for ground investigations and unexploded ordinance investigations in line with our programme, as well as approving several preconstruction marine licence conditions. The MMO has worked positively with us to ensure sufficient resources are available to meet development needs as intensity of marine works increases. We have engaged regularly with the MMO case team on technical matters and senior management and inspectors, as required, to ensure and demonstrate compliance with our marine licences.

LOCAL COMMUNITY

We are already improving the local education system and providing long-term and rewarding jobs and training for local people. Our focus is to deliver a clean energy legacy for Suffolk that lasts well beyond the construction stage.

Even at this preconstruction stage change is already visible. While our work will lead to benefits such as the long-awaited two-village bypass, we recognise the inconvenience to local communities and visitors as we build it.

Communication is key. During 2024/25, we launched regular forum meetings, an improved project works tracker and accessible public information, such as parish newsletters.

East Suffolk will eventually be home to one third of the UK’s energy generation – we know it’s important for local communities that we carefully coordinate the infrastructure installation. That’s why we’re working closely with local and transport authorities to improve roads and material transportation and will continue to communicate about this in our forums and online.

We place ourselves in the heart of the community. Our high street office in Leiston is open from Monday to Friday, and we welcome local communities to meet and talk about the development of the new power station.

Public sentiment remains positive, with significant interest around the broad range of jobs and opportunities to upskill or retrain. Contracts with local suppliers demonstrate our commitment to make the development work for Suffolk and the wider region.

Our engagement with the local community includes:

- A Sizewell C community fund that will provide up to £23m to local charities, community groups and social enterprises over the next decade.
- An arts programme, Sizewell Creative, which sponsors film and book festivals in Leiston, offers a camera club and partners with schools, colleges and universities to make the arts more accessible in education.
- Making archaeological discoveries as accessible to the public as possible. For example, the discovery of an archaeologically significant coin hoard was featured on BBC2’s Digging for Britain.
- Volunteering with our charity partners through our social-value initiative, Doing the Power of Good for Suffolk.

Pictured below is the Sizewell Creative photography workshop group at Sizewell beach.



Stakeholder engagement

WORKFORCE

Most people that work for the Company are on long-term secondment from EDF Energy or other professional service firms.

The Company had an average of 8 employees in 2024/25 (2023/24: 2), alongside secondees from EDF.

Providing meaningful, sustainable and life-enhancing employment is our ambition. We are creating a collaborative culture to achieve the best outcomes for everyone.

In September 2024, we welcomed our first large in-take of apprentices, graduate trainees and industrial placements – now more than 60 strong. The goal is to take on at least 1,500 of these roles throughout the life of the power station.

One of the many ways we will attract, recruit and retain a happy, healthy, productive and diverse workforce is by investing in wellbeing through our own creative arts programme, Sizewell Creative.

Sizewell Creative started as a one-off pilot, producing a community performance of the Lowestoft-born composer Benjamin Britten's opera 'Noye's Fludde' in Summer 2024. The pilot involved choir events and workshops with eight schools. It embodied community spirit and included:

- Local school children.
- Suffolk New College Performing Arts students.
- Professional opera singers.
- A community and Sizewell C chorus.
- The Sizewell C workforce in Personal Protective Equipment building the set live during the opera.

As a result of the production's success, we identified that creative initiatives could be established and we developed a set of strategic objectives that aim to:

- 1 Engage with the communities in the priority area of Leiston.
- 2 Engage with communities in Lowestoft.
- 3 Engage with respective surrounding areas.

We will use creative initiatives to:

- Engage with schools in priority areas that are working to raise aspirations.
- Engage with the Sizewell C workforce by offering entertaining leisure activities in the arts, contributing to the productivity and retention of a happy and healthy workforce.

Events such as the Leiston Film Festival, the choir (from both London and Suffolk) singing at the Nuclear Industry Association (NIA) Dinner, a series of photography workshops with local photographer Tony Pick and the introduction of the Sizewell C Artist in Residence have all been a huge success and set a brilliant precedent to continue developing our investment in our workforce and community.

We will continue to use the arts as a powerful tool to promote community cohesion, engage schools and the workforce, and support positive mental health and wellbeing.

Pictured below the Sizewell C choir performing at a companywide event held in Suffolk in May 2025.



Stakeholder engagement

TRADE UNIONS

We fully recognise the vital role of trade unions in representing workers and the success of the Company. In the summer of 2024, our Tier One contractors, and the GMB and Unite the Union trade unions signed three construction agreements.

These agreements show how we will:

- Promote a strong safety culture.
- Provide best-in-class standards of health, safety, reward, benefits and welfare, including mental health services.
- Clear, collaborative working arrangements for all workers.

Ongoing collaboration continues with our recognised trade unions, Prospect and Unite the Union, through:

- Joint development of policies and consultation on people and organisational change.
- Quarterly Partnership Forums for strategic dialogue and knowledge sharing.
- Bi-monthly People Organisation Group meetings to focus on local workforce matters.

A major focus in 2024/25 was preparing for formal consultation on the Transfer of Undertakings (Protection of Employment) regulations (TUPE) transfer of our workforce into direct Company employment.

We also concluded Project Solidarity, which brought together alliance and contract partners, HPC colleagues, and trade unions to agree on a shared framework for recruiting, developing and deploying our construction workforce. These discussions ended with a set of collective agreements for the Company, replicating and building on successful experience from HPC.

HINKLEY POINT C (HPC)

The design of HPC is key to our replication strategy to construct a nuclear power station cost-effectively. To harness HPC’s knowledge and skills, we have established collaborative ways of working.

We will replicate:

- 1 Development design.
- 2 Health and safety.
- 3 Operating documentation and systems (adopting and modifying to fit our requirements).
- 4 Supply chain.

This knowledge sharing provides an opportunity to apply HPC lessons learnt, improving overall delivery while maintaining the highest safety standards and maximising value.

SUPPLY CHAIN PARTNERS

Our Supplier Relationship Management programme has been enhanced throughout 2024/25. In addition, regular monthly supplier meetings have started so the current and potential future supply base has the opportunity to understand our intent, direction, progress and key issues. These meetings have an average attendance of over 400 suppliers.

The strategic relationship with the Suffolk Chamber of Commerce has developed to maintain a very strong engagement with Suffolk and regional suppliers to maximise the potential for this supply base.

We continue to balance close collaboration and knowledge sharing with EDF Energy, especially HPC, which is a dominant player in the UK and global nuclear industry coupled with strong arms-length management of its contracts with EDF Energy.

SHAREHOLDERS

Active engagement with shareholders is critical to maintaining strong working relationships and high standards of corporate governance, particularly as we move towards Financial Close.

Monthly meetings provide the opportunity to brief shareholders in advance of Board meetings. Our regular Director briefings allow time for all shareholders to consider, discuss and understand key issues and topics related to the Company. Forums to enable Company and shareholder views to be exchanged and discussed are also held regularly. Topics covered include Nuclear Site Licence (NSL) regulations, delegations of authority and investor materials.

The Company Secretary is the first point of contact for shareholders for Board and corporate governance matters within the Company.

HMG AND GOVERNMENT BODIES

In addition to HMG in its capacity as a shareholder, we also maintain regular engagement with government departments, non-departmental bodies, local authorities and others, particularly regarding Sizewell C’s construction infrastructure needs. This includes National Highways for major road schemes, Network Rail for rail works to support freight movement, and working closely with Natural England and the local authorities.

UTILITIES

We regularly engage with utility operators. This is to ensure our assets and consumers are protected from the potential impacts of Sizewell C, agree on network diversions, and establish new connections where required.

We are working with:

- **National Grid** for connections to the transmission network.
- **Cadent Gas Networks** for natural gas.
- **UK Power Networks** for Sizewell C’s power supply.
- **Essex and Suffolk Water** for potable water.
- **Anglian Water** for foul water issues and potential water tanking (extracting potable water from the network outside the local area to bring to site).
- **Openreach and Virgin Media** for telecommunications.

STRATEGIC REPORT

Sustainability and ESG performance

We will lead the way on nuclear in the UK while bringing long-lasting benefits to people, communities and the environment. We will continue the transformation of the nuclear construction industry started by HPC, our sister site in Somerset, while remaining sensitive to the local environment.

We will set a high standard, keeping safety and environmental management at the centre of our strategy, while integrating innovative sustainability solutions to enhance the performance of the construction phase.

We take our responsibility to minimise our impact to the local Suffolk communities and their environment seriously – this is demonstrated by the £250m DCO package secured for local communities of which c£90m has been granted to support environmental initiatives, and which will have wider societal application and benefits nationwide.

By providing low carbon power for 6 million homes for 60 years

Sizewell C will address the need for **Affordable and Clean Energy** in the UK and contribute to the United Nations (UN) Sustainable Development Goal (SDG) 7.

7 AFFORDABLE AND CLEAN ENERGY



By providing low-carbon power for 6 million homes for at least 60 years, Sizewell C will strengthen the UK's energy security.

However, by also bringing wider benefits to the UK and Suffolk region, we aim to contribute to several other UN SDGs, specifically:

8 DECENT WORK AND ECONOMIC GROWTH



By rebuilding the UK's nuclear capability, Sizewell C will be a large contributor to UK economic growth over the next decade, supporting 70,000 jobs, 1500 apprenticeships and targeting 70% construction spend in the UK.

10 REDUCED INEQUALITIES



By developing and retaining a diverse, skilled and respected workforce that encourages and promotes wellbeing, Sizewell C will seek to improve the representation of all minorities in both the construction and nuclear sectors.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



By investing in innovative low carbon technologies of the future such as hydrogen power and Direct Air Capture (DAC), Sizewell C will not only provide an invaluable piece of sustainable infrastructure in itself but it will develop the wider potential of clean energy technology for the UK.

15 LIFE ON LAND



By fulfilling our compensation plans and going above and beyond to restore critical habitats and boost local biodiversity in East Suffolk, Sizewell C will achieve 19% Biodiversity Net Gain and create valuable resources for local people to come and enjoy.

WE ARE ACTIVELY WORKING TO ESTABLISH AND ENHANCE ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) PERFORMANCE FOR SIZEWELL C

What matters to us is that we not only deliver on our sustainability commitments but also continue to benchmark our performance against industry best practice. This year we:

- Launched our ESG Committee (ESGC) with the inaugural meeting in November 2024. This Committee will meet quarterly and provide a forum for the discussion and escalation of sustainability and ESG performance matters.
- Embedded training and learning opportunities that build sustainability capability within the Company, including AXA Climate's school, which is accessible to all employees and bespoke ESG supply chain, and training for contract managers.
- Scored 73/100 and received 4 out of 5 stars as part of the first Global Real Estate Sustainability Benchmark (GRESB) Infrastructure Development Asset Assessment.¹
- Made significant progress towards the design stage of the Building Research Establishment Environmental Assessment Method (BREEAM) Infrastructure assessment, to verify our progress towards sustainability improvements during construction. This was marked by the ratification and verification of the ONCE assessment.
- Developed a Green Financing Framework, independently assessed this year by our independent Second Party Opinion provider, S&P Global. This framework allows us to issue Green Financing instruments, a new precedent for nuclear new builds in the UK.
- Undertook an independent assessment against internationally recognised frameworks as part of ongoing due diligence, including the International Finance Corporation Performance Standards and the Equator Principles.



For more information and context on all our sustainability progress and our establishment of best practice at Sizewell C, please read our full [Annual Sustainability Report](#).

¹ GRESB provides Environmental Social Governance (ESG) assessments and sustainability benchmarks for commercial real estate and infrastructure projects, and it validates ESG data for the capital markets.

STRATEGIC REPORT

Sustainability and ESG highlights

We want our progress towards delivering our sustainability objectives to be clear and meaningful, which is why we've published our inaugural *Annual Sustainability Report* this year and structured it around the issues that matter most to Sizewell C and the people we serve.

We are proud of the progress we have made in each of these areas; some highlights are:

JOBS, SKILLS & ECONOMIC GROWTH

- We launched our Sizewell C Skills Charter to ensure we deliver on our ambitions for a highly skilled and inclusive workforce.
- With Suffolk's East Coast College, we created Nucleus, a new employability hub offering training and referral services, application and interview advice, and access to upskilling opportunities and Sizewell C employees.
- As part of our commitment to deliver 1,500 apprenticeships, we have supported a further 52 apprentices this year, bringing the total to 70.
- We reached almost 16,000 students through more than 400 events in the last financial year.
- This year, local suppliers have benefitted from the award of over £126m in contracts.

PEOPLE

- We have exceeded the Nuclear Sector Deal target of 40% Women in Nuclear with an overall average of 42% female employees in 2025 (2023/24: 43%).
- We have also maintained diversity in our leadership team, with Joint Managing Directors and 67% female representation across the ELT.
- To support health, safety & wellbeing on the project, we have appointed our first ever chaplain to provide agnostic health and wellbeing support to all.
- We saw over 1,000 employees and contractors engage in our Stand Up for Safety month in September and we continue to grow our network of Mental Health First Aiders on Sizewell C, reaching 96 in 2024/25.

COMMUNITIES

- We distributed £1.4m of funding from our Community Fund to support a wide range of local organisations making a positive impact in their communities.
- We responded to 1,291 enquiries and hosted 14 community forums across 5 locations, attended by over 500 people.

NATURE & THE ENVIRONMENT

- We have taken strides in our efforts to restore SSSI land lost at the main development site. In summer 2024, ecological surveys confirmed that parts of Wild Aldhurst, created just a decade ago, have successfully transformed arable land into rich, biodiverse habitat. We now hope to achieve official SSSI designation for it from Natural England in due course.
- We also completed the groundworks at our fourth nature reserve, Wild Benhall. This landscape restoration project intends to restore rare fen meadow and wet woodland habitat to the area.
- As part of our commitment to lead the way in applying circular economy principles, we repurposed 132 modular units from the 2022 Commonwealth Games infrastructure to create the Ancillary Construction Areas (ACA) Project Office.

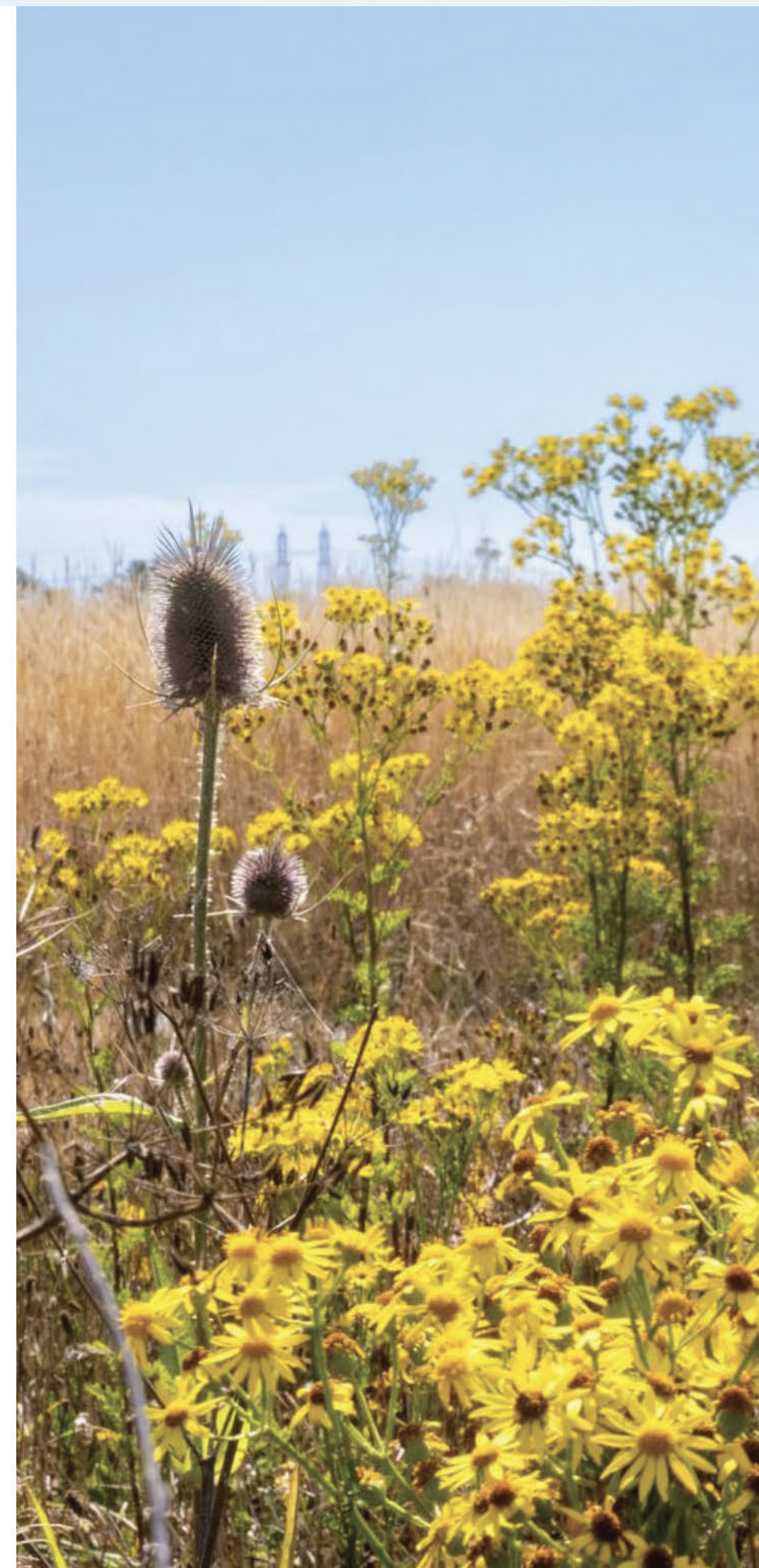
CLIMATE

- We completed our DAC pilot plant, with commissioning starting in February 2025. Designed to capture 100 tonnes of CO₂ annually, the plant will support research into scaling heat-powered DAC technology within the UK.
- We deployed the first four hydrogen-powered buses, delivered by Wrightbus, covering over 9,700 miles and reducing emissions by 15 tonnes CO₂e compared to diesel. The pilot is paving the way for a potential fleet of up to 150 hydrogen or electric buses, supporting the growth of a hydrogen economy in the East of England.



For more information and context on all our sustainability progress and our establishment of best practice at Sizewell C, please read our full *Annual Sustainability Report*.

Pictured right is the Wild Aldhurst nature reserve in Suffolk, which Sizewell C has created.



STRATEGIC REPORT

TCFD

COMPLIANCE NOTE

This document contains Sizewell C’s climate-related financial disclosures for 2024/25.

These disclosures have been produced in accordance with His Majesty’s Treasury’s (HMT’s) Task Force on Climate-related Financial Disclosure (TCFD) – and aligned disclosure application guidance, which interprets and adapts the TCFD framework for the UK public sector.

We do not currently consider climate risk to be a standalone strategic risk² as the potential impacts of climate change are robustly considered as part of the power station’s design, as required by the UK’s nuclear sector regulator. However, climate-related impacts may exacerbate or influence certain strategic risks and are therefore considered within our risk assessment.

We have prepared these disclosures in accordance with TCFD recommendations on a comply or explain basis (see table opposite) and recommended disclosures in line with HMT’s TCFD-aligned disclosure implementation timetable (Phase 2).

² We define strategic risks as a summary of the current risks that could result in events or circumstances that might threaten the Company’s business model, future performance, solvency or liquidity and reputation. HMT’s TCFD-aligned disclosure application guidance recommends reporting entities provide details on whether climate is designated as a ‘principal risk’ and refers to the Orange Book’s definition of a principal risk as “a risk or combination of risks that can seriously affect the performance or reputation of an organisation”. This definition is based on the FRC guidance *TCFD-aligned disclosure guidance for public sector annual reports – GOV.UK*

³ Further recommended disclosures for Strategy (a) to (c) (on a ‘comply or explain’ basis) are not mandatory for reports covering the 2024/25 reporting period (i.e. for Phase 2 of HMT’s TCFD-aligned disclosure application guidance). However, Sizewell C has disclosed information against these recommended disclosures on a voluntary basis and plans to align to these recommended disclosures in future reporting periods in line with HMT’s implementation timetable *TCFD-aligned disclosure guidance for public sector annual reports – GOV.UK*

TCFD compliance summary

TCFD Recommendation		Compliance Status	TCFD Section
GOVERNANCE			
A	Describe the board’s oversight of climate-related risks and opportunities.	COMPLY	GOVERNANCE A Page 21
B	Describe management’s role in assessing and managing climate-related issues.	COMPLY	GOVERNANCE B Page 21
STRATEGY			
A	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	VOLUNTARILY DISCLOSED ³	STRATEGY A Page 22
B	Describe the impact of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning.	VOLUNTARILY DISCLOSED	STRATEGY B Page 22
C	Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	VOLUNTARILY DISCLOSED	STRATEGY C Page 23
RISK MANAGEMENT			
A	Describe the organisation’s processes for identifying and assessing climate-related risks.	COMPLY	RISK MANAGEMENT A Page 24
B	Describe the organisation’s processes for managing climate-related risks.	COMPLY	RISK MANAGEMENT B Page 24
C	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation’s overall risk management.	COMPLY	RISK MANAGEMENT C Page 24
METRICS & 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.	EXPLAIN	METRICS & TARGETS A Page 25
B	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks.	COMPLY	METRICS & TARGETS B Page 25
C	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	EXPLAIN	METRICS & TARGETS C Page 25

TCFD

GOVERNANCE

A. BOARD OVERSIGHT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES

The Board is responsible for overseeing the strategic direction of the Company to meet its primary purpose – the construction, delivery and operation of a new power station in the UK. The Board is also responsible for controlling strategic decisions, which may be related to climate change issues or commitments and KPIs.

The Audit and Risk Committee meets quarterly and advises the Board on risk and compliance issues. Its duties include, but are not limited to:

- Advising the Board on the Company’s overall risk appetite, tolerance and strategy.
- Overseeing and seeking assurances on the processes and procedures to manage risk and the internal control framework.
- Monitoring the integrity of the financial statements of the Company.

The Board and the Audit and Risk Committee are notified of material changes to our climate-related risks and opportunities through the preparation of our Annual Report and Accounts financial statement, which our Board and the Audit and Risk Committee are responsible for overseeing and signing-off on an annual basis.

Companywide strategic risks, of which some may interact with or be influenced by climate change risks, are formally reported to the Audit and Risk Committee on at least a six-monthly basis.

For further details on our governance arrangements, please see the Corporate Governance section.

B. MANAGEMENT’S ROLE IN ASSESSING AND MANAGING CLIMATE-RELATED RISKS AND OPPORTUNITIES

Sizewell C has established a clear organisational structure to effectively assess and manage climate-related risks and opportunities, as detailed in below.

Sizewell C management of climate risk

Business Area	Function / Team / Role	Description
EXECUTIVE LEVEL	Joint managing directors and ELT	Save for any reserved matters requiring the approval of the Sizewell C Board, Sizewell C (Holding) Limited Board and/or shareholders ⁴ , the Sizewell C Board has delegated authority for the operational day-to-day management of the business to the joint managing directors, which is cascaded down to the ELT as appropriate. This includes governance and delivery of different ESG topics as well as ESG Strategy. Relevant ELT members review and approve the outputs of climate-related risks and opportunities as part of TCFD reporting.
	ESGC	The ESGC is an executive management committee, established in 2024 that oversees the development of our annual ESG reporting, including climate-related financial disclosures. The TCFD report is shared with the ESGC at least annually for endorsement before issuing to the Sizewell C Board and the ARC.
PRINCIPAL ACTIVITY (MANAGEMENT LEVEL)	Corporate functions	Senior management ⁵ is responsible for overseeing the identification and assessment of specific climate risks that are relevant to their function’s area/phase, supported by individual Risk Owners. The ESG team is responsible for sustainability-related reporting (including TCFD) and ensuring that climate-related risks and opportunities are regularly reported to the ESGC.
	Integrated risk team	The team engages with risk owners and is responsible for documenting risks and opportunities within the Active Risk Manager (ARM) system. Risk Owners ⁶ are individuals who have been assigned responsibility for managing a specific risk(s), which may include climate risks. This includes implementation and monitoring of mitigation activities.

For further details see Risk Management (a-c), page 24.

NEXT STEPS

GOVERNANCE

- Moving forward, the Audit and Risk Committee will continue to monitor and review the effectiveness of internal governance structures for addressing climate risk management.
- Where appropriate, the ELT will identify and implement measures to mature governance of climate-related risks and opportunities. This may include more frequent reporting on progress against ESG targets and obligations, which may cover climate-related issues.
- The ESGC will review climate-related risks at least annually.

⁴ Pursuant to the Interim Shareholders’ Agreement (“ISHA”). The ISHA is a shareholders’ agreement between EDF Energy Holdings Limited, the Secretary of State for Business, Energy and Industrial Strategy (now the Secretary of State for Energy Security and Net Zero), Sizewell C (Holding) Limited, and Sizewell C. It was signed on 29 November 2022 and subsequently amended and restated on 22 March 2024. The ISHA defines the funding and governance arrangements for the Company up until the anticipated Financial Close.

⁵ Directors are individuals who lead or manage a particular function which has oversight over or is responsible for identifying, assessing and/or managing specific climate-related risks. These individuals are not necessarily Sizewell C statutory directors.

⁶ ARM is a single system used to capture all risks affecting Sizewell C. It includes, amongst other things, details covering risk identification and description, an assessment of the risk against Sizewell C’s Risk Scoring Scheme, risk mitigation actions and assigned Risk Owners responsible for their implementation.

TCFD

STRATEGY

A. CLIMATE-RELATED RISKS AND OPPORTUNITIES IDENTIFIED OVER THE SHORT, MEDIUM, AND LONG TERM

We have assessed climate change risks and opportunities, considering impacts across our business and value chain. We have qualitatively and/or quantitatively assessed these risks and opportunities over three defined time horizons as detailed in the table below.

Sizewell C climate time horizons

Time horizon	Description	Expected phase	Key climate-related risks and opportunities
SHORT TERM	0-5 YEARS	CONSTRUCTION (EARLY STAGES)	This time horizon has been selected to assess climate-related risks and opportunities that may pose an immediate impact on the business during the early stages of construction. Short-term climate-related risks posed to the business are predominantly related to transition risks or opportunities associated with policy, legal, technology, market or reputational impacts. Acute and chronic physical events are also considered, though these typically pose less risk to businesses over the short term ⁷ .
MEDIUM TERM	5-10 YEARS	CONSTRUCTION (LATER STAGES)	Medium-term climate-related risks include both transition and physical risks impacts. This time horizon has been selected to assess risks during the latter stages of construction, where significant construction activity is anticipated.
LONG TERM	10+ YEARS ⁸	END OF COMMISSIONING AND OPERATIONAL PLANT	Long-term climate-related risks predominantly relate to the frequency and severity of extreme acute and chronic physical events exacerbated by climate change, particularly over longer timeframes. However, this time horizon may also include transition impacts. This time horizon considers risks during the operating life of the power station.

Climate-related risks and opportunities were identified through engagement with subject matter experts and desktop research. A qualitative assessment was carried out to evaluate potentially material risks and opportunities, supported by a quantitative scenario analysis of selected risks across defined time horizons (as outlined in the table above). The outcomes of both assessments are detailed on [pages 33 to 35](#).

Acute and chronic physical climate-related risks and opportunities have been considered primarily with reference to the main construction site, as well as the East Suffolk region. We considered regional, national and global impacts when assessing risks to Sizewell C’s supply chain, which includes both local and international suppliers.

B. THE IMPACT OF CLIMATE-RELATED RISKS AND OPPORTUNITIES ON THE ORGANISATION’S OPERATIONS, STRATEGY, AND FINANCIAL PLANNING

Quantitative financial scenario analysis⁹ enables us to stress test resilience to potential shocks to:

- Relative magnitude of risk or opportunity based on the outcomes of the desktop research and/or stakeholder engagement.
- Provisions of Sizewell C’s Economic Licence.
- Appropriateness and availability of primary and secondary data when the analysis was undertaken.

Quantitative financial scenario analysis enables us to stress test resilience to potential shocks to the financial system that may arise from macroeconomic developments required to meet a global Net Zero by 2050 ambition and potentially growing economic damages resulting from increased acute and chronic physical events.

Climate scenarios used in our analysis include:

- Rapid transition: Stringent climate policies and innovation help decarbonise the global economy, reaching net zero CO₂e emissions around 2050. Transition risks are most prominent under this scenario, as policy, capital and demand changes could result in financial consequences for businesses, such as reduced market demand and revenue, legal liabilities and increased operational expenditure on new and emerging technologies. This scenario closely maps to the IPCC’s RCP2.6 / SSP1-2.6 scenario¹⁰. Warming level < 1.5°C.
- Below 2°C: Climate policies introduced to slow global emissions gradually increase, improving the possibility of limiting warming to below 2°C. Both transition and physical risks are expected. This scenario closely maps to the IPCC’s RCP4.5 / SSP2-4.5 scenario¹⁰. Warming level < 2°C.
- Current policies: Insufficient global policy ambition where no further progress is made to already implemented policies, leading to growing warming levels and higher physical risks. This scenario closely maps to the IPCC’s RCP8.5 / SSP5-8.5 scenario¹⁰. Warming level >3°C.

For 2024/25, we modelled certain transition risks using data from the International Energy Agency (IEA), as well as other secondary sources, such as the Network for Greening the Financial System, where appropriate. IEA scenarios used to assess transition risks were drawn from the latest IEA publications including the World Energy Outlook 2024.

Physical risks were modelled using data drawn from the UK Climate Projections (UKCP18), supplemented by data from other databases (including projections from Coupled Model Intercomparison Project Phase 5 and 6) and peer-reviewed literature where appropriate.

Physical climate risk analysis has considered relevant inputs from existing safety case assessments where appropriate, however the analysis functions as a bespoke exercise specifically to stress test the financial resilience of the business against plausible climate futures.

For qualitative and quantitative climate scenario analysis, the resulting risk rating is a combination of likelihood and impact scores. Where no quantitative assessment was performed, the risk rating was based on a high-level evaluation of the current risk, considering existing mitigations. Certain risks and opportunities are not considered potentially material and/or relevant within the defined time horizon and have therefore not been assessed at this stage.

For further details on our risk scoring criteria and approach, please refer to Risk Management (a).

For detailed information on climate-related risks and opportunities, as well as the outcomes of the climate risk analysis undertaken in 2024/25, please refer to [pages 33 to 35](#).

⁷ See the 2021 TCFD Implementing Guidance for further details on the different classifications of climate-related risks and opportunities Task Force on Climate-Related Financial Disclosures | (TCFD)

⁸ The analysis for certain climate-related risks scenarios was performed beyond 2050 to reflect Sizewell C’s long-life asset. Transition risks were assessed to mid-century (2050) only to reflect HMT guidance on reference periods, considering most transition risks are expected to manifest themselves in or before 2050.

⁹ Three physical climate risks (R.03, R.04, R.06) and one transition climate risk (R.07) have been quantitatively assessed, covering construction and/or operational plant phases depending on the risks impact pathways. Qualitative scenario analysis was performed for all remaining risks and opportunities, as detailed on [pages 33 to 35](#).

¹⁰ Intergovernmental Panel on Climate Change, Climate Change 2021: The Physical Science Basis, AR6 Climate Change 2021: The Physical Science Basis – IPCC

STRATEGIC REPORT

TCFD

STRATEGY (CONTINUED)

C. THE RESILIENCE OF THE ORGANISATION'S STRATEGY, TAKING INTO CONSIDERATION DIFFERENT CLIMATE-RELATED SCENARIOS

Robust processes have been established to meet the regulatory requirements for constructing and operating a power station.

In addition, we have built on the HPC design and our vast engagement and collaboration with nuclear industry bodies will ensure that Sizewell C benefits from their experiences to reduce levels of uncertainty and improve resilience. We ensure that the latest climate change projects from the UIC18 have been considered across all construction development and operational areas from a technical and safety perspective.

Work undertaken to date includes, but is not limited to:

- Nuclear safety case assessments (which include climate change allowances where required) undertaken to ensure the design meets the requirements of the ONR.
- A detailed climate change resilience assessment¹¹ undertaken as part of Sizewell C's application for a DCO (granted in July 2022) for both the construction and operational plant, tested against the most conservative RCP8.5 climate change scenario to meet regulatory expectations of the ONR.
- A life cycle carbon emissions assessment.

The quantitative financial analysis of several physical climate risks undertaken in 2024/25 indicated overall risk scores ranging between Very Low and Medium, with the most material impact occurring under the Current Policies scenario over the long term. Based on the outcomes of this analysis, as well as noting the resilience of the plant from a technical and safety perspective and the extensive mitigations in place, it is considered that Sizewell C is resilient to assessed climate scenarios.

Policy and legal changes such as carbon pricing mechanisms and reputational and/or regulatory expectations (i.e. climate reporting requirements) are considered the most material near-term transition risks facing Sizewell C. Our analysis resulted in a risk score of Medium under the Rapid Transition and Below 2°C scenarios over the short to medium term, where our embodied emissions are highest (driven by construction activities). To manage this risk, we have established governance structures as outlined within our Carbon Management Strategy, which details the approach to monitoring, governance, assurance and reporting of carbon emissions.

The latest climate change projections from the UKCP18 have been considered across all construction development and operational plant areas from a technical and safety perspective.

We continually monitor and respond to government reporting mandates, as well as make active efforts to promote climate and sustainability transparency to the best of our ability, demonstrated by our reporting in line with HMT's TCFD-aligned application guidance. There is also opportunity to demonstrate the possibility for extracting and utilising some heat from the nuclear power station without materially impacting electricity generation. This opportunity remains under review but could provide wider value to the UK consumer by supporting the energy system and powering net zero technologies.

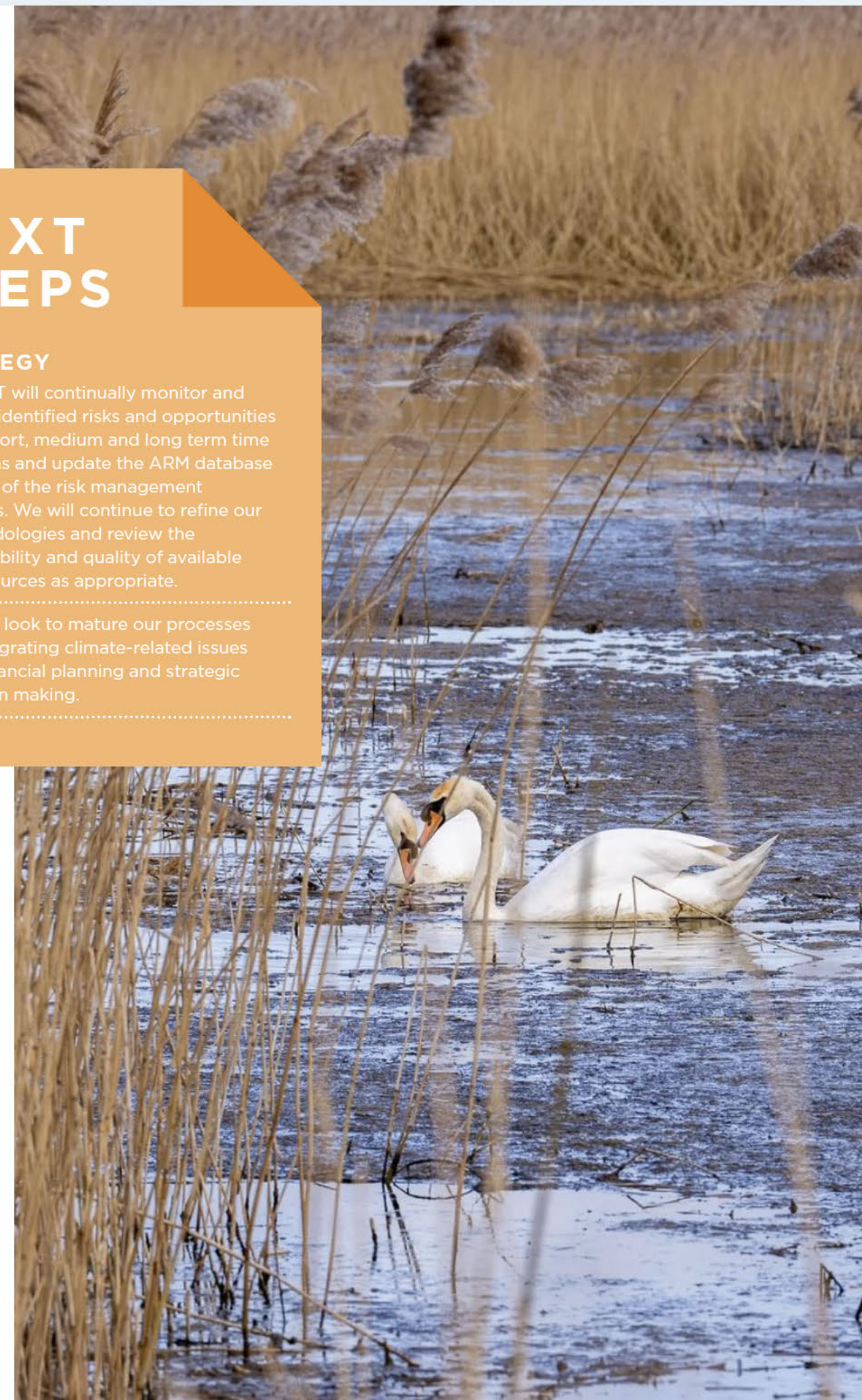
NEXT STEPS

STRATEGY

- The ELT will continually monitor and assess identified risks and opportunities over short, medium and long term time horizons and update the ARM database as part of the risk management process. We will continue to refine our methodologies and review the applicability and quality of available data sources as appropriate.
- We will look to mature our processes for integrating climate-related issues into financial planning and strategic decision making.

¹¹ Sizewell C, 6.3 Volume 2 Main Development Site: Chapter 26 Climate Change, Environmental Statement, Revision 1.0, 2020 [View Original DCO Application Documents – Sizewell C DCO Document Portal](#).

Pictured right are swans at Wild Aldhurst, which supports a variety of wildlife including the rare march harrier, specialised plants, otters and reptiles.



TCFD

RISK MANAGEMENT

We have an embedded Integrated Risk Management Framework defining our approach to consistently managing all risks, including climate-related risks and opportunities, across the organisation. We have a clear risk hierarchy to enable effective mitigation at all levels of the Company recognising everyone has a responsibility for managing risk. Further details of our risk framework are detailed in the Risk Management section on [page 26](#).

A. PROCESS FOR IDENTIFYING AND ASSESSING CLIMATE-RELATED RISKS

Senior management, supported by individual risk owners, undertake risk assessments periodically across their functional area of Sizewell C. The nature and timing of each risk assessment is dependent on the needs of each business function.

The ESG team identified and assessed climate-related risks with a specific focus on financial impacts, supported by a third-party consultant. The process involved an assessment of relevant documents and studies, evaluation of existing risks across strategic, portfolio and programme levels, as well as external desktop review and peer analysis. Workshops to validate the risks were held with:

- Finance.
- Supply chain.
- Site operations.
- Risk.
- External hazards.

Climate-related risks and opportunities were evaluated against our Risk Scoring Scheme.

This assessment is documented within a Climate Risk Register¹². The Risk Scoring Scheme considers the potential financial impact and likelihood of a given risk, which helps evaluation of risks and opportunities in relation to other Company risks¹³.

The scoring criteria is as follows:

RISK RATING 1	Very Low
RISK RATING 2	Low
RISK RATING 3	Medium
RISK RATING 4	High
RISK RATING 5	Very High

B. PROCESS FOR MANAGING CLIMATE RELATED RISKS

Climate-related risks and opportunities are managed across our principal activities, as set out in **Governance (b)**. Climate-related risks and opportunities documented within the Climate Risk Register are reported to the integrated risk team and updated within our ARM database at least annually, for which the integrated risk team has overall responsibility. The team engages with risk owners throughout the year to document progress towards the delivery of mitigation actions and other relevant updates to the risk or opportunity.

For further details on our broader risk management processes, refer to the [Risk Management section \(page 26 to 27\)](#).

C. INTEGRATING CLIMATE-RELATED RISKS INTO OVERALL RISK MANAGEMENT

Climate risks and opportunities have been integrated into broader risk management practices, which are in line with the Company's overarching Integrated Risk Management Framework. Short-listed climate-related risks prioritised as part of the risk identification process are documented in the ARM. This includes re-assessment of current climate risk ratings on an annual basis. We also map climate-related risks to relevant portfolio risks, where appropriate.

Climate-related risks and opportunities detailed in Strategy (b) are not currently considered standalone strategic risks. However, identified climate-related risks may exacerbate or may influence certain Sizewell C strategic risks, and are thus considered as part of the impact drivers of our current strategic risks. For example, acute physical risks such as wind or flooding may influence our 'Productivity' strategic risk should critical timelines be impacted. Similarly, the transition risk of introducing carbon pricing mechanisms and international tariffs, such as EU CBAM, may have the potential to exacerbate the impact of the Global Commodities Market risk.

Strategic Risks are developed using both a top-down and bottom-up assessment. The bottom-up assessment involves aggregating risks under portfolio, programme and corporate level to ensure the highest impact risks are reflected. The top-down assessment is based on an ELT assessment of the risks that require strategic mitigation and mapped to Sizewell C's Strategic Objectives.

Strategic risks are identified between the enterprise risk function in coordination with subject matter experts across the business. They reflect risk appetite and are reviewed six-monthly by the ARC. [For further details on our strategic risks, please see pages 29 to 32.](#)

The ESGC also oversees ESG and climate-related risks and will formally review climate-related risks at least annually via quarterly ESGC meetings. Climate-related risks are escalated to the Audit and Risk Committee via the ESG Performance Report, as required.

NEXT STEPS

RISK MANAGEMENT

- We will conduct a high-level review of the assessed climate risks and opportunities and qualitative scenario analysis at least annually. This will include the consideration of new risks, as well as emerging regulatory requirements relating to climate change disclosure.
- Further in-depth quantitative scenario analysis will be undertaken following any relevant major changes to the business and/or any major changes to our current understanding of our exposure to climate risks and opportunities and every three years as a minimum.

¹² The Climate Risk Register sits separately from company wide risk registers, given nuances associated with undertaking a climate risk assessment in line with recommendations of the TCFD. For example, climate-related risks have been assessed against three different time horizons, specifically with respect to the financial impact on the business.

¹³ The impact and likelihood thresholds detailed within the Risk Scoring Scheme were revised where necessary to allow for assessment across longer-term time horizons, as appropriate for assessing climate-related risks and opportunities.

STRATEGIC REPORT

TCFD

METRICS AND TARGETS

A. METRICS USED TO ASSESS CLIMATE-RELATED RISKS AND OPPORTUNITIES

We recently published our inaugural *Annual Sustainability Report*. It details our sustainability performance over the financial year 2024/25, highlighting progress made and performance against metrics that monitor, track and report on our sustainability and climate-related performance.

More specifically, the below metrics are currently used to assess and manage climate-related performance:

- **Scope 1 and 2 GHG emissions**
We collate the GHG emissions derived from our activities. This includes fuel, refrigerants and electricity consumption required for our offices and on-site construction activities.
- **Scope 3 GHG emissions**
We collate GHG emissions arising from upstream and downstream activities. Upstream activities are most prominent at this stage and may include, but are not limited to, embodied emissions within purchased goods or services and capital goods.

Further work will be undertaken to develop and map specific KPIs to the identified climate-related risks and opportunities detailed in *Strategy (b)*.

B. SCOPE 1, 2 AND 3 GHG EMISSIONS

A lifecycle assessment¹⁴ was developed to help identify carbon hotspots and will be used to guide ongoing emissions-related target setting and reductions.

This year, we developed our Carbon Management Strategy, which describes how we manage, monitor, govern, assure and report our carbon emissions.

A third party supports our GHG emissions reporting process and follows the 2019 UK Government Environmental Reporting Guidance. Scope 1, 2 and 3 GHG emissions, as well as total energy consumption, are provided in the table below.

Sizewell C GHG emissions 2024/25

Variable	Unit	2025
SCOPE 1: GHG EMISSIONS	tCO ₂ e	917
SCOPE 2: GHG EMISSIONS - LOCATION-BASED	tCO ₂ e	148
SCOPE 2: GHG EMISSIONS - MARKET-BASED ¹⁶	tCO ₂ e	97
SCOPE 3: GHG EMISSIONS ¹⁷	tCO ₂ e	203,728
CATEGORY 1: PURCHASED GOODS AND SERVICES	tCO ₂ e	21,934
CATEGORY 2: CAPITAL GOODS	tCO ₂ e	181,266
CATEGORY 6: BUSINESS TRAVEL ¹⁸	tCO ₂ e	528

C. TARGETS USED TO MANAGE CLIMATE-RELATED RISKS AND OPPORTUNITIES

We are currently in the early stages of constructing the power station and in the process of target-setting in relation to GHG emissions.

The outcomes of the Life Cycle Assessment are being used to support the development of GHG emissions reduction targets. Targets are being developed in coordination with our construction-phase delivery partners.

NEXT STEPS

METRICS & TARGETS

- We will develop carbon reduction targets, and additional KPIs and targets that may support the management of climate-related risks and opportunities, where appropriate.
- We will also continue to review lessons learnt from HPC and other major infrastructure developments to identify carbon hotspots and mitigating actions.
- Current and historic GHG emissions data will be tracked and communicated in future reporting, including, the implementation of any emissions reduction projects and their impact on our emissions profile.

¹⁴ NNB Generation Company Sizewell C Limited 2021, Life cycle carbon and environmental impact analysis of electricity from Sizewell C nuclear power station development [Sizewell-C-Lifecycle-Carbon-Assessment.pdf](#)

¹⁵ Tonnes of carbon dioxide (CO₂) equivalent emissions (tCO₂e) values provided are for financial year 2024/25. Scope 1 and Scope 2 (location-based) data has been calculated by using emission factors relevant to the reporting period from the Department for Environment, Food and Rural Affairs and the DESNZ. Scope 3 (Category 1 and 2) data has been calculated using a spend-based method. Scope 3 (Category 6) data has been calculated using a hybrid approach largely based on the distance and mode of travel (i.e. distance-based method); where this data has not been available a spend-based method has been applied.

¹⁶ Scope 2 (market-based) data has been calculated based on EDF Energy's publicly declared fuel mix, <https://www.edfenergy.com/fuel-mix>

¹⁷ Scope 3 categories 1 and 2 have been assessed and reported due to expected materiality of these categories taking into account activities associated with Sizewell C's infrastructure development. Scope 3 category 6 has been assessed and reported due to comparatively good data availability.

¹⁸ Includes air, maritime, rail, public transport, taxi and hire car travel, as well as personal car (business travel) mileage and hotel accommodation.

Risk management

Risk management is recognised as a key component of the corporate strategy, and ensures the effective management of Sizewell C as a company. An Integrated Risk Management Framework has been developed with this in mind to ensure the effective management of risk at all levels.

The framework has been implemented to analyse and control risks across strategic, corporate portfolio, programme and work package levels. The Sizewell C Risk Hierarchy sets out how these risks are categorised and prioritised below. All risks are actively monitored and managed through our Active Risk Management (ARM) database, including the quantification and modelling of project risks. This enables us to challenge the effectiveness of mitigation actions and ensure that cost and schedule impacts are minimised and kept as low as reasonably practicable (ALARP).

RISK MANAGEMENT FRAMEWORK

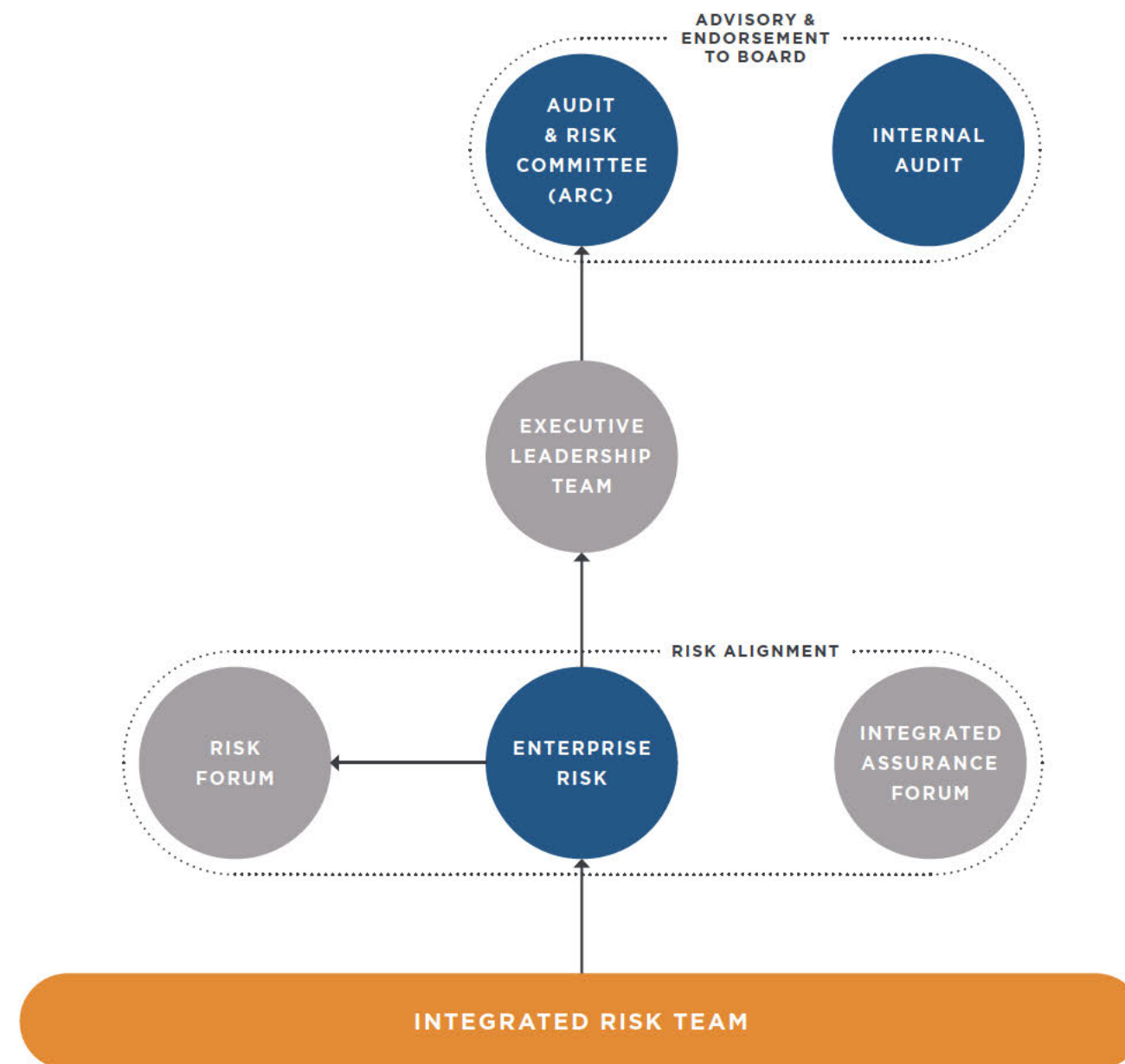
The risk management approach ensures we monitor the external environment and respond to emerging uncertainties enabling us to mitigate risks and keep our project on track. We are also developing a dedicated horizon scanning capability to identify and assess emerging issues that could affect Sizewell C in both the near and longer term.

The Audit and Risk Committee has oversight of strategic risks, risk management processes and cyclical deep dives into specific risk areas. It provides expert advice and feedback, and reports its findings to the Board. It has considered:

- Corporate risks that senior management needs to own and manage.
- Programme risks, which impact the physical delivery of the power station and associated works.
- Portfolio risks, the most severe discrete risks associated with our strategy and overall direction, give a holistic view of risk across the construction period typically covering delivery (cross-programme), corporate and operations risks.
- Strategic risks, a summary of the portfolio risks covering risks that could result in events or circumstances that threaten the Company's business model, future performance, solvency or liquidity and reputation.

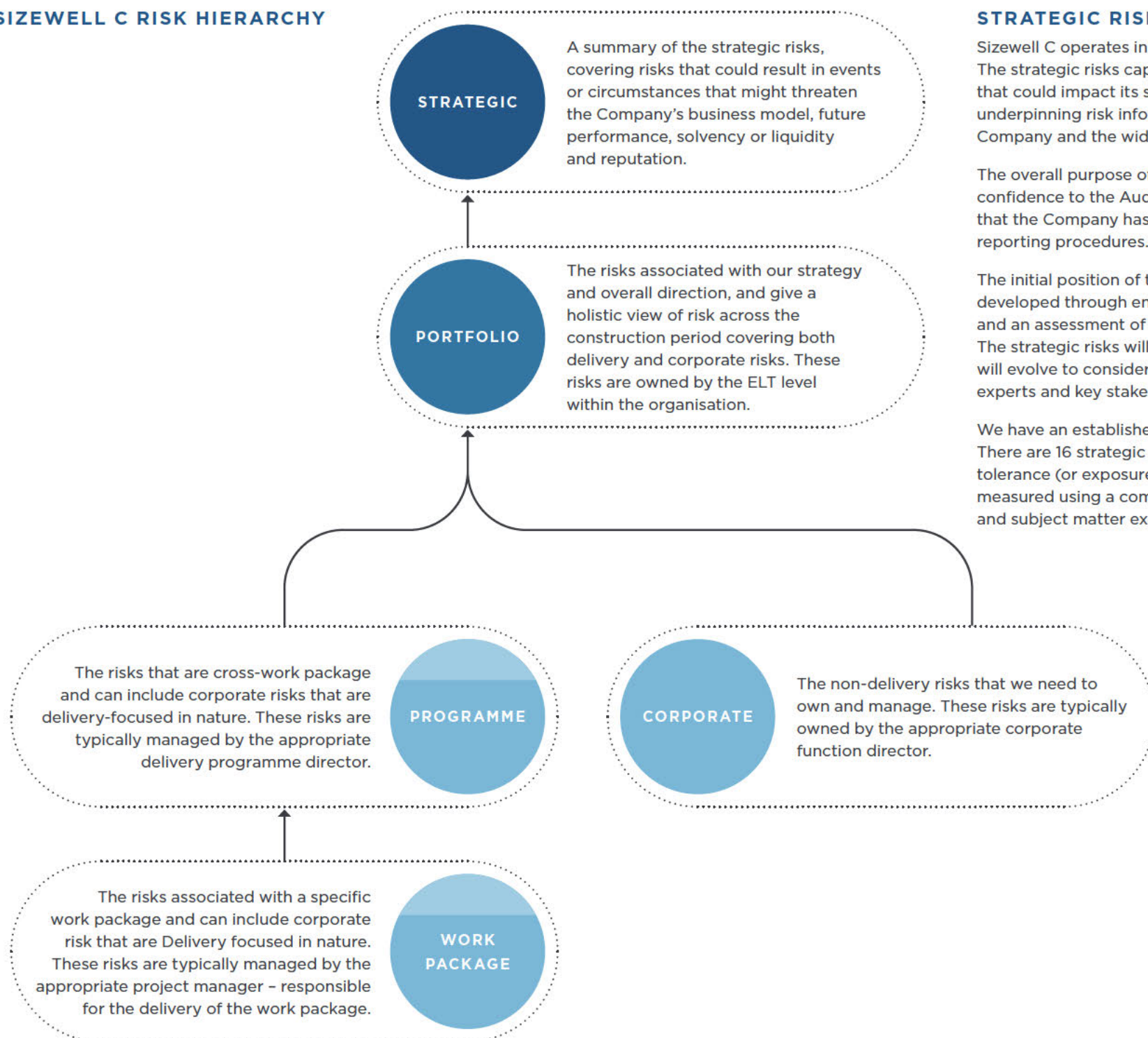
The ELT is supported by the integrated risk team, which leads the review and reporting of portfolio and strategic risks. The team is establishing a 'three lines of defence' assurance approach in line with industry best practice.

The integrated risk team works with stakeholders across the project in a risk forum where process can be challenged and internal strategies aligned. The internal audit function provides third line of defence assurance across all risk management activities within the organisation.



Risk management

SIZEWELL C RISK HIERARCHY



STRATEGIC RISKS

Sizewell C operates in a complex environment. The strategic risks capture the key risks to the Company that could impact its strategic objectives based on the underpinning risk information captured across the Company and the wider external environment.

The overall purpose of strategic risks is to provide confidence to the Audit and Risk Committee and Board that the Company has robust risk management and reporting procedures.

The initial position of the strategic risks had been developed through engagement with the ELT, the ARC, and an assessment of the underlying risks held in ARM. The strategic risks will continue to mature and reporting will evolve to consider feedback from subject matter experts and key stakeholders, as all phases develop.

We have an established risk appetite framework. There are 16 strategic risks; each risk has an assigned tolerance (or exposure limit), which is tracked and measured using a combination of key risk indicators and subject matter expert opinion.

RISK APPETITE

To manage the risks we face, we define our risk appetite, which is the level of residual risk that we are ready to take.

The risk appetite is built up of the following components:

- An overarching statement summarising the risk appetite position of the organisation, which will serve as an overview to external stakeholders and support decision making internally.
- A risk appetite framework – a summary of categories and sub-categories that underpins the risk appetite for Sizewell C.

The framework includes:

- Definitions for open, cautious and adverse appetite thresholds.
- Key risk indicators used to monitor exposure against the appetite threshold.
- The governance and reporting arrangements for each sub-category.
- The assurance for each sub-category aligned to the 3 lines of defence model.

We manage nuclear safety risks in accordance with the ALARP principle, with no possible flexibility of risk appetite. This meets the UK nuclear safety legislation and regulatory frameworks, which are aligned to the International Atomic Energy Agency (IAEA) Nuclear Standards.

For all non-nuclear risks, the Company's risk exposure remains within the set appetite thresholds.

Risk appetite statement

No business or project is free of risk. To achieve our vision we will ensure any risks we take are well understood so that they can be managed effectively.

Our risk profile, focused on our four key stages (preconstruction, construction, operations and decommissioning), has inherent risks. This is due to the nature, scale and complexity of the Company's activities and the importance of those activities to the health, safety, and wellbeing of our people and the communities we serve. Therefore, our risk management process is fully integrated across all our activities and monitored by our Audit and Risk Committee and the ELT.

Our Board has overall responsibility for determining the nature and extent of the risks we take and for ensuring that risks are managed effectively. In line with the UK's 'Orange Book Management of Risk – Principles and Concepts', the Board continuously assesses the nature and extent of the strategic risks to which our organisation is exposed and is willing to take, to achieve its strategic objectives. In making its assessment the Board will consider Risk Appetite and tolerance, ensuring that risk management and decision-making are across all our activities and over time.

We have established a Risk Appetite Framework to provide a structured analysis of our appetite for risk-taking. Through this framework priorities have emerged, including:

- Recognising the unique nature of the technology and processes associated with Sizewell C, we will continuously seek to improve Nuclear Safety margins and to maintain alignment with the wider, civil global nuclear community through the World Association of Nuclear Operators, the International Atomic Energy Agency, the Institute of Nuclear Power Operations, and the EPR Owners Operators Group to share lessons learnt and embrace best industry practices.
- The health, safety and wellbeing of our people, partners, and the communities we serve are, and will remain, our overriding priorities. We will proactively pursue opportunities to improve wellbeing arrangements for our workforce, by implementing relevant best practice and promoting a 'best in class' ethos.
- Security risks apply to our people, physical and IT assets. We will be consistently alert to and actively scan the horizon for new security threats. Insider threats and asset security will be minimised through taking a proportionate approach based on the type of role an individual holds and the criticality of the assets. There is a tiered control method and proportionate vetting policy to ensure compliance with the Nuclear Site Security plan. Cyber security risks are recognised as an increasing threat to the Company and its supply chain and will be mitigated through rigorous controls and training.
- We are building a power station to the highest possible standard with minimum concessions on design and evidenced by comprehensive supply chain assurance. Quality management and establishing a 'right first time' culture will be critical to successful delivery. Defects of permanent infrastructure will have significant cost, schedule and safety implications and strict assurance arrangements will therefore be in place throughout the preconstruction, construction, operations and decommissioning stages to mitigate any quality risk. We will, at all times, meet the standard Health and Safety Executive and building regulation requirements.

- We will take a balanced approach to commercial risk, recognising the need for flexibility and agility to secure the best possible terms and pricing from suppliers. We will strive for best practice in our procurement and commercial management processes, methodology and tools. We have taken responsibility for being an integrator by self-providing in several areas critical to the success of contractors. We will work in a collaborative and fair manner, holding suppliers to account, to improve value for money for UK electricity bill payers.
- We aim to gain all required permits and consents to remain on schedule and will operate within the relevant permitting conditions and obligations. For permits where there is flexibility in the delivery arrangements, we will consider the delivery options and select the best option based on the balance of opportunity, value for money and the residual risk exposure. We will ensure full compliance with permit obligations and will not undertake any activities requiring consent before receiving the requisite permits/consents.
- Replication of the HPC design is critical to the success of Sizewell C so changes to the design will be avoided, wherever possible. However, we recognise that the construction methods and sequencing need to change to accommodate site specific conditions. The benefits of any proposed changes will need to be clearly articulated and outweigh the risks arising from the change.
- Productivity will be a key driver of success in the construction stage and we will actively explore opportunities to achieve the productivity levels required by:
 - leveraging digital, technology and modern methods of construction,
 - ensuring skills availability through apprenticeships and skills growth in Suffolk and the Southeast.
- In relation to financing we will take a measured approach to risk, consistent with completing construction on budget and to schedule. We will consider whether hedging and debt arrangements provide liquidity and value for money benefits and control costs through effective baseline management.
- Our ESG commitments will be a continuing area of focus. We will explore opportunities to deliver social value, improve environmental sustainability and deliver benefits for the local community without exposing the project to unacceptable residual risk.
- We will ensure adherence to corporate governance requirements, with transparency and robust controls to protect our reputation and operational integrity, with a zero-tolerance approach to unethical business conduct. We will maintain a low appetite for risk, recognising the critical importance of adhering to regulatory frameworks while navigating the challenges posed by evolving public support for nuclear initiatives. We will actively mitigate risks associated with public perception and regulatory compliance, ensuring that our strategies align with both governmental expectations and community concerns.

STRATEGIC REPORT

Sizewell C strategic risks

01 | Access to funding

DESCRIPTION

Financing is essential to the effective delivery of construction and running of the organisation.

IMPACT

If the project cannot access sufficient finance, it may be unable to complete construction or continue operation. In less severe scenarios, there could be financial penalties under the respective documents and increased financial stress / lower financial resilience.

MITIGATIONS

- Financial covenant reviews, forecasting, and monitoring of equity drawdowns as part of the process to update construction plan and budget and financial model on a regular basis.
- Debt covenant monitoring and screening processes to be put in place for non-financial covenants.
- Process to submit compliance certificates and utilisation requests that actively record and monitor debt compliance.
- Monitoring processes for Economic Licence and Government Support Package (GSP).

RISK APPETITE

Linked to Risk Appetite Category Financial (Covenant Compliance & Equity Funding) – Inside Identified Appetite.

RELEVANT STRATEGIC AIMS



02 | Achieving replication

DESCRIPTION

We are unable to replicate the HPC design and supporting supply chain.

IMPACT

A challenge to replication could trigger additional design changes, increasing the risk to design sequencing and potentially leading to cost and schedule overruns.

MITIGATIONS

- Develop and implement detailed replication management arrangements.
- Develop and implement configuration management arrangement and associated governance to effectively control the power station design.
- Sizewell C specific requirements and applicable Codes & Standards identified and incorporated early into the design configuration and safety case to de-risk likelihood of future significant change.
- Management of residual risks and periodic review as a normal part of business. Regular and open engagement with the internal and external regulators to share and understand technical risks and ALARP positions for Sizewell C, reducing risk in unexpected changes.
- Develop a common UK EPR design across HPC and Sizewell C through very strict design change control arrangements.
- Secure key equipment contracts early to reduce risk of supplier changes impacting design and replication.

RISK APPETITE

Linked to Risk Appetite Category Construction Phase (Design) – Inside Identified Appetite.

RELEVANT STRATEGIC AIMS



ATTRACT



BUILD & OPERATE



PROMOTE

03 | Business continuity

DESCRIPTION

Effective business continuity planning requires a comprehensive risk assessment to identify potential threats and impacts to business and develop strategies to mitigate them.

IMPACT

If a risk exposes any weakness in our Business Continuity Plan (BCP), then the development could experience cost overruns, delays with severe disruptions, reputational damage, a loss of public or HMG support, supply chain issues, impacts to safety, and/or shutdown to construction.

MITIGATIONS

- Engage key stakeholders across the business to conduct Business Impact Analyses, identifying core capabilities and service outputs required to maintain operations at agreed levels, and to support development of the Sizewell C Crisis Management Plan (CMP) and BCP.
- Develop CMP. Initial publication expected in July 2025 with the ELT helping to shape the CMP and enhance understanding of roles and responsibilities.

RISK APPETITE

Under review.

RELEVANT STRATEGIC AIMS



BUILD & OPERATE

04 | Corporate & regulatory compliance

DESCRIPTION

There is a risk at Financial Close that Sizewell C will have an immature corporate operating model to deliver against new corporate and regulatory standards.

IMPACT

- An insufficiently mature stand-alone organisation could result in:
 - A lack of full compliance on key standards and corporate requirements bound by the RAB based funding model.
 - Inefficiencies in processes adding complexity to project progress.
 - New critical processes not established in time.
 - Delay caused by the ongoing development of regulatory framework, reducing time for implementation, training and communication across the corporate and delivery teams.

MITIGATIONS

- Corporate readiness scope of work across organisation.
- Internal compliance audit reviews.
- Internal Governance review of requirements and compliance.
- Board effectiveness review of key requirements and programme.
- Increasing Sizewell C employees and reducing contractors, to ensure key personnel are retained and compliance can be maintained.
- Target operating model review.

RISK APPETITE

Linked to Risk Appetite Corporate – Regulators and Corporate Compliance – Inside Identified Appetite.

RELEVANT STRATEGIC AIMS



INVEST

Sizewell C strategic risks

05 | Cyber security

DESCRIPTION

The confidentiality, integrity or availability of Company information or systems is compromised.

IMPACT

A cyber security event could include security vulnerabilities, service disruption, unintended system behaviours across users, devices, or platforms. Consequences may involve rectification costs, service restoration delays, limitations on scaling Information and communication technology (ICT) systems, disruption to project delivery, and loss of stakeholder confidence.

MITIGATIONS

Our cyber security team actively monitors and responds to external attempts to breach our cyber defences, with firewalls and security policies continuously updated in line with emerging threats and intelligence. By end 2025, mutual assurance arrangements aligned to ISO 27001 with Tier 1 partners.

RISK APPETITE

Linked to Risk Appetite Category Security (Cyber) – Inside Identified Appetite.

RELEVANT STRATEGIC AIMS



BUILD & OPERATE

06 | Environment

DESCRIPTION

Sizewell C requires a significant number of permits (~160) to enable the project through construction, commissioning and operation. To enable the project to protect the environment and our reputation these permits must be:

- suitably designed and negotiated to ensure compliance is achievable based on the agreed terms.
- secured within required timescales to enable efficient scheduling of works.

IMPACT

A lack of approved permits could cause delay or resequencing (paused work), resulting in a schedule cost impact. If a permit condition is breached or there is an environmental incident, it could result in damage, financial penalties and would have a negative impact on reputation.

MITIGATIONS

Embedding permit requirements and implementation of compliance arrangements.
Refine and resource compliance and assurance activities, roles and responsibilities.
Continue to use organisation learning, incident reporting and investigation tools.
Ensure organisational and programme integration with proactive engagement across design and delivery teams.

RISK APPETITE

Linked to Risk Appetite Category Permitting (Environmental Permitting & Licences) – Inside Identified Appetite.

RELEVANT STRATEGIC AIMS



BUILD & OPERATE

07 | Global commodities market

DESCRIPTION

Global market influences may result in challenges regarding price and availability of construction material.

IMPACT

Costs are directly linked to commodity-based indices in the construction phase and exposed to uranium volatility in the operations phase. Availability or price fluctuations will result in increased construction and operational costs.

MITIGATIONS

Ongoing reviews required to maintain and monitor alignment between supply chain contracts and inflation indices.
Implementing an early procurement strategy to mitigate the risk of commodity shortage by allowing time for market recovery with limited impact on schedule.
Investment in a supply chain mapping tool and resulting risk review capability to potentially identify and mitigate international challenges.

RISK APPETITE

Linked to Risk Appetite Category Baseline/Estimate (Cost) – Inside Identified Appetite.

RELEVANT STRATEGIC AIMS



BUILD & OPERATE

08 | Grid connection

DESCRIPTION

Reforms to the electricity connection process have resulted in a need for Sizewell C to reapply to rejoin the queue for grid connection. Without the connection, Sizewell C would not be able to commission the station and export power, which would have a detrimental impact on income generation. This also applies to the planned demand connection related to the construction electrical supplies.

IMPACT

An increased level of connection risk with regard to timing, the potential for increased time and cost to the project, and Sizewell C being associated with new transmission infrastructure in the wider East Anglia area and this having a detrimental effect in terms of local perception of the project.

MITIGATIONS

Engagement with NESO, Ofgem and DESNZ to gain written confirmation that Sizewell C meets the Gate 2 readiness criteria for its 2035 connection.
Ensure all Gate 2 Application Window timelines are met.

RISK APPETITE

We aim to have a risk averse relationship working with DESNZ, Ofgem and NESO, with clear lines of communication, strong relationships, and proactive monitoring of potential risks.

RELEVANT STRATEGIC AIMS



BUILD & OPERATE

Sizewell C strategic risks

09 | Health, safety & wellbeing

DESCRIPTION

The scale, complexity and duration of construction and operation of the power station carries inherent health, safety and wellbeing risk to our people and local community. These need to be managed as an imperative.

IMPACT

A significant health and safety incident could lead to serious injury to personnel which, notwithstanding the direct impacts of this, could lead to the stoppage of works, legal implications, and serious reputational damage.

MITIGATIONS

Implement Health & Safety Leadership programme as part of the company-wide health and safety culture programme.

Mobilise, maintain, and regularly review industry-leading health, safety and wellbeing standards at Sizewell C by the publication of effective health and safety risk management arrangements.

Agree, develop, implement, maintain, and monitor a set of proactive health, safety and wellbeing performance indicators that measure and monitor compliance and maturity.

RISK APPETITE

Risk noted as being managed as per the ALARP principle with no possible flexibility of risk appetite.



10 | Nuclear safety

DESCRIPTION

We must demonstrate a safe and compliant design, built to quality standards and operated by a suitably qualified and experienced workforce within a safety conscious culture. Managing nuclear risks demands ownership by a capable nuclear organisation supported by robust management controls aligned with the ONR's 36 Nuclear Site Licence Conditions.

IMPACT

Failure to meet these requirements could risk delivery timelines, cost increases, compromise operational safety, and result in regulatory action. An acute safety incident on-site would indicate a non-compliance with safety protocols.

MITIGATIONS

Implementation of strategy for each stage of the Nuclear Power Station Lifecycle as described in IAEA's International Nuclear Safety Advisory Group.

A sufficiently sized and skilled organisation with clarity of purpose, governance & oversight, culture, systems and arrangements to successfully deliver and commission the nuclear power station.

RISK APPETITE

Risk noted as being managed as per the ALARP principle, with no possible flexibility of risk appetite. This meets the UK nuclear safety legislation and ensures that nuclear safety remains our first priority.



11 | Organisational capability

DESCRIPTION

To ensure safety, reliability, and value for money, operational preparedness focuses on a phased organisational transition toward a fully capable, independent entity by Commercial Operation Date (COD).

IMPACT

Failure to develop and mature the operational capabilities required to commission and operate the nuclear power station could lead to inadequate nuclear and safety management with potential cost, schedule, and regulatory implications.

MITIGATIONS

Define, and provide oversight of a milestone based roadmap to operational readiness; adopting learning from global nuclear industry.

Issue four pre-operations programme strategies and implement phased pre-operations governance.

Define and embed collaboration with HPC and broader nuclear industry.

RISK APPETITE

This risk is noted as being managed as per the ALARP principle, with no possible flexibility of risk appetite. This meets the UK nuclear safety legislation and ensures that nuclear safety remains our first priority.



12 | People

DESCRIPTION

We are unable to attract, develop and retain the necessary people or provide the right skills at the right time to enable effective delivery of the project, inclusive of accommodation, transport, welfare and wellbeing.

IMPACT

Skills shortages and retention could be a significant risk to Sizewell C. Experience on other major projects in the UK shows that skills and retention issues can lead to resourcing problems, increased costs, reduced standards of competence and qualifications, negatively impact safety, quality and productivity.

MITIGATIONS

A skills and employment strategy has been developed, outlining the approach for establishing a robust and skilled workforce required to effectively deliver the development.

Site delivery accommodation strategy and land team location strategy in place to ensure clarity of plans for locations and quality of welfare provision for both the Sizewell C team and our supply chain workforce.

Implementation of Resource Strategy finalised in January 2024.

RISK APPETITE

Linked to Risk Appetite Construction Phase (Methodology) – Inside Identified Appetite.



STRATEGIC REPORT

Sizewell C strategic risks

13 | Productivity

DESCRIPTION

Achieving target productivity and production is key to maintaining the schedule and could lead to significant cost escalation if not achieved.

IMPACT

Potential reduction in productivity and output, leading to schedule delays and increased costs.

MITIGATIONS

Strengthen benchmarking against HPC delivery performance and enhance collaboration between delivery teams at HPC and the Company.

Strengthen relationships within the broader construction industry performance initiatives.

Deliver the Civils Programme and MEH Installation Productivity Improvement Plan.

Embed the Preconstruction Team structure to enable efficient management of construction interfaces.

RISK APPETITE

Linked to Risk Appetite Category Baseline/Estimate (Schedule) – Inside Identified Appetite.

RELEVANT STRATEGIC AIMS



ATTRACT



BUILD & OPERATE



PROMOTE

14 | Quality

DESCRIPTION

The quality management plan is not effective, which could result in the quality of work delivered falling short of expectations or requirements for commissioning to be achieved.

IMPACT

Potentially significant delays and additional costs. In extreme events, if there are major non-conformance or life-time quality records missing that demonstrate the constructed works comply with the design requirements, the ONR will not permission operation.

MITIGATIONS

Promote continuity of construction and manufacturing with HPC to capture the full benefit of experienced teams and processes.

Set Supplier Quality Delivery team, aligned with HPC and Electricité de France SA (EDF SA) organisation to centrally manage counterfeit, fraudulent, and suspect items for both Sizewell C and HPC.

Demonstrate Fit for Nuclear proof of concept on ten suppliers from HPC supply chain heat map.

Build on HPC skills development initiatives such as the Welding Centre of Excellence.

RISK APPETITE

Linked to Risk Appetite Category Quality (Nuclear & Non-Nuclear) – Inside Identified Appetite.

RELEVANT STRATEGIC AIMS



ATTRACT



BUILD & OPERATE



PROMOTE

15 | Social licence

DESCRIPTION

Construction must be in a way that is considerate to local communities while delivering a range of social and economic benefits to Suffolk and across the UK. We currently have a social licence with the local community and stakeholders.

IMPACT

Potential erosion of trust and lack of public support, and possible delay and additional costs from attempts to prevent construction.

MITIGATIONS

Community engagements and communication with weekly wide-load updates, monthly town and parish council updates, letters to communities that may face disruption from planned works and a works tracker.

Noise Mitigation Scheme for eligible residents.

Implementing Governance of the Deed of Obligation which includes main development site forum, northern transport forum, southern transport forum, and two community wide forums for all of east-Suffolk – where senior project leaders report to communities on work planned at each quarter.

Community relations team carry out bespoke parish and town council meetings for councils impacted by Associated Developments and other Sizewell C related projects.

Targeting a 19% net gain in biodiversity through the measures it is taking to protect and enhance the local environment. Also establishing an independent environmental charity with a long-term funding commitment of £78 million.

We have successfully created more than 150 hectares of valuable new habitats since 2010.

RISK APPETITE

Linked to Risk Appetite Reputation Local – Inside Identified Appetite.

RELEVANT STRATEGIC AIMS



INVEST

16 | Third party interfaces

DESCRIPTION

Sizewell C must work effectively with key third parties including EDF Energy, Network Rail, National Grid, Highways England, and utility providers to support successful delivery. Ineffective collaboration may lead to cost increases and schedule delays.

IMPACT

Ineffective management of third party interfaces could have a significant impact on cost and schedule, as well as the potential for wider reputational damage.

MITIGATIONS

Liaise closely with Network Rail – Co-located management and design teams to facilitate joint solutions and shared accountability.

Strengthen governance and teams managing the interface with Sizewell C, ensuring alignment through a joint schedule and coordinated strategy.

Develop a joint Sizewell B – Sizewell C mitigation team – focus on options to decouple some construction steps.

Develop an integrated schedule to highlight key works and DCO commitments.

Develop detailed profiles showing when temporary utilities provision is needed for different locations and usage.

RISK APPETITE

Risk adverse relationships with third parties are under review, with clear lines of communication, strong relationships, comprehensive contractual safeguards and proactive monitoring of potential risks.

RELEVANT STRATEGIC AIMS



BUILD & OPERATE

STRATEGIC REPORT

Climate-related risks and opportunities

RISK/ OPPORTUNITY	RISK 01 ACUTE CLIMATE DISRUPTIONS TO SUPPLY CHAIN	RISK 02 PLUVIAL AND COASTAL FLOODING	RISK 03 STORMS AND WIND																								
DESCRIPTION	Acute climate-related events such as storms and flooding can cause supply chain disruptions, leading to lower availability of raw materials, delays in procurement and increased purchasing prices.	Increasing risk of pluvial and coastal flooding causing delays and damage to the site under construction or reducing our capability to deliver energy to consumers.	Catastrophic storms and extreme weather during construction and/or station operations causing damage and/or delays.																								
TYPE	PHYSICAL RISK - ACUTE	PHYSICAL RISK - ACUTE	PHYSICAL RISK - ACUTE																								
KEY PHASE(S)	- Construction. - Operational power station.	- Construction. - Operational power station.	- Construction. - Operational power station.																								
IMPACT PATHWAYS	- Increased costs associated with stalled construction activities. - Increased operational costs associated with spend on new suppliers. - Increased pass-through costs from suppliers during construction.	- Increased costs associated with delayed construction activities. - Increased operational costs associated with temporary access road closures to the power station (once operational). - Increased operational costs associated with spend on new suppliers. - Increased pass-through costs from suppliers.	- Increased costs resulting from safety-related impacts to people or the plant, delays to construction activity and/or damages to assets. - Increased operational costs resulting from reduced capacity of the station.																								
MITIGATION ACTIONS	- Equipment Storage and Preservation Strategy in place, enabling Sizewell C to be flexible in its procurement through early procurement and storage capabilities. - Planned development and implementation of a Crisis Management Plan and Crisis Management Team, based on learnings from HPC. - Planned implementation of a supplier mapping and risk resilience solution to identify supply chain vulnerabilities and pathways.	- A permanent 12.6 metre sea defence structure that is designed for adaptation if required, which factors climate change allowances and an elevated platform height to protect the operational station once built. - Planned development of the elevated Sizewell C off-site infrastructure to mitigate risk of inaccessibility to site. - Contribution to the Benacre and Kessingland Managed Realignment Scheme to mitigate the risk of flooding along access roads. - Combination of sea defences and use of appropriate drainage systems in accordance with the Outline Drainage Strategy to protect the infrastructure's development. - Operational station designed to meet Nuclear Safety Case requirements, taking into account climate change allowances over the lifetime of the power station.	- The operational station once built is designed to withstand set wind velocity values for a 10,000-year return period, replicated from the HPC design. - Feasibility study undertaken to understand and plan for expected impacts on crane operations from wind speeds and identify additional mitigation actions.																								
OUTCOMES OF THE CLIMATE SCENARIO ANALYSIS ¹	QUALITATIVE ANALYSIS									QUALITATIVE ANALYSIS									QUANTITATIVE ANALYSIS								
	RAPID TRANSITION			BELOW 2°C			CURRENT POLICIES			RAPID TRANSITION			BELOW 2°C			CURRENT POLICIES			RAPID TRANSITION			BELOW 2°C			CURRENT POLICIES		
	SHORT	MEDIUM	LONG	SHORT	MEDIUM	LONG	SHORT	MEDIUM	LONG	SHORT	MEDIUM	LONG	SHORT	MEDIUM	LONG	SHORT	MEDIUM	LONG	SHORT	MEDIUM	LONG	SHORT	MEDIUM	LONG	SHORT	MEDIUM	LONG
	L	L	VL	L	L	VL	L	L	VL	M	M	L	M	M	L	M	M	L	VL	VL	VL	VL	VL	VL	VL	VL	VL

¹ The overall risk score is relevant to the phase of the Company and the distinctive impact pathways for each risk. For example, the frequency of physical risks is usually considered more likely to occur over long-term time horizons in line with increased warming levels, however the overall impact for a certain physical risk may still be greater in the short- to medium-term if the construction development is more susceptible to financial impacts of an acute or chronic event. Overall risk scores have considered mitigations where appropriate and as understood at the time of the analysis. "N/A" indicates those risks that have not been assessed against certain time horizons and/or climate scenarios, given data availability and/or the risk or opportunity not relevant to the phase of the Company within the defined time horizon.

KEY:

VL	Very Low
L	Low
M	Medium
H	High
VH	Very High
NA	Not Assessed

STRATEGIC REPORT

Climate-related risks and opportunities

RISK/ OPPORTUNITY	RISK 04 EXTREME HEAT	RISK 05 DROUGHT	RISK 06 SEAWATER TEMPERATURES																								
DESCRIPTION	Increased frequency of sustained extreme air temperatures reducing operational performance of the station.	Increased frequency and duration of drought conditions leading to construction and/or operational station delays or shutdowns.	Increased seawater temperatures reducing the thermal efficiency of the power station during operation.																								
TYPE	PHYSICAL RISK - ACUTE	PHYSICAL RISK - CHRONIC	PHYSICAL RISK - CHRONIC																								
KEY PHASE(S)	Operational power station.	- Construction. - Operational power station.	Operational power station.																								
IMPACT PATHWAYS	Decreased revenue resulting from reduced station capacity and/or shutdown of operational station.	- Increased costs resulting from raised water prices and/or tankering of additional water. - Reduced revenue if water shortages result in operational downtime.	Reduced revenue associated with reduced thermal efficiency of the cooling water systems, reducing condenser vacuum and output.																								
MITIGATION ACTIONS	- The operational station is designed to withstand extreme minimum and maximum air temperatures taking into account climate change allowances over the life of the power station. - HVAC systems designed to meet optimal heating and cooling temperatures, replicated from the HPC design. - Statistical analysis performed for nuclear safety case is conservatively judged given the sea is expected to have a moderating coastal effect on air temperatures, and for the end of station life.	- Water Supply Strategy in place to demonstrate adequate water supply will be served across all key stages of construction and the operational station. - Planned development of a desalination station for the construction phase. - Protective provisions in place with Essex and Suffolk Water (operated by Northumbrian Water Limited) to provide long-term mains water supply to the commissioning phase of the construction development and the operational station.	- The operational station is designed to be safe during extreme minimum and maximum seawater temperature events, inclusive of climate change adjustment factors. - Estimates for future sea surface temperatures have been considered in the station design, which are conservatively based on seawater temperature at the surface, as opposed to seabed which is where cooling water is drawn from. - Operational documentation is under development which will set the limits of machinery operation and define corrective actions.																								
OUTCOMES OF THE CLIMATE SCENARIO ANALYSIS ¹	QUANTITATIVE ANALYSIS									QUALITATIVE ANALYSIS									QUANTITATIVE ANALYSIS								
	RAPID TRANSITION			BELOW 2°C			CURRENT POLICIES			RAPID TRANSITION			BELOW 2°C			CURRENT POLICIES			RAPID TRANSITION			BELOW 2°C			CURRENT POLICIES		
	SHORT	MEDIUM	LONG	SHORT	MEDIUM	LONG	SHORT	MEDIUM	LONG	SHORT	MEDIUM	LONG	SHORT	MEDIUM	LONG	SHORT	MEDIUM	LONG	SHORT	MEDIUM	LONG	SHORT	MEDIUM	LONG	SHORT	MEDIUM	LONG
	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	M	M	L	L	M	L	L	M	L	L	N/A	N/A	L	N/A	N/A	L	N/A	N/A	M

¹ The overall risk score is relevant to the phase of the Company and the distinctive impact pathways for each risk. For example, the frequency of physical risks is usually considered more likely to occur over long-term time horizons in line with increased warming levels, however the overall impact for a certain physical risk may still be greater in the short- to medium-term if the construction development is more susceptible to financial impacts of an acute or chronic event. Overall risk scores have considered mitigations where appropriate and as understood at the time of the analysis. "N/A" indicates those risks that have not been assessed against certain time horizons and/or climate scenarios, given data availability and/or the risk or opportunity not relevant to the phase of the Company within the defined time horizon.

KEY:

VL	Very Low
L	Low
M	Medium
H	High
VH	Very High
NA	Not Assessed

STRATEGIC REPORT

Climate-related risks and opportunities

RISK/ OPPORTUNITY	RISK 07 CARBON PRICING	RISK 08 COMMUNICATION AND DELIVERY OF ESG & CLIMATE PERFORMANCE	OPPORTUNITY 01 LOW CARBON ENERGY																								
DESCRIPTION	Increased costs of energy and key raw materials due to introduction of carbon pricing or taxes affecting Sizewell C's operations and supply chain.	Increased stakeholder scrutiny if ESG and climate-related performance is deemed insufficient or is not effectively communicated or reported.	Maximising use of the energy-generation asset.																								
TYPE	TRANSITION RISK - POLICY AND LEGAL	TRANSITION RISK - REPUTATION	OPPORTUNITY - MARKET																								
KEY PHASE(S)	- Construction. - Operational power station.	- Construction. - Operational power station.	Operational power station.																								
IMPACT PATHWAYS	- Increased operational cost from carbon taxes applied to our scope 1 and 2 emissions. - Increased spend on procurement (scope 3) activities resulting from our supply chain partners passing on incurred costs from a carbon tax to Sizewell C.	- Increased operational costs due to additional time and resources needed to meet reporting obligations. - Increased costs associated with financial penalties from emerging regulations and/or potential litigation from external stakeholder groups. - Reduced ability to raise future finance due to reputational damages.	Diversified revenue resulting from a diversified portfolio and business offerings.																								
MITIGATION ACTIONS	- Life Cycle Assessment (LCA)² and a Whole Life Carbon Assessment to understand Sizewell C's potential carbon impacts. - Establishment of a Carbon Management Strategy to outline our approach to measure, monitor and report GHG emissions. - Engagement with suppliers to explore lower-carbon alternative materials. - Monitoring of emerging policy and regulatory changes such as the UK Carbon Border Adjustment Mechanism.	- Established ESG-related KPIs used to monitor performance and drive continuous improvement. - Established governance to ensure stakeholder expectations are monitored and met in relation to ESG and climate change reporting. - Horizon scanning of environmental legal and regulatory requirements via our Environment Legal Register. - Implementation of our Sustainability Reporting Tool to improve engagement with and data collation with our supply chain.	Continued exploration of direct (non-grid) uses of energy from the power station to create value for consumers (e.g. additional infrastructure that can enable the supply of low-carbon heat and/or electricity to off-grid users).																								
OUTCOMES OF THE CLIMATE SCENARIO ANALYSIS ¹	QUANTITATIVE ANALYSIS									QUALITATIVE ANALYSIS									QUALITATIVE ANALYSIS								
	RAPID TRANSITION			BELOW 2°C			CURRENT POLICIES			RAPID TRANSITION			BELOW 2°C			CURRENT POLICIES			RAPID TRANSITION			BELOW 2°C			CURRENT POLICIES		
	SHORT	MEDIUM	LONG	SHORT	MEDIUM	LONG	SHORT	MEDIUM	LONG	SHORT	MEDIUM	LONG	SHORT	MEDIUM	LONG	SHORT	MEDIUM	LONG	SHORT	MEDIUM	LONG	SHORT	MEDIUM	LONG			
	M	M	L	M	M	L	L	M	VL	M	L	L	M	L	L	M	VL	VL	N/A	N/A	L	N/A	N/A	L	N/A	N/A	VL

¹ The overall risk score is relevant to the phase of the Company and the distinctive impact pathways for each risk. For example, the frequency of physical risks is usually considered more likely to occur over long-term time horizons in line with increased warming levels, however the overall impact for a certain physical risk may still be greater in the short- to medium-term if the construction development is more susceptible to financial impacts of an acute or chronic event. Overall risk scores have considered mitigations where appropriate and as understood at the time of the analysis. "N/A" indicates those risks that have not been assessed against certain time horizons and/or climate scenarios, given data availability and/or the risk or opportunity not relevant to the phase of the Company within the defined time horizon.

² NNB Generation Company Sizewell C Limited, Life cycle carbon and environmental impact analysis of electricity from Sizewell C nuclear power station development, [szc_epd_style_doc_final_v02-00_29.10.21.pdf \(edfenergy.com\)](#)

KEY:

VL	Very Low
L	Low
M	Medium
H	High
VH	Very High
NA	Not Assessed

Long-term viability statement

The UK Corporate Governance Code requires company directors to state whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over a long-term period.

- To assess the Company’s long-term viability, the Board has:
- Identified the most appropriate period over which to make the assessment.
 - Evaluated the Company’s current position and prospects.
 - Considered the potential impact of principal risks (considering availability and effectiveness of risk mitigation plans) over the period and where appropriate, analysed the potential financial impact under a suitable set of sensitivities.
 - Overseen the governance process, ensuring robust levels of assurance over the analysis, and drawn conclusions regarding the Company’s long-term viability.

APPROPRIATE PERIOD

The Board considers that it is appropriate to assess the Company’s viability over the construction period. This time horizon is supported by the progress made in the construction programme to date and assumes significant de-risking of our financing plan is achieved through completion of the capital raise process in 2025. This period extends beyond the forecast period but is still covered by the planning horizon, which extends to the Commercial Operations Date (COD). The Board is not aware of any specific relevant factors that would affect this statement beyond this period and therefore has no reason to believe the Company will not be viable over a longer period.

CURRENT POSITION AND PROSPECTS

The viability assessment takes into account our business and financing plan which is prepared as part of our annual budgeting and regulatory process. Sizewell C has now received its FID, as announced by the Energy Secretary on 22 July 2025. This commits full funding for the entire construction of the power station. The Economic Licence is expected to be awarded in 2025, and will provide a return on capital invested during construction, covering financing costs and specific items of expenditure that are pass-through in nature for billpayers, such as regulatory or tax costs. We expect that Financial Close will secure equity and debt finance for the additional capital expenditure funding needs during the construction stage.

POTENTIAL IMPACT OF STRATEGIC RISKS

The Audit and Risk Committee regularly assesses the risks facing the Company and takes into consideration the preventative and mitigating actions available to it. The process includes financial forecasting, risk management assessment, regular and timely budget review and scenario planning analysis. The Board and the Audit and Risk Committee confirms that it has conducted a robust assessment of the principal risks (considering availability and effectiveness of risk mitigation plans) facing the Company, including those that could threaten its business model, future performance, solvency and/or liquidity, and which are set out in the Strategic Risks section of this report.

The Company undertakes a comparative risk assessment at different levels to understand the risk landscape; this is updated annually through an ‘Estimate at Completion’ forecasting process. The principal risks are underpinned by portfolio risks, which are the severe risks associated with Sizewell C’s strategy and overall direction and give a holistic view of risk across the construction.

We regularly conducts quantification and risk modelling of project risks, to challenge the effectiveness of our mitigating actions to ensure that cost and impact to the schedule are minimised and kept ALARP. Scenario modelling is also used to help inform the potential impact of the principal risks, with many of the risks modelled as delays to delivery and/or cost overruns.

Forecast Retail Price Index (RPI) inflation and financing costs have been sensitised as appropriate. In all downside scenarios modelled, the ratios are forecast to be robust and more than the minimum requirements under our future financing covenants. In reaching its conclusion, the Board has assumed that there will be no changes to the regulatory framework that will affect the Company’s viability.

The RAB based funding model is a proven method that ensures investors can recoup their efficiently incurred capital and operating expenditure while earning a fair return on the capital invested. Maintaining the value of the RAB from one price control period to the next provides a stable foundation for investment. The structure is designed to be financeable if costs and schedule have severe overruns.

PROGRAMME DELIVERY (INCLUDES THIRD PARTY INTERFACES, SOCIAL LICENCE, QUALITY, PRODUCTIVITY, NUCLEAR SAFETY, ENVIRONMENT, REPLICATION AND HEALTH & SAFETY RISKS)	SCENARIO 1 A 2-year delay and increase in 10% in the costs to complete the Project, below the HRT	• A 10% increase in cost is assumed to also delay the date of COD by 2 years. • Additional RAB revenue and debt finance would be able to meet the funding need.
	SCENARIO 2 A 3-year delay and increase in 15% in the costs to complete the Project, below the HRT	• A 15% increase in cost is assumed to also delay the date of COD by 3 years. • Additional RAB revenue and debt finance would be able to meet some of the funding need. • We would also be able to finance remaining increased costs by flexing the amount of distributions to our shareholders.
	SCENARIO 3 A 4-year delay and increase in 20% in the costs to complete the Project, above the HRT	• A 20% increase in cost is assumed to also delay the date of COD by four years. • Additional RAB revenue and debt finance would be able to meet some of the funding need. • We would also be able to finance some increased costs by flexing the amount of distributions to our shareholders. • Above the equity financed HRT, the CFA from HMG provides an option to provide contingent debt or equity funding where the cost of the project exceeds the HRT, provided investors choose not to invest further capital and we cannot otherwise raise debt or equity funding in the market. In this scenario the Company would require £42m of CFA support to complete construction.

The Higher Regulatory Threshold (HRT) provides flexibility and mitigation against a significant capex overrun. This mechanism limits the obligation for investors, such that they are not mandated to finance expenditure over the HRT, with the option for investors to seek financing from HMG. Should investors choose to fund further additional capital spend, any approved capital expenditure above the HRT will be fully added to the RAB, all of which will then earn a return equal to the Weighted Average Cost of Capital.

The Contingent Financing Arrangement (CFA) provides an option for the HMG to provide contingent debt or equity funding where the cost of the project exceeds the HRT, provided investors choose not to invest further capital and Sizewell C cannot otherwise raise debt or equity funding in the market. In this situation, the alternative option to CFA is discontinuation.

Long-term viability statement

POTENTIAL IMPACT OF STRATEGIC RISKS (CONTINUED)

The key assumptions underpinning the directors' assessment include the following:

- The aggregate impact of adverse events and conditions, which are not considered in the scenarios modelled, would not exceed the additional mitigations available to management or result in an event of default under the Company's financing arrangements.
- The Economic Licence will be deliverable, financeable and investable, taking into account Ofgem's duty under Section 9 of Utilities Act 2000 to "secure that licence holders are able to finance the activities which are the subject of obligations".
- The Company is able to secure capital at affordable rates of interest to maintain adequate liquidity based on a Board-approved business plan that targets investment grade credit ratings and a financeable and investable Economic Licence.
- We secure committed equity funding from existing or new investors to fully finance the construction. The Board will continue to progress activity towards achieving the Financial Close of the capital raise process and further notes the existing £54.6bn subsidy, which allows the Company to maintain its financial resilience.
- Above the equity financed HRT, the CFA from HMG would provide contingent debt or equity funding where investors choose not to invest further capital and we cannot otherwise raise debt or equity funding. The directors have assumed that Sizewell C would not be discontinued at this point, consistent with the existing HMG policy, as the Company believes the cost of discontinuation to HMG, customers and investors would exceed any assumed benefits.
- As part of the GSP, the Government Liquidity Facility will provide up to two years of refinancing support to Sizewell C, if required for any existing Principal or Class A senior debt authorised facilities that are maturing.

GOVERNANCE, ASSURANCE AND CONCLUSIONS

There is an established process in place to assess the Company's prospects, which is performed annually by senior management. The results of the assessment are considered by the ARC, which reviews and recommends the Long Term Viability Statement to the Board, which is in turn reviewed by the directors for approval.

In reaching its conclusion, the Board has taken into account Ofgem's statutory duty to ensure that companies can finance their functions and has assumed that there will be no changes to the regulatory framework or Government policy that will adversely affect the Company's viability. The Board also believes that financing will be available to Sizewell C over the period covered by the analysis.

We have undertaken a range of internal assurance activities, which the Board considers to provide a robust degree of assurance over the analysis. The internal assurance activities have included a first and second line of defence review as described in the Board statement on accuracy and completeness of data and information within this report.

On the basis of the robust assessment of our principal risks and on the assumption that we manage or mitigate them in the ways disclosed, the Board's review of the business plan and other matters considered and reviewed during the year, and the results of our scenario analysis and assurance described above, the Board has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall over the construction period.

GOING CONCERN

This statement should be read in conjunction with the going concern basis of preparation note set out on [page 75](#).



Pictured right, the Ancillary Construction Area Project Office is used for inductions, training and events.

Non-financial and sustainability information statement

Sections 414CA and 414CB of the Companies Act 2006 require us to disclose certain information to allow readers to understand our development, performance and position and the impact of our activities. These are set out below, with references to further disclosure throughout this report as appropriate.

CA Ref	Disclosure	Approach (including policies and due diligence)	Page
A.1	CLIMATE-RELATED FINANCIAL DISCLOSURES	Our TCFD disclosures.	21
		Our Environmental, Social & Governance Committee has Terms of Reference which are approved by the Exec and will be reviewed annually at a minimum.	19
1.A	ENVIRONMENT	Our metrics to reflect our environmental impact, including carbon emissions, water usage and waste.	19
1.B	EMPLOYEES	Our employee engagement policies and practices.	32
1.C	SOCIETY	Sizewell C is proud of the contributions it is able to make to the communities in which it operates.	20
1.D	HUMAN RIGHTS	Sizewell C complies with all internationally recognised human rights, this is set out in our Code of Conduct.	58
1.E	ANTI-CORRUPTION AND ANTI-BRIBERY	Sizewell C has zero tolerance for corruption or bribery and this is set out in our Code of Conduct.	58
2.A	BUSINESS MODEL	Our Business Model.	8
2.D	PRINCIPAL RISKS	Our Strategic Risks.	28
		Our approach to risk management.	27
2.E	NON-FINANCIAL KEY PERFORMANCE INDICATORS	Our non-financial key performance indicators currently in development as Sizewell C matures as a company.	26, 36



Pictured right are foundations being laid on the Temporary Construction Area at the Sizewell C site in Suffolk.

CORPORATE GOVERNANCE

Pictured below is an archaeologist excavating the Green Rail Route site in Suffolk.



CORPORATE GOVERNANCE

Chair's introduction

I am pleased to present this year's directors' and corporate governance reports, our first such reports as we adopt best governance practices under the 2018 UK Corporate Governance Code (2018 Code) and my first as Chair since joining the Board in February 2025 and then as Chair in March 2025.

To echo my words in the front of this Annual Report and Accounts, I would like to once again extend my gratitude to Robert Holden CBE, my predecessor, for the leadership and vision that has led the Company to where it is today. I am extremely excited to be taking up the mantle at this point in the Company's evolution and continuing to build the strong governance foundations that will drive the construction of what will be one of the two largest power stations in the UK.

BOARD CHANGES

In addition to my appointment, as Chair, during the year, there were several other changes to our Board. In October 2024, Frederic Mayoux stepped down as Finance Director and Executive Director, and David Gregg joined as the Chief Financial Officer and was appointed to the Board. David Waboso stepped down from the Board in November, and Robert Holden CBE stepped down in March 2025. On behalf of the Board I would like to extend our thanks to Frederic, David and Robert for navigating the Board through a significant period of change. More information on the Board and the changes during the year can be found on [pages 43 to 49](#).

BOARD GOVERNANCE

The Board has been focused on ensuring the right level of maturity feeds down from the Board to the organisational layers. With the changes to the Board over the last two years, the Board undertook a thorough external board performance review during the year. This review process was aimed at supporting the natural evolution of the Company as it continued its transition from the EDF Group following the Government Investment Decision in November 2022.

The Company has undergone significant change in a short space of time and, following the HMG's announcement on the equity raise process in September 2023, has been preparing itself for changes in its shareholder profile, as well as the additional reporting triggers under a revised shareholders agreement and the enhanced reporting under the RAB¹ model. The Board is acutely aware of its duties and its responsibility to support the joint managing directors in fulfilling their duties as Accounting Officers, and the adherence to enhanced governance standards and disclosures.

LOOKING AHEAD

I am passionate about the difference this Company can make to the UK's energy security landscape as well as the benefits that our nuclear power station will add to the wider economic environment, both locally in Suffolk and nationally. Delivery of these benefits is underpinned by an unwavering focus on putting safety and quality first. Whilst we continue to collaborate closely to make the replication of HPC a success we will also seek to drive our own innovation wherever possible. This includes further developing latest nuclear industry and technology skills in the UK, creating life enhancing jobs across the nation.

By setting strong foundations in our governance structure, I am confident the Company can deliver our nuclear power station whilst making a positive difference to leave a far-reaching legacy for future generations.

John Holland-Kaye
Chair

Non-Executive Chair, John Holland-Kaye (centre) with Joint Managing Directors, Julia Pyke and Nigel Cann at the Sizewell C site in Suffolk.



¹ Regulated Asset Base (RAB) Model is legislation under The Nuclear Energy (Financing) Act 2022 and sets out an option that supports funding nuclear projects. The RAB triggers the requirement for an Economic Licence from an economic regulator (Ofgem).

Governance standards

In acknowledgement that the Company is a steward of a nationally significant nuclear infrastructure project and has received significant investment from HMG, the Company committed (wherever possible and appropriate) to applying good standards of corporate governance in 2024/25.

The high-level information included in this Annual Report and Accounts reflects the Company’s transition to an independent Company and has been prepared in accordance with the Financial Reporting Council’s (FRC) UK Corporate Governance Code 2018 (2018 Code). We continue to transition, guided by the 2018 Code principles, as we set up for long-term sustainable success. This includes nurturing the right behaviour and setting a strong governance framework, which will be sustainable throughout preconstruction, construction, operation and decommissioning phase.

The significance of the Company’s obligations as a nuclear site licensee has further supported and enhanced governance standards throughout the year.

The Board confirms that throughout 2024/25, and as at the date of this Annual Report and Accounts, we have partially complied with the provisions of the 2018 Code. The exceptions are explained below:

Provision 11 of the 2018 Code recommends that at least half the Board, excluding the Chair, should comprise Independent Non-Executive Directors (INEDs). The Board’s composition and experience was significantly enhanced since the end of 2023/2024 as the number of INEDs increased from two to four with the arrival of Elizabeth Barber and Julie Thornton.

The Board operates within the framework of the Interim Shareholders Agreement (ISHA), which sets out the required composition of the Board during the preconstruction stage. This includes a minimum number of Executive Directors, reflecting the requirement for heightened oversight until the Company concludes the equity raise process at Financial Close and the ISHA is replaced with the Enduring Shareholders Agreement (ESHA). The current Board composition as at the date of this report is considered well balanced between Executive and Non-Executive Directors with the largest group of Non-Executive Directors being independent. This structure supports the Company through a critical phase: establishing itself as an independent organisation, progressing through preconstruction, overseeing schedule milestones, managing key supply chain relationships, and embedding a strong safety culture. The Nominations and Remuneration Committee continues to keep Board composition under review to ensure the Board is well placed to support management as the Company navigates to Financial Close.

Provision 5 of the 2018 Code recommends engagement with the workforce through one of three methods: (i) a director appointed from the workforce, (ii) a formal workforce advisory panel or (iii) a designated non-executive director. The Nominations and Remuneration Committee has reviewed this issue, and will make its recommendations to the Board in 2025/26.

Provision 18 of the 2018 Code recommends that all directors should be subject to annual re-election. The Company does not consider this to be a priority, and with shareholder support, the directors’ performance remains a matter for the Chair. The Company Chair is also the Chair of the immediate parent company, and facilitates any concerns raised by the shareholder, through this forum. The Chair continues to keep this matter under review.

Provision 28 of the 2018 Code recommends that the Board should carry out a robust assessment of the Company’s emerging and principal risks and present such information in the Annual Report and Accounts. Provision 29, recommends the Board should monitor the Company’s risk management and internal control systems. The Audit and Risk Committee has focused its work over the reporting period on working with management to build a robust set of principle risks and risk framework. The Chair of the Audit and Risk Committee has kept the Board informed of any material issues in the internal control environment and on its key areas of focus in respect to the risk framework. The Board will be provided with regular updates throughout 2025/26 on the work that has been performed by the Audit and Risk Committee.

The Company will report in its 2025/26 Annual Report and Accounts under the 2024 Corporate Governance Code.

This Corporate Governance Statement is approved by the Board of Directors.

John Holland-Kaye
Chair

APPLICATION OF 2018 CODE

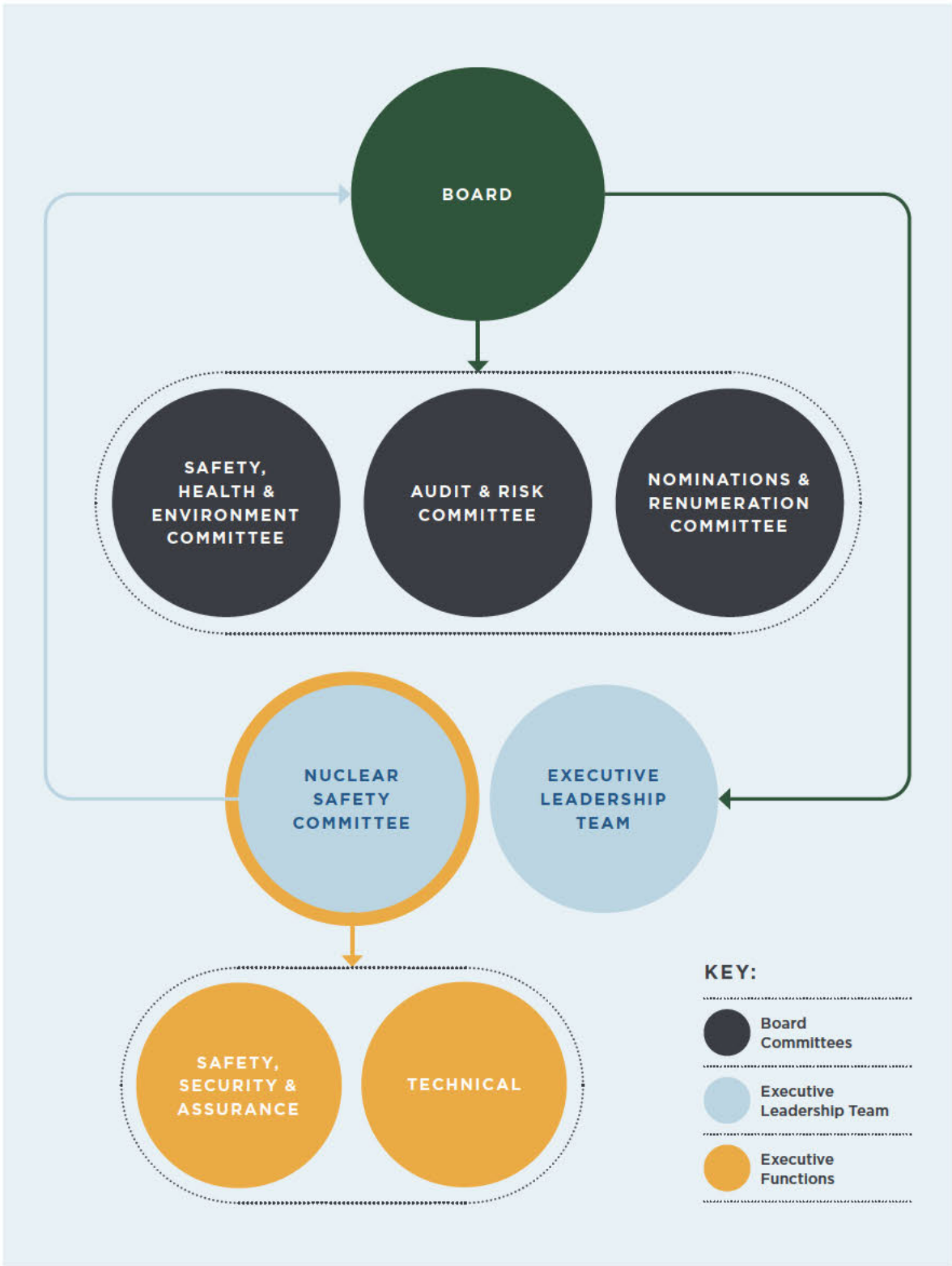
The following table highlights key content within the report that demonstrates the application of the principles of the 2018 Code.

Code Provisions	Pages
BOARD LEADERSHIP AND COMPANY PURPOSE	
BOARD’S ROLE	47
PURPOSE, CULTURE AND STRATEGY	2, 8
RESOURCES, CONTROLS AND RISK PROFILE	27 - 29
STAKEHOLDER ENGAGEMENT	15 - 17
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DIVISION OF RESPONSIBILITIES	
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BOARD COMPOSITION AND DIVISION OF RESPONSIBILITIES	47 - 48
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COMPOSITION, SUCCESSION AND EVALUATION	
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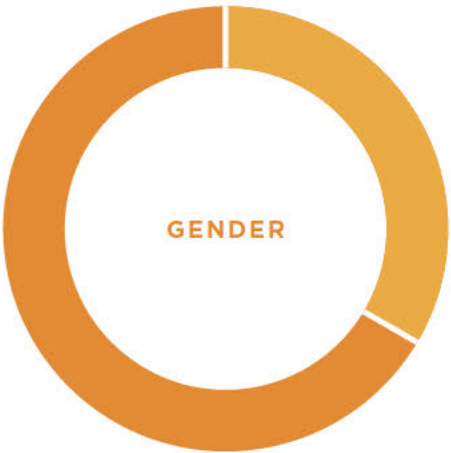
CORPORATE GOVERNANCE

Governance at a glance

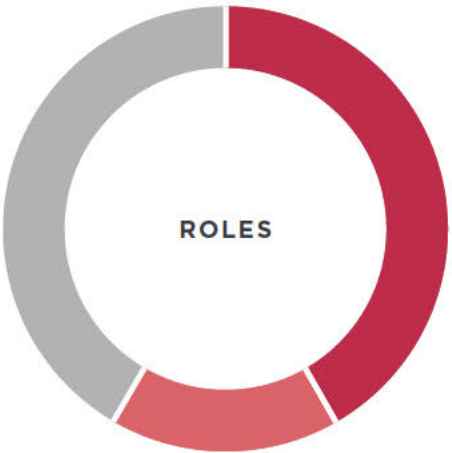
Our governance ensures accountability, strategic direction and oversight across all levels of leadership for the Company’s long-term success.



BOARD COMPOSITION



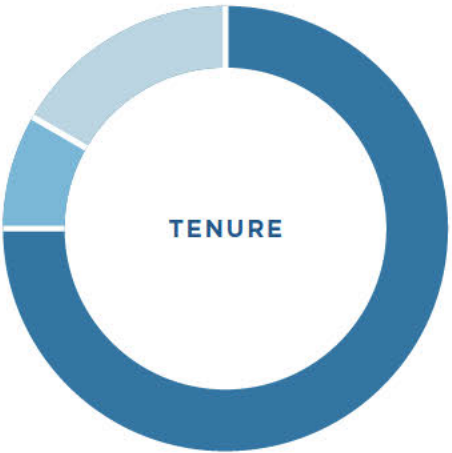
33.3%	Female
66.7%	Male



41.7%	Executive Director
16.7%	Shareholder Non-Executive Director
41.7%	Independent Non-Executive Director **

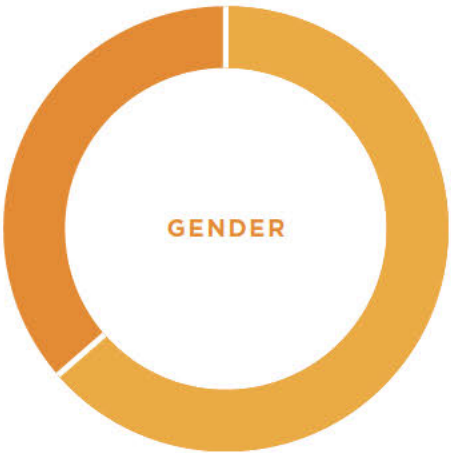


50%	White British or other white*
8.3%	Other ethnic group
33.3%	Prefer not to say
8.3%	Not specified



75%	0 – 3 years
8.3%	3 – 6 years
16.7%	6+ years
8.3%	Not specified

EXECUTIVE LEADERSHIP TEAM COMPOSITION



63.6%	Female
36.4%	Male



45.5%	White British or other white*
18.2%	Other ethnic group
36.4%	Prefer not to say
0%	Not specified

* Including minority white groups.
 ** Includes the Chair.

CORPORATE GOVERNANCE

Our Board Members

Our Board as at the date of approval of the Annual Report and Accounts.



KEY SKILLS AND EXPERIENCE

John brings over 30 years of leadership experience across executive and non-executive roles in complex, regulated sectors including energy, transport, utilities, and business advisory. He has served as Chair and Non-Executive Director on numerous boards, with particular expertise in health, safety, and environmental governance.

From 2014 to 2023, John was CEO of Heathrow Airport, leading its transformation to be one of the best airports in the world. He originally joined in 2009 as Commercial Director before becoming Development Director, overseeing a £1 billion annual capital programme and leading the delivery of Terminal 2 on time and on budget. Earlier roles include Divisional CEO at Taylor Wimpey, MD of National Sales at Bass Brewers, and consultant at L.E.K. Consulting.

John has a strong record of working with government, regulators, and investors, and is deeply committed to sustainability and community engagement. He is Chair of Governors at Bedford School and a member of DEFRA's Council for Sustainable Business. His previous appointments include Non-Executive Director at Thames Water and Thames Tideway, and advisory roles with HM The King's Sustainable Markets Initiative, the Jet Zero Council, and the Energy Transitions Commission. He is also an Honorary Fellow of the RICS.

OTHER KEY EXTERNAL APPOINTMENTS

Non-Executive Director: Mace Finance Limited

Chair Designate: Cadent Gas Limited



KEY SKILLS AND EXPERIENCE

Nigel has over 45 years of experience in the industry, including over 20 years in senior leadership roles across operations, construction, and fleet programmes.

He is expert in project management, nuclear engineering, operations, asset management, work management, training, and industrial relations and has negotiated and managed multibillion pound contracts and portfolios.

He is known for building high-performing teams and a strong safety culture. Prior to joining the Company, he was Station Director at Hinkley Point B. He previously held plant manager roles at Dungeness B and Sizewell B. He later served as HPC Site Construction Director and HPC Delivery Director and was an executive member of the HPC Board for eight years and remains a non-executive director. He was also a non-executive adviser on the EDF Generation Board for two years.

Nigel joined as joint managing director in April 2023 and has jointly led the transition from a development project to a multibillion-pound delivery project that achieved FID in July 2025.

He has a strong reputation with UK regulators and an affiliation with the World Association of Nuclear Operators (WANO) and the Institute of Nuclear Power Operations.

OTHER KEY EXTERNAL APPOINTMENTS

Non-Executive Director:

NNB Generation Company (HPC) Limited

Shareholder Non-Executive Director: Nuclear Services (Technical) Company Limited



KEY SKILLS AND EXPERIENCE

Julia has worked at the intersection of the nuclear sector and commercial policy since 2005, when she advised the HMG on the establishment of the Nuclear Decommissioning Authority (NDA) and began work on HPC in 2006.

She plays a key role in building the Company and shaping its regulatory and financial framework, ensuring its transition to a regulated utility capable of delivering government objectives while managing public funds and meeting the expectations of shareholders, lenders, and local stakeholders.

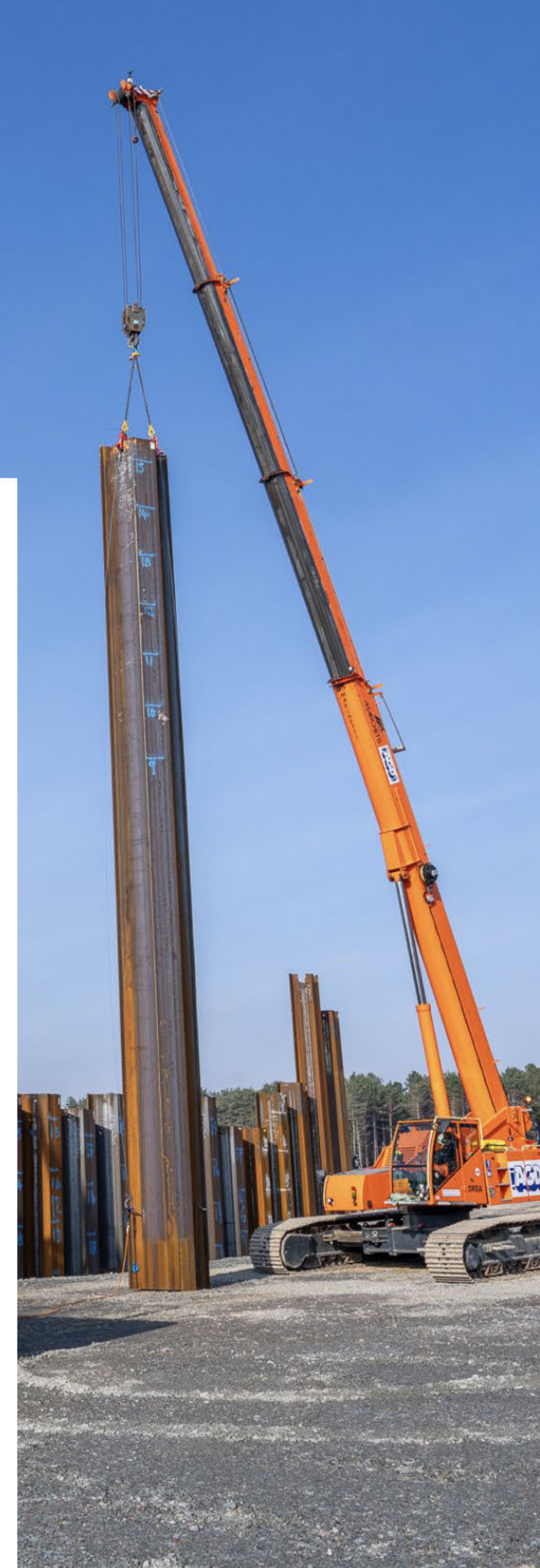
Before joining the Company, Julia was General Counsel for HPC and previously Head of Power and Renewables at Herbert Smith Freehills LLP, where she advised on key legal and commercial arrangements for HPC and on the formation of the NDA, including a secondment into the organisation. She also served as an independent non-executive director at Newcleo Limited from 2022 to 2023.

Julia is a Fellow of both the Energy Institute and the Nuclear Institute, and is a member of the Great British Nuclear Programme Board.

OTHER KEY EXTERNAL APPOINTMENTS

No external appointments

Pictured right sheet piling begins on the Temporary Construction Area for the bridge crossing to the Main Construction Area. This is was the first permanent works on site in Suffolk.



CORPORATE GOVERNANCE

Our Board Members

Our Board as at the date of approval of the Annual Report and Accounts.



KEY SKILLS AND EXPERIENCE

David is a Chartered Accountant and Corporate Treasurer with extensive experience across regulated utilities, infrastructure and capital-intensive sectors.

He has worked in both listed and privately-held businesses, with a focus on RAB-based models, ESG integration, and managing strategic financing relationships.

David has held senior finance roles within international FTSE 250 groups and brings a strong track record in corporate finance, treasury, and financial planning. He was formerly Head of Corporate Finance and Acting CFO at Yorkshire Water and, more recently, served as Director of Corporate Finance at Thames Water.

OTHER KEY EXTERNAL APPOINTMENTS

No external appointments



KEY SKILLS AND EXPERIENCE

Bertrand brings 30 years of experience in the power sector, with a focus on delivering large-scale engineering and construction programmes across Europe and the Middle East.

He has a strong track record in leading complex infrastructure projects in regulated environments.

Prior to joining the Company, Bertrand was Site Director at Flamanville 3, where he oversaw the construction and commissioning of the nuclear power station through to Hot Functional Testing. His broader career includes 30 years in senior roles within the power industry, with deep expertise in nuclear project delivery.

OTHER KEY EXTERNAL APPOINTMENTS

No external appointments



KEY SKILLS AND EXPERIENCE

Mina has over 20 years experience in the nuclear sector, spanning the full fuel cycle, high-hazard operations, and research and development.

She has deep expertise in the UK regulatory framework, with a strong background in safety, security, and environmental management.

Prior to joining the Company, Mina was Deputy Chief Inspector and Director at the Office for Nuclear Regulation, where she led regulation of Nuclear Decommissioning Authority (NDA) sites and established the UK Safeguards Office post-Brexit. She has also held senior international roles, including Vice President of the IAEA's Safety Conventions and Chair of its Radioactive Waste Safety Standards Committee.

OTHER KEY EXTERNAL APPOINTMENTS

Non-Executive Director: Nuclear Waste Services Limited, a wholly owned subsidiary of the NDA

Pictured right are local school children attending Constructionarium, a Sizewell C collaboration training facility in Norfolk.



CORPORATE GOVERNANCE

Our Board Members

Our Board as at the date of approval of the Annual Report and Accounts.



KEY SKILLS AND EXPERIENCE

A Chartered Surveyor, Jon has 37 years experience in the infrastructure sector, bringing significant knowledge of complex programme delivery, commercial strategy, the supply chain and business transformation.

He was most recently Director of Infrastructure at the Infrastructure and Projects Authority.

Prior to his public sector work, Jon previously served in executive roles for major client organisations in water, telecoms, and major tier 1 infrastructure contractors. He is known for pioneering collaborative supply chain models. As Executive Commercial and Transformation Director at Thames Water, he led multi-year alliance strategies across infrastructure and technology programmes.

OTHER KEY EXTERNAL APPOINTMENTS

Director: Infrastructure, Enterprise and Growth at the UK Government's, National Infrastructure and Service Transformation Authority

Non-Executive Director: Crossrail International Limited

Expert Advisory Panel: Cunliffe Review of the Water Sector



KEY SKILLS AND EXPERIENCE

Stuart is a respected nuclear industry leader and has over four decades of experience including 39 years in nuclear. He served as Managing Director of HPC since 2017 and CEO since 1 July 2025.

He began his career as an apprentice and progressed through technical and engineering roles at Dungeness, Hartlepool, and Heysham. After five years as Chief Technical Officer, he became Managing Director of EDF's Nuclear Generation business before taking up his current role.

Stuart is a strong advocate for skills, diversity, and inclusion, championing apprenticeships, women in nuclear, and working parents across the sector.

OTHER KEY EXTERNAL APPOINTMENTS

CEO: Hinkley Point C

Holds other EDF Group directorships



KEY SKILLS AND EXPERIENCE

Liz is a Chartered Accountant with wide-ranging experience across finance, risk, ESG, regulation, and governance.

She has held senior roles including Audit Partner at EY, CFO and CEO at Kelda Group, and has served on multiple boards in executive and non-executive capacities.

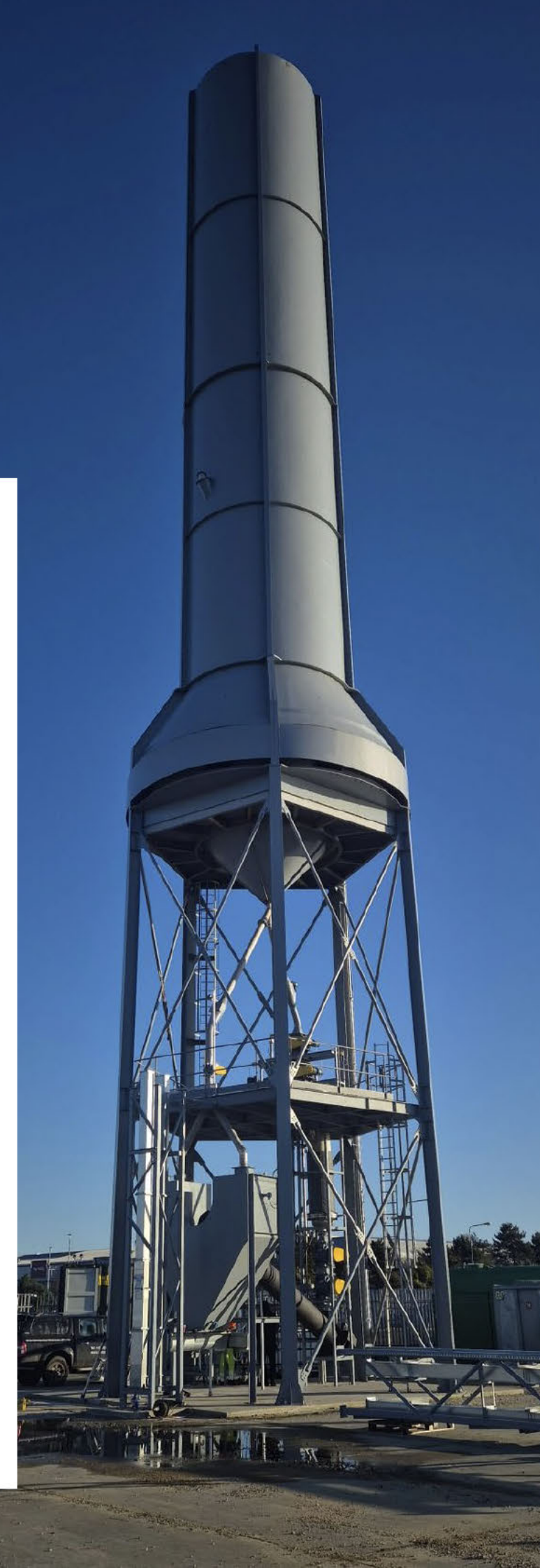
Her non-executive portfolio includes roles at HICL plc, Cranswick plc, Renew Holdings plc, Encyclis Limited, and the ICAEW. She has chaired audit, risk, remuneration, and sustainability committees, and is a former Deputy Chair of the University of Leeds. Liz has a strong interest in ESG, having led initiatives through the Accounting for Sustainability CFO Network and regional climate bodies.

OTHER KEY EXTERNAL APPOINTMENTS

Senior Independent Director: Cranswick Plc

Non-Executive Director: Renew Holdings Plc
HICL Plc, Encyclis Limited, ICAEW

Pictured right is the Sizewell C demonstrator Direct Air Capture unit in Lowestoft, Suffolk.



CORPORATE GOVERNANCE

Our Board Members

Our Board as at the date of approval of the Annual Report and Accounts.



Appointed on 31 July 2023

KEY SKILLS AND EXPERIENCE

Jouni has 20 years of experience in new nuclear construction, with a strong focus on engineering leadership and project delivery.

He has held senior roles as Engineering Manager and Project Director and has deep expertise in EPR design and technology.

He has been involved in the Olkiluoto 3 EPR project from the construction outset through to the start of its commercial operation, the first operational EPR project in Europe. He holds an MSc in Nuclear Engineering and began his career in instrumentation and control systems, followed by 10 years in the insurance sector before moving into major project roles in nuclear construction.

OTHER KEY EXTERNAL APPOINTMENTS

Senior Vice President: Teollisuuden Voima (TVO)
(a Finnish, non-listed public limited company)

Project Director: Olkiluoto 3
(a Finnish nuclear power station)



Appointed on 31 July 2023

KEY SKILLS AND EXPERIENCE

Richard has over 30 years of experience in investment banking, focused on the energy, utilities, and infrastructure sectors.

He has deep knowledge of UK regulation in these areas and a strong track record advising corporates, investors, and government entities on complex, large-scale transactions, including in the nuclear sector.

Before joining the Company, Richard was Group Head of Energy, Infrastructure & Industrials at Nomura International, leading a team across EMEA. He previously held senior roles at Rothschild, Lehman Brothers, and RBC, and is a Chartered Accountant, having trained with Price Waterhouse.

OTHER KEY EXTERNAL APPOINTMENTS

Non-Executive Director:
The Royal Automobile Club Limited



Appointed on 1 January 2024

KEY SKILLS AND EXPERIENCE

Julie is an experienced HR Director with a career focused on business growth, organisational effectiveness, and strategic change.

She specialises in organisation design, resourcing, and building high-performing teams aligned to business goals.

Julie began her HR career at IBM, becoming Head of HR for Global Services UK, before moving to Citibank as Vice President for HR in EMEA. Her experience spans business services, oil and gas, and construction. In 2013, she joined Thames Tideway Tunnel as HR Director and was a member of the Executive Management Team until June 2024.

OTHER KEY EXTERNAL APPOINTMENTS

No external appointments

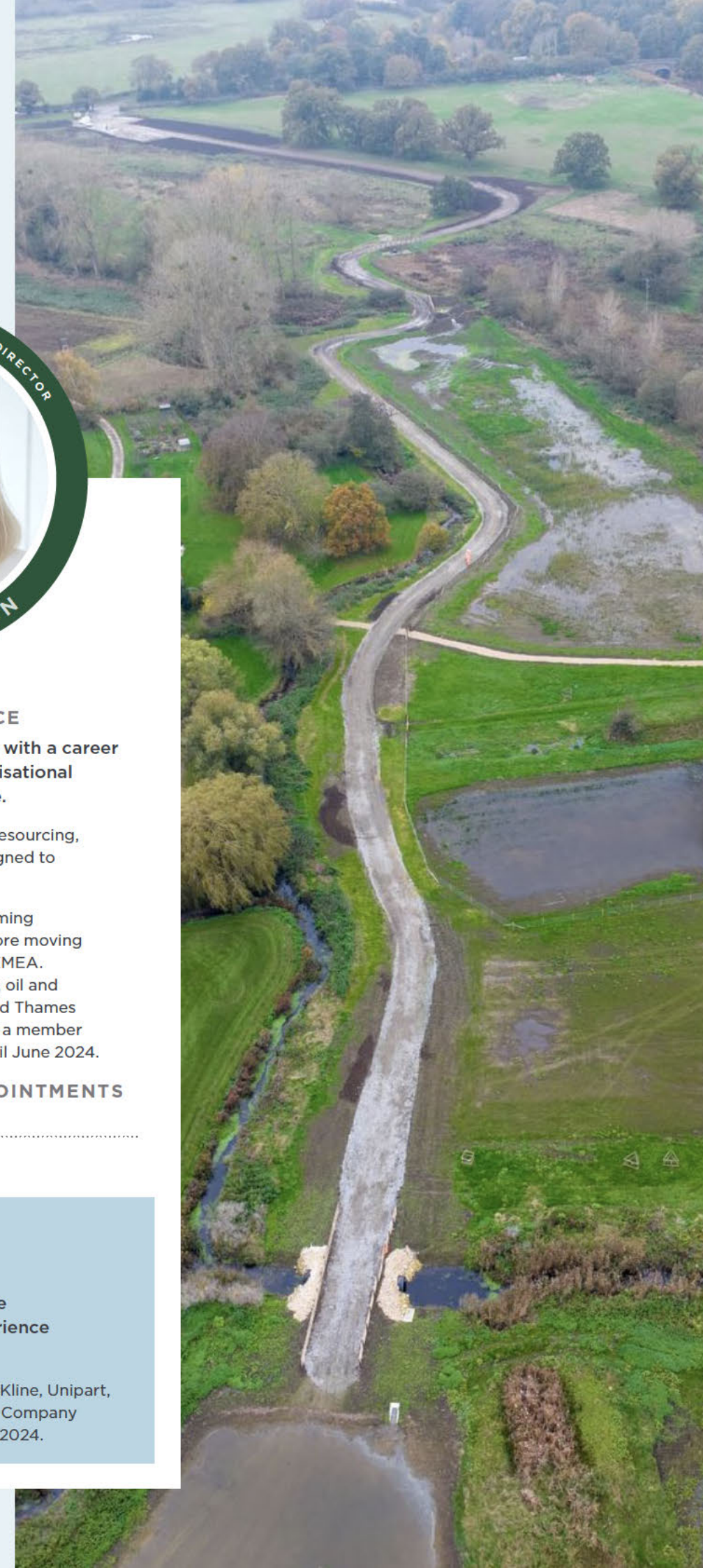


ASHA MAGNUS
COMPANY SECRETARY
Appointed on 25 June 2024

Asha is a Chartered Company Secretary and Fellow of the Corporate Governance Institute, with over 15 years' experience in corporate governance and board support roles.

She has held senior company secretarial positions at GlaxoSmithKline, Unipart, and Hanson (Heidelberg Cement Group), and was most recently Company Secretary at Rank Group Plc before joining the Company in May 2024.

Pictured right is a new area of fen meadow area established by Sizewell C in Benhall & Sternfield.



CORPORATE GOVERNANCE

Board responsibilities

THE BOARD’S ROLE

As set out on [page 2](#) of this Annual Report and Accounts, the Company’s purpose is to construct a 3.2 gigawatt nuclear power station on the Suffolk coast in the East of England. The Board is responsible for:

- Setting the Company’s
 - purpose,
 - values and
 - long-term strategy.
- Overseeing the distinct stages of preconstruction, construction, operation and then eventual decommissioning.

In discharging its responsibilities the Board will also ensure the Company ultimately contributes to the UK’s energy future.

The Board provides strategic leadership while maintaining robust oversight of performance, culture and risk. It supports and challenges the ELT, setting clear risk appetite and control frameworks to deliver against strategic aims and objectives. Regular performance and risk reporting enables the Board to monitor delivery, including progress on key milestones and mitigation of principal risks.

As the Company continued its transition to an independent entity following HMG investment, the Board played a central role in shaping its strategic direction. In 2024/25 the Board held its first Strategy Day, approved a refreshed Company strategy and delegated to the ELT refinements as the Company positions itself for success and future private capital investment.

The Company is governed by the terms of the ISHA between the Company, its parent Sizewell C (Holding) Limited and the parent company’s shareholders: the Secretary of State for Energy Security and Net Zero and EDF Energy Holdings Limited.

The ISHA is dated 29 November 2022, but was amended and restated on 22 March 2024 and further amended on 27 February 2025. It outlines certain matters that are reserved for approval by the holding company, Sizewell C (Holding) Limited. However, the Company retains full responsibility for the operational management and strategic direction of its activities. In particular, where it is necessary to respond to maintain nuclear safety in emergency situations or ensure compliance with nuclear licensing obligations, the Company may act independently of reserved matter provisions.

On Financial Close, when long-term investment for the Company has been secured, the ISHA will be replaced by an Enduring Shareholders Agreement (‘ESHA’) which will be compatible with the licences, consents, financing, and ownership arrangements in place from that time.

RESPONSIBILITIES WITHIN THE BOARD

There is a clear division of responsibilities between Executive and Non-Executive Director roles as shown in the following table:

Role on the Board	Responsibilities
CHAIR	• Leads the Board and its overall effectiveness in directing the Company. • Ensures effective board agenda setting, (including development and determination of the Company Strategy), together with the Joint Managing Directors and the Company Secretary. • Ensures Board members have sufficient information and space for discussion to make effective and informed decisions. • The Chair is the conduit between the Company and its immediate parent. • Oversees effective stakeholder engagements.
JOINT MANAGING DIRECTORS	• Carry out day to day operation of the Company and reporting up to the Board accordingly. • Ensure effective communication with all stakeholders. • Promote the strategy, values and purpose of the Company. • Embed positive cultural behaviours. • Ensure workforce compliance with business code of conduct and policies. • Implement the various processes and controls required to support strategy and risk appetite.
SENIOR INDEPENDENT DIRECTOR	• A sounding board for the Chair. • Acts as intermediary between the Joint Managing Directors and other directors as necessary. • Available to shareholders and other stakeholders for matters that cannot be resolved through normal channels.
NON-EXECUTIVE DIRECTORS	• Independent non-executive directors provide independent and balanced views, drawing on their experience. • Shareholder non-executive directors represent the views of the investors. • Both Shareholder and Independent Directors provide constructive challenge, while monitoring the performance of the ELT. • Review and oversee the delivery of the Company’s strategy and risk controls.
EXECUTIVE DIRECTORS (EXCLUDING THE JOINT MANAGING DIRECTORS)	• Provide assurance on safety, quality, security and environmental conformity with the nuclear licensing requirements and environment permits conditions. • The Chief Financial Officer leads risk assurance against the delivery schedule along with overall cost controls and the management of insurance, internal audit, regulatory compliance and financial controls, planning and reporting.
COMPANY SECRETARY	• Supports and advises the Chair and Board on governance matters. • Ensures the Board has timely information ahead of meetings to facilitate constructive challenge and enable effective decision making. <i>All Directors have access to the advice of the Company Secretary and may take independent professional advice at the Company’s expense in furtherance of their duties.</i>

CORPORATE GOVERNANCE

Board composition, succession and evaluation

BOARD COMPOSITION OVERVIEW

The Board is composed of a mix of Independent Non-Executive Directors, Shareholder Non- Executive Directors and Executive Directors.

The Chair was independent on appointment and also chairs the Board of the Company's parent company, Sizewell C (Holding) Limited. The overall balance of the Board is intended to have a broadly equal number of Executive Directors and Independent Non-Executive Directors, with a minority of Shareholder-appointed Non-Executive Directors. This composition reflects the current focus on:

- Building strong governance foundations.
- Supporting the preconstruction priorities.
- Ensuring alignment with the ISHA.

This is the first Annual Report and Accounts since the number of Independent Non-Executive Directors was significantly increased which has significantly strengthened the Board. More recently, the appointment of John Holland-Kaye in February 2025 and his subsequently assumption of the role of Chair marked the next significant shift for the Board.

The Board is satisfied that during 2024/25 it has seen:

- **Board competence maintained and aligned** with the requirements of Nuclear Site Licence Condition 36 (Organisational Capability).
- **Diverse and balanced Board discussions**, strengthened by the appointment of John Holland-Kaye.
- **A strong non-executive presence** to provide challenge, strategic guidance, specialist advice and effective oversight.

BOARD SUCCESSION

The Nominations and Remuneration Committee oversees the succession planning for the Board and the ELT. The Board is cognisant of the need to maintain a composition and succession plan that reflects the life of the Company.



BOARD PERFORMANCE REVIEW

As part of the Company's continued growth and transition to an independent Company, the Board undertook its first external board performance review.

This marks a significant step in strengthening the Company's governance framework, building on progress made to date, and supporting informed decisions as the Company prepares for the future. The review also ensures the Board continues to meet evolving expectations of stakeholders, supports compliance with regulatory obligations and aligns with the revised standards which come into effect for 2025/26.

The review was commenced, and facilitated, by an independent adviser, Seamus Gillen of Value Alpha Ltd. In recognition of the significant changes that occurred in 2024/25, and in anticipation of those that will occur in 2025/26, as the Company sets itself up for sustainable success, the Board is determined to ensure a thorough process is conducted. The review remains ongoing; the Board has been fully involved in the process and kept informed of progress.

1. Scoping and design (November to December 2024)

The scope and objectives of the review were discussed and agreed following a meeting with the Senior Independent Director and Board Chair, together with the Company Secretary. It was determined the process should include both the Board, the Board Committees and interface with its immediate parent, Sizewell C (Holding) Limited (being a key stakeholder within the decision-making process through the reserved matters).

2. Tailoring (December 2024 to January 2025)

The process for securing meeting times with each Director and attendance at Board and Committee meetings for observations was agreed with the Company Secretary. The Company Secretary provided understanding of the Company's reporting, and regularity obligations, and structure set up. This included the significance of licence obligations, applying the corporate governance code, and observing MPM to support the Accounting Officers and the shareholder agreement. A review of key stakeholders to be considered within the process was reviewed on a regular basis, in consultation with the Company Secretary, Chair and the Senior Independent Director.

3. Director Interviews (January/February to May 2025)

In-depth interviews were held with each of the Directors. The interviews were informed by a structured questionnaire, involving the collection of data on a quantitative and qualitative basis.

4. Stakeholder interviews (February to May 2025)

Interviews were held with key stakeholders. This included all ELT members, the Office of Nuclear Regulation, and the General Counsel of both Hinckley Point B power station, and Thames Tideway Tunnel.

5. Pulse check (March/April 2025)

Following discussions with the new Chair and Senior Independent Director it was decided to allow more time for the process to ensure there was sufficient time to complete all interviews.

6. Board and Committee observations (January to March 2025)

Two Board meetings were observed and the Board packs reviewed. One meeting of each of the Board Committees was also attended.

7. An update and progress to the Board (May 2025)

The Board were provided with an update on the draft outcomes, while recognising that the review continued to progress.

8. Completion – to be concluded

The Board recognised that the draft outcomes reflected changes already in progress, including significant developments regarding the appointment of a Board Chair during the evaluation process. It was decided to allow sufficient time to complete the review.

CORPORATE GOVERNANCE

Board development, conflicts and information

DEVELOPMENT AND TRAINING

As the Company has progressed through the preconstruction phase, the composition of the Board has been shaped to reflect the specific skills and experience required for effective oversight at this stage.

Recognising the finite and highly regulated life of a nuclear power station – from preconstruction, construction, operation, and eventual decommissioning – the Board will continually reassess its collective capability to ensure it remains aligned to the different demands of each stage.

A structured onboarding process ensures all new Board members receive the necessary induction, including mandatory training and role-specific development. All Directors are assigned a Nuclear and Environmental Baseline Role and Training Profile, which outlines key competency areas. Independent Non-Executive Directors have undertaken briefings from in-house subject matter experts in alignment with requirements for Nuclear Licensed Board Members, covering:

- Project overview.
- Safety, security, environment compliance and assurance.
- People systems and organisational development.
- Board intelligent customer.

This structured development framework ensures the Board maintains the knowledge and insight required to discharge its responsibilities effectively, with a clear focus on nuclear safety, regulatory compliance, and sustainable governance through all stages of the Company's lifecycle.

CONFLICTS

The directors are required to disclose any conflicts of interest immediately and when they arise; these are tabled at each Board meeting. The directors are required to complete and sign a declaration of any conflicts of interests at least once a year.

Any related party matters are governed as set out in the terms of the ISHA and are subject to shareholder approval as a reserved matter.

INFORMATION TO THE BOARD

As the Company transitions to an independent Company the flow of information to the Board has evolved to reflect the increasing complexity of the business and maturity of its governance processes.

This development also supports the Board's oversight role as the Company moves towards key corporate milestones, including Financial Close.

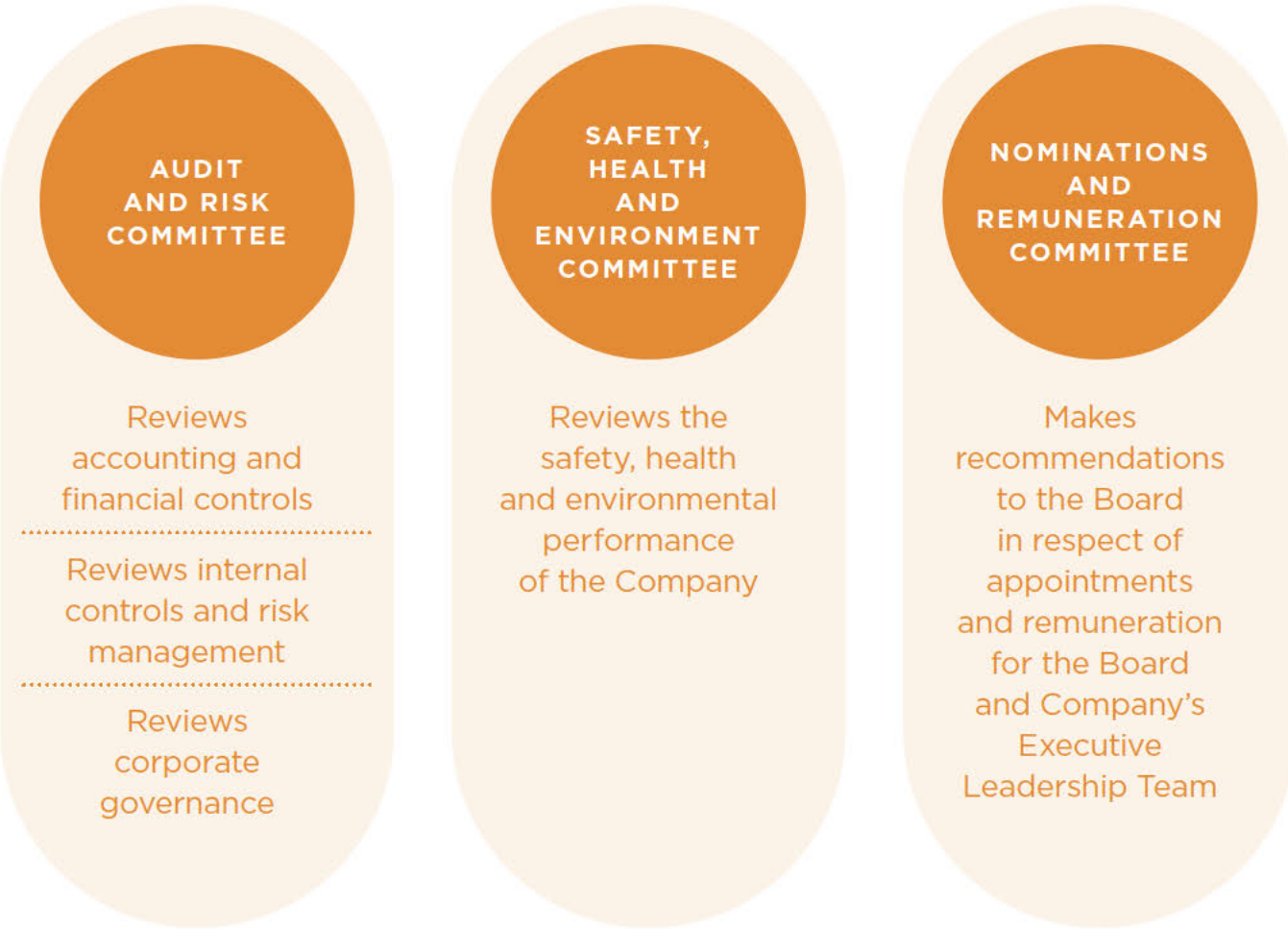
Information flows from subject matter experts through the business. For procurement and contractual matters, relevant papers are reviewed at the Commercial Management Decision Meeting, where they are considered against sourcing strategies, tender processes, and the Company's replicated supply chain. Following this, recommendations are made to the Executive Committee. Information submitted to the Board is reviewed by either the relevant Executive sponsor or by the ELT before then being submitted to the Board.

A core element of the Board's information pack is the Joint Managing Director's Monthly Performance Report, which provides an update on delivery progress, performance metrics and key schedule milestones. This report is subject to assurance by the Company's Project Management and Programme Controls teams and reviewed by the ELT through the formal Project Performance Review. Final sign-off remains with the Joint Managing Directors prior to submission to the Board.

BOARD COMMITTEES

The Board has established three Board Committees which operate in accordance with their respective Terms of Reference, through which certain responsibilities and oversight are delegated by the Board. Each Committee chair provides regular updates to the Board.

The Board Committees are chaired by an Independent Non-Executive Director. The Executive Directors are not members of the Committees (with the exception of the Safety, Health and Environment Committee).



The Board has established two Executive-led Committees, the ELT (led by the Joint Managing Directors) and the Nuclear Safety Committee (chaired by the Safety and Assurance Director).

CORPORATE GOVERNANCE

Our Executive Leadership Team

The ELT as at the date of approval of the Annual Report and Accounts.



JULIA PYKE
JOINT MANAGING DIRECTOR

Julia is responsible for financing Sizewell C, and oversees the finance, legal, regional external affairs and wider project development functions.
Joined the Company and ELT in April 2019.



NIGEL CANN
JOINT MANAGING DIRECTOR

Nigel is responsible for the safety, security and assurance, human resources, supply chain, engineering and delivery, technical, and operations functions.
Joined the Company and ELT in April 2023.



DAVID GREGG
CHIEF FINANCIAL OFFICER

David leads teams managing insurance, risk assurance, internal audit, economic regulation, financial control, planning, reporting, and investor relations.
Joined the Company and ELT in September 2024.



BERTRAND MICHOD
DELIVERY DIRECTOR

Bertrand is responsible for the engineering and delivery schedule of Sizewell C.
Joined the Company and ELT in November 2019.



DR MINA GOLSHAN CBE
SAFETY SECURITY AND ASSURANCE DIRECTOR

Mina is responsible for the safety security and assurance of Sizewell C.
Joined the Company and ELT in October 2021.



SARAH HANCOCK
HUMAN RESOURCES DIRECTOR

Sarah leads our people, skills, industrial relations and inclusion agenda.
Joined the Company and ELT in January 2021.



MALCOLM DARE
COMMERCIAL DIRECTOR

Malcolm leads the Supply Chain team.
Joined the Company and ELT in July 2024.



SHARMILA SYLVESTER
GENERAL COUNSEL

Sharmila has responsibility for overseeing the Company's legal and corporate governance functions.
Joined the Company and ELT in February 2025.



TILLY SPENCER
TECHNICAL DIRECTOR

Tilly is responsible for the technical design of the nuclear power station.
Joined the Company and ELT in March 2024.



KATHERINE HORRELL
TREASURY DIRECTOR

Katherine leads the Company's treasury function.
Joined the Company and ELT in May 2024.



XANTHE KUEPPERS
CORPORATE OPERATIONS DIRECTOR

Xanthe is responsible for overseeing the Company's corporate operations including communications, ESG and public affairs.
Joined the Company in 2019 and promoted to the ELT in January 2025.

CORPORATE GOVERNANCE

Our Executive Leadership Team

The Board has delegated authority for the day to day operational management of the Company to the joint managing directors, supported by the ELT.

Certain ELT members serve as directors on the Board to reflect key responsibilities that feed into the Board decision making process.

The joint managing directors are responsible for driving strategic direction and ensuring adequate reporting flows up from each business function to the Board, providing regular progress updates.

The ELT reports up to the Board through the Monthly Performance Report.

The ELT (see [page 50](#)) has responsibility for:

- Ensuring policies are implemented throughout the organisation and reporting back to the Board.
- Scrutinising contracts and recommending for approval to the Board (if appropriate and except where specific delegations are granted).
- Providing input into strategic decision-making processes (including the operation of executive management committees).

The ELT has established functional arrangements to support them in fulfilling their roles and responsibilities.

THE NUCLEAR SAFETY COMMITTEE¹

The Board established the Nuclear Safety Committee (NSC) in accordance with the Nuclear Site Licence (NSL), licence condition 13 and ISHA.

The NSC comprises five independent advisers, the Head of Independent Nuclear Assurance, the Head of Pre-operations and is Chaired by the Safety Security & Assurance Director, who is also an Executive Director on the Board.

In accordance with NSL conditions, NSC membership is based strictly on expertise of the nuclear industry and the application of nuclear safety principles. The Office for Nuclear Regulation (ONR) reviews the membership and has the right to object to any appointments or changes to the terms of reference. If the ONR raises an objection, the Company is required to remove the individual in question.

Collectively, the NSC brings substantial experience from both the UK and international nuclear sectors.

Following the Company's award of its NSL by the ONR on 7 May 2024, the NSC's primary responsibility is to advise the Joint Managing Directors whether Company arrangements are in line with the licence conditions set out in the NSL and deliberates each matter for formal "Consideration and Advice" or "For information" to the Board. The NSC activities are subject to oversight by the ONR, which includes disclosure to the ONR of nuclear safety reports, any organisational changes and all NSC minutes of meetings held.

The Board receives regular updates following each NSC meeting.

Pictured below is a scheduled break during a Sizewell C Board meeting at the Company's London office.



See the role of the Joint Managing Directors on [page 47](#) and their experience on [page 43](#) and a listing of the ELT members on [page 50](#).



¹ The establishment of the Nuclear Safety Committee is a statutory requirement of the Nuclear Site Licence (Licence Condition 13), enacted under the legislation of the Nuclear Installations Act 1965, as amended.

CORPORATE GOVERNANCE

Board attendance

NUMBER OF MEETINGS

During 2024/25, the Board formally convened 12 times. An additional ad hoc Board meeting and thirteen briefing sessions were held to allow the Board to be briefed on matters principally relating to the capital raise process, the ESHA and major supplier contracts.

DIRECTORS' ATTENDANCE AT SCHEDULED BOARD MEETINGS DURING THE YEAR

Board Member	Role on the Board	Attendance ¹
ROBERT HOLDEN CBE ² (RESIGNED FEBRUARY 2025)	Chair & Independent Non-Executive Director	7/11
NIGEL CANN (APPOINTED JULY 2023)	Executive Director	12/12
JULIA PYKE	Executive Director	12/12
FREDERIC MAYOUX (RESIGNED 7 OCTOBER 2024)	Executive Director	7/7
BERTRAND MICHOD	Executive Director	12/12
DR MINA GOLSHAN CBE	Executive Director	12/12
STUART CROOKS ³	Shareholder Non-Executive Director	12/12
NICK SMALLWOOD ⁴ (RESIGNED 24 MARCH 2025)	Shareholder Non-Executive Director	12/12
RICHARD NOBLE	Independent Non-Executive Director	12/12
JOUNI SILVENNOINEN	Independent Non-Executive Director	12/12
DAVID WABOSO ⁵ (RESIGNED NOVEMBER 2024)	Independent Non-Executive Director	1/7
JULIE THORNTON	Independent Non-Executive Director	12/12
ELIZABETH BARBER ⁶	Independent Non-Executive Director	10/12
JOHN HOLLAND-KAYE (APPOINTED 1 FEBRUARY 2025)	Chair	1/1
DAVID GREGG (APPOINTED 7 OCTOBER 2024)	Executive Director	6/6
JON LOVEDAY (APPOINTED 24 MARCH 2025)	Shareholder Non-Executive Director	1/1

ALTERNATE DIRECTOR REPRESENTATION

During 2024/25, as permitted under the ISHA, directors have on occasion appointed delegates to represent them, mainly at Committee meetings.

The alternates appointed during the year have been a key support to the directors during the significant transition the Company has undergone. Each has been carefully selected by the relevant director for their knowledge, skills and experience. The Chair continues to review this position as part of maturing Board governance and alignment with best practices. See the Committee reports for details of alternates that have acted on behalf of directors.

¹ Attendance is expressed as the number of scheduled meetings attended out of the number that each Committee member was eligible or invited to attend during the financial year.

² Due to health reasons, Robert Holden CBE was unable to attend four meetings during the year. During this time, Elizabeth Barber acted as alternate.

³ Gavin Edwards and Mark Lotz acted as alternates for the 2 meetings Stuart Crooks could not attend.

⁴ Jon Loveday acted as alternate for the 5 meetings Nick Smallwood could not attend.

⁵ Delegated to Andrew Mathews for meetings until stepping down from the Board in November 2024.

⁶ Elizabeth was unable to join two meetings due to existing conflicts. Acted as Chair in place of Robert Holden CBE at the meetings he was unable to attend.

Pictured right is Non-Executive Chair, John Holland-Kaye working at the Sizewell C London office.



CORPORATE GOVERNANCE

Board activity and principal matters considered

During the reporting period, the Board focused on a range of issues, including safety, governance, strategy and supporting the HMG's investment case for the Company through the provision of key information to provide transparent disclosure of the Company's activities.

In recognition of the need to enhance the maturity and transparency of the Companies activities, the Board spent a considerable amount of time discussing and reviewing governance, regulatory and contractual matters. The Board's decision-making has been mindful of its stakeholders, and the drivers of long-term sustainable success for the Company.

The table to the right summarises some of the Board's key discussions, the decisions taken and the stakeholders considered.

Certain matters are reserved for the Board as set out below:

Management and Organisational Structure

- Establishment or dissolution of any Board committees.
- Delegation of authority to such committees.
- Terms of reference, member nominations, and quorum setting.
- Amendments to any of the above (excluding pre-agreement arrangements).

Reporting

- Prescribing the detailed content, form, and scope of reports from the Board to Shareholders or the parent company, Sizewell C (Holding) Limited.

Accounts and Policies

- Approval of annual and interim financial statements.
- Approval of changes to accounting policies or the accounting reference date (unless legally required).
- Approval or amendment of any adequacy or compliance policies.
- Approval or amendment of Group policies on employee remuneration or terms (excluding share schemes or matters under the Nominations and Remuneration Committee).

Decommissioning

- All decisions related to project decommissioning as required by law or the Nuclear Site Licence.

Development Plan and Budget

- Approval and amendments subject to immediate and ultimate shareholders and Reserved Matters.

Delegations of Authority

- Approval or amendment of primary delegations by the Board (excluding those to the CEO or Engineering and Delivery Director or already approved in the Initial Delegation of Authority Manual).

Key Topics	Discussions and Updates Received	Stakeholders Considered
SAFETY	Received and considered monthly updates on health and safety (this included occupational health and wellbeing and the development of a safety minded culture on the construction site and ensuring adequate safety protocols, systems and procedures were in place). Reviewed all Company policy documents, approving any relevant amendments (these included Radiological Protection, Nuclear Safety, Environment and Health and Safety policies). Received and considered updates and approved changes to Hold Point amendments.	Local community, employees, regulators
PEOPLE	Regular updates on the resourcing and workforce levels. Discussed the changes in the workforce profile, resourcing for transformational and maturity needs. Considered the skilled workforce requirements, including training and education needs. Discussed training programmes, receiving updates on graduate and apprenticeship schemes.	Local community, employees
COMMUNITY	As set out under DCO commitments, the Board considered and approved several highway agreements. Deliberated local infrastructure projects such as College on the Coast.	Local community
LAND ACQUISITION/HIGHWAY AGENCIES	Discussed acquisition of site for Northern Park and Ride at Darsham. Discussed minor roads and major development site roads. Considered land and office leases – Main Construction Area Orwell Logistics Park, corporate London office, Manchester office space and accommodation developments. Discussed Benacre Flood defences – contribution to local infrastructure improvements benefitting the local community and supporting the Company's risk strategy.	Local community, supply chain partners
REGULATORY MATTERS	Approved amendments to Hold Points on recommendation from the safety, security and assurance director. Received updates on judicial reviews.	Regulators
STRATEGY	The Board held its first Strategy Day in February 2025, agreeing the principle strategic aims and objectives for management to further refine. Considered and discussed Civil Works Alliance, including governance approach. Received regular updates on the capital raise process, approving key material documents for release to bidders, including detailed discussions on due diligence materials, warranties positions for the Company, the government support package, and Economic Licence. Reviewed, discussed and approved the draft delegation of authority to apply post Financial Close.	All stakeholders
FINANCE	The Board reviewed and approved the statutory accounts (Annual Report and Accounts) for 2023/24. The Board discussed budget risks during the year and approved the: - reforecast in October/November against 2023/24 budget 2024/25 budget set in the year. The Management Representation Letter for the Company was approved by the Board. The appointment of KPMG as external Auditor to the Company was approved by the Board, setting the wider audit expectations as the Company sets itself to comply against the 2024 Corporate Governance Code.	Shareholders
CONTRACTS AND SUPPLY CHAIN	The Board approved contracts above £10m (aligned with the Board's delegated authority). Updated on key supplier relationships, with a focus on material contracts and impacts on delayed decisions, securing the supply chain, value of money principles and alignment to the procurement strategy.	Supply chain partners

CORPORATE GOVERNANCE

Safety, Health and Environment Committee Report



I am pleased to present this report on behalf of the Safety, Health and Environment Committee, outlining the Committee’s role and key activities in 2024/25, its third full year of operation.

The Committee members during 2024/25 have collectively brought the necessary expertise and experience to fulfil its remit. The Committee has had the competence relevant to the nuclear industry and a majority of the members were non-executive directors in 2024/25. Attendance was restricted to members, unless invited by the Chair. Regular invited attendees included the Board Chair, the Head of Internal Audit and Head of Independent Nuclear Assurance. Andrew Mathews also attended as alternate to David Waboso, prior to David stepping down in November 2024. Andrew continued to observe after David Waboso left.

The Committee has continued to evolve, with a focus on strengthening the quality and consistency of reporting to support the Board’s oversight of safety, health and environmental matters. This has been a year of operational and organisational transition for the Company, as it establishes itself as an independent Company and prepares for the critical shift from preconstruction into construction. The Committee’s role in ensuring robust safety oversight during the preconstruction stage is a key part of building the culture, systems and assurances needed for the next stage i.e. construction.

A number of changes to the membership of the Committee occurred during the year. Nigel Cann acted as an interim Chair of the Committee during David Waboso’s absence. In consultation with the interim Chair (delegated by Robert Holden CBE during his absence in the year), it was determined Nigel was best placed to maintain the critical focus on safety, health and environmental factors. Following David’s decision to step down from the Board, Nigel continued to act as interim Chair until my appointment to the Board, when Nigel stepped down as a Committee chair and member and I was appointed as Chair. The Board recognises and appreciates the continuity and leadership Nigel provided during this time. Julie Thornton was appointed as an additional member of the Committee.

During the year, the Committee saw the maturity of reporting increasing, particularly in relation to quality and industrial safety, environmental assurance, and workforce health and wellbeing. This enhanced visibility is vital as we begin to engage with more complex delivery milestones and shape the culture and behaviours required throughout the full life of the project.

ACTIVITIES OF THE COMMITTEE

The Committee considered and discussed the following during 2024/25:

- Site safety and process management, including a strategic overview of minimising risk and utilising engineered solutions on site, the design change process, site occupational health, and health and safety key performance indicators.
- Safety and specialist operations overviews, including deep dives into marine works, unexploded ordnances mitigation, and plant vehicle and people interfaces. Updates were also given from senior leadership and ELT level committees, such as the Health, Environment, Safety and Wellbeing Advisory Committee and the Construction (Design Management) Steering Group.
- Operational Risk and Compliance Assessment.

The Committee’s focus for 2025/2026 is:

- Continuing deep dives on health and safety, and environmental risks.
- Reviewing design change and principal design.
- Updating the occupational health (including physical and mental health) strategies.
- Reviewing construction sustainability.
- Reviewing SSSI, jetty and cut-off wall methodologies, and Main Construction Area interface updates.

John Holland-Kaye
Safety, Health and Environment Committee Chair

MEMBERSHIP AND ATTENDANCE

Committee Member	Role	Member Since	Attendance
CURRENT			
JOHN HOLLAND-KAYE ¹	Board and Committee Chair	March 2025	0/0
JON LOVEDAY ²	Shareholder Non-Executive Director	March 2025	0/0
STUART CROOKS ³	Shareholder Non-Executive Director	October 2023	3/3
JULIE THORNTON ⁴	Independent Non-Executive Director	January 2024	3/3
JOUNI SILVENNOINEN ⁵	Independent Non-Executive Director	July 2023	2/3
DR MINA GOLSHAN CBE	Executive Director	December 2023	3/3
BERTRAND MICHOD	Executive Director	December 2023	3/3
PAST			
NIGEL CANN ⁵	Executive Director	May 2024 to March 2025	3/3
DAVID WABOSO ⁶	Independent Non-Executive Director	October 2023 to November 2024	1/3
NICK SMALLWOOD ⁷	Shareholder Non-Executive Director	October 2023 to March 2025	3/3

1 John Holland-Kaye was appointed Committee Chair in March 2025.

2 Jon Loveday was appointed in March 2025.

3 Simon Parsons alternated for two meetings and Richard Savage alternated for one meeting.

4 Julie Thornton was appointed in January 2024.

5 Nigel Cann was appointed as a member and interim Chair between May 2024 and March 2025.

6 Andrew Mathews alternated for David Waboso at one meeting prior to David Waboso stepping down from the Board in November 2024.

7 Nick Smallwood stepped down from the Board in March 2025.

8 Jouni Silvennoinen did not attend one meeting in August 2024 due to an unavoidable conflict].

COMMITTEE ROLE AND KEY RESPONSIBILITIES

Role	Responsibilities
The Committee’s primary function is to support the Board with matters concerning industrial safety, occupational health and wellbeing, environmental management and radiological protection. It has delegated authority to act on behalf of the Board in respect of matters within the Committee’s areas of responsibility pursuant to its Terms of Reference.	- Monitoring the implementation of the Company’s Health and Safety, Environmental Management and Radiological Protection policies. - Reviewing a range of leading and lagging accepted industry metrics with a view to improving performance. - Viewing key risks and controls relating to areas within its remit. - Overseeing the implementation of the Company’s Construction (Design and Management) (CDM) strategy. - Advising the Board where appropriate.

CORPORATE GOVERNANCE

Audit and Risk Committee Report

The Committee Chair is a Chartered Accountant and has the relevant financial and risk knowledge, skills and expertise to meet the requirements of the 2018 Code.

The Committee collectively has competence relevant to financial and risk knowledge and of the nuclear industry. Members' attendance at meetings throughout 2024/25 is provided in the table to the right. We have evolved and aligned with the 2018 Code during the year with the Board Chair invited to attend the Committee meetings, but not appointed as a member. The Joint Managing Directors, Chief Financial Officer, Head of Internal Audit, Head of Independent Nuclear Assurance and the external auditor are regular attendees. Other invitees are requested to join Committee meetings as required. The Committee Chair meets regularly with the Head of Internal Audit Director and the external Auditor without Executive Directors present.

I am pleased to present this report, which reviews the role and main activities of the Audit and Risk Committee for 2024/25.

This report outlines the activities and key decisions of the Committee under the 2018 Code. The activities of the Committee have been focused on supporting the transitional independence of the Company as we reduce the reliance on EDF processes. I am extremely pleased with the significant progress made on maturing the risk framework and the controls environment during 2024/25. This has, at times, required the Committee to consider matters in greater depth to ensure the foundations are strong. This included careful consideration of how the Company perceives, sets and manages risk, the internal controls in place and the building of robust reporting mechanisms, alongside a robust integrated assurance process that underpins the Company's audit and risk approach. This was particularly key following the granting of the Nuclear Site Licence in May 2024, the Company's Generating Licence, and included setting the Company standards and where possible against 2018 Code standards.



COMMITTEE KEY ACTIVITIES DURING 2024/25

The Committee's key priority areas were to:

- Support the ELT in its maturity the risk management framework, including ensuring the framework supports the strategy and vision of the Company as this also matured.
- Continue development of the integrated assurance processes.
- Review key material points such as IR35.
- Monitor the development of the corporate readiness programme.
- Review, assess and recommended to the Board approval of the Annual Report and Accounts for 2023/24.
- Reviewed the external Auditor's scope for 2024/25.

KEY PRIORITIES FOR 2025/2026

The Committee is now focused on the following key areas:

- Assessing the results from the Deloitte risk assessment conducted (including changes to meet Provision 29).
- Continuing to build the relevant assurances for future reporting requirement in respect to sustainability and corporate financial reporting (including in readiness of the Economic Licence obligations).

RISK MANAGEMENT AND INTERNAL CONTROL

Risk Management

The Board has overall responsibility for the risk management framework as explained further on [page 47](#) and has delegated this responsibility to the Audit and Risk Committee. Recognising the Company is in a period of transition, the Committee has focused on supporting management with the assessment, monitoring and development of the Company's strategic risks,

MEMBERSHIP AND ATTENDANCE

Committee Member	Role	Member Since	Attendance
CURRENT			
ELIZABETH BARBER	Committee Chair & Senior Independent Director	January 2025	4/4
JOUNI SILVENNOINEN	Independent Non-Executive Director	July 2024	4/4
RICHARD NOBLE	Independent Non-Executive Director	July 2024	4/4
JON LOVEDAY ¹	Shareholder Non-Executive Director	March 2025	0/0
STUART CROOKS ²	Shareholder Non-Executive Director	March 2023	4/4
PAST			
NICK SMALLWOOD	Shareholder Non-Executive Director	June 2023 to March 2025	4/4

COMMITTEE ROLE AND KEY RESPONSIBILITIES

Role	Responsibilities include to:
The Committee's primary function is to support the Board with matters concerning corporate governance and reporting obligations in respect to the effectiveness of the Company's risk management systems, internal controls, and financial reporting. It has delegated authority to act on behalf of the Board in respect of matters within the Committee's areas of responsibility pursuant to its Terms of Reference.	• Review and challenge the integrity of the Company's annual report and financial statement and reporting obligations relating to financial performance (including key accounting policies and judgements). • Review the assessment of the Company's going concern and viability statements. • Review and assess the effectiveness of internal controls and the process for identifying and managing risk. • Review and assess the Company's risk management processes, including identification and mitigation of principal and emerging risks. • Review the integrated assurance programme and any significant findings, as well as the effectiveness and independence of the internal audit function and its alignment with the Independent Nuclear Assurance. • Consider reports from the external Auditor and the ELT's response to their recommendations. • Assess the quality and independence of the external Auditor, its appointment and terms of engagement and fees (including any non-audit related services).

considering carefully the risk the organisation is exposed to, and is willing to take as it developed its Risk Appetite (see [page 28](#)). In particular, the Committee has spent a considerable time reviewing the strategic risks, the reporting mechanics and framework and alignment with the Company purpose, vision and strategy.

Internal Assurance

The Company has established two internal assurance functions, the Internal Audit (IA) and the Independent Nuclear Assurance (INA). Both IA and INA provide independent assurance to the ELT and the Audit and Risk Committee.

The INA function's scope comprises nuclear safety, radiological safety, conventional safety, environmental protection, security, quality, culture and other specific topics relevant to the organisation's activities and risks.

The IA function's scope covers the whole of the business with a primary focus on areas outside the scope of INA. The two functions collaborate on areas of mutual interest and both report regularly into the Committee at each meeting. The primary responsibility for both IA and INA is to provide independent guidance and advice on a risk-based approach and doing so with objective assurance and providing the relevant advice, insight, and foresight.

The Committee considers that the Internal Audit and Independent Nuclear Assurance functions were independent and effective during the year and as set out below as part of the Committee's oversight.

¹ Jon Loveday was appointed March 2025.
² Delegated to Marc Lotz as his alternate to all meetings.

CORPORATE GOVERNANCE

Audit and Risk Committee Report

Oversight of Internal Audit

The Head of IA is considered independent of the ELT and functionally reports to the Committee and administratively to the Chief Financial Officer, who retains overall responsibility for the Company’s risk profile. The Committee oversees the work of the IA function to ensure it is as robust and effective as possible. Activities during 2024/25 have included:

- 1. Reviewing and approving the IA’s Internal Audit charter.
- 2. Considering and approving the function’s planned programme of work for the reporting period.
- 3. Monitoring the adequacy of the function’s resources and skills.
- 4. Reviewing the function’s performance in terms of reports prepared and management’s subsequent follow-up and close out of actions.
- 5. Reviewing progress against the approved programme of work.
- 6. Reviewing the IA’s strategy and roadmap to maturity.

The key focus areas for the IA during the year was to consider and provide assurance over the enterprise governance and risk management frameworks, as well as over core financial processes, including procurement and budget management. The audit plan included a focus on processes to mitigate technology risks, including IT service and supplier management, IT asset management and general IT controls. In addition to delivering assurance and advisory engagements, the IA continued to refine its methodologies to work towards conformance with new Global Internal Audit standards, which came into effect in early 2025, and began recruitment of in-house capability to reduce reliance on external providers.

Oversight of Independent Nuclear Assurance

The Head of INA is considered independent of the ELT and reports to the Safety, Security and Assurance Director and has a direct line of escalation to the Board. The Safety, Security and Assurance Director also acts as a direct line to the Board as needed.

The INA also feeds into and acts in an advisory and assurance capacity, in line with its mandate, to the Board’s Safety, Health and Environment Committee in relation to industrial safety performance. The INA also provides advice to the Nuclear Safety Committee in respect of nuclear safety design assurance.

The Committee oversees the work of the INA to ensure it is robust and effective, in particular in relation to corporate and functional governance, compliance and management of risk.

As part of the overall internal assurance process and in addition to the IA, the Committee oversees and ensures the INA is as robust and effective as possible. Activities during 2024/25 have included:

- Reviewing the INA’s overall planned programme of work.
- Monitoring the adequacy of the INA’s resources and skills.
- Overseeing the INA’s performance in terms of reports prepared and management’s subsequent follow-up and close out of actions on assurance activities relevant to the Committee’s scope noting the additional reporting into the Safety, Health and Environment Committee and the Executive’s Nuclear Safety Committee as referenced above.

The key focus areas for the INA during the year was to seek assurance in respect to the Company’s readiness ahead of its Nuclear Site Licence granted, the assessment of organisational changes in readiness of the Economic Licence and ESHA, the technical assessment of the ongoing development of the design and initial preconstruction safety report, and the readiness to commence significant civil works and the management of industrial safety risks.

EXTERNAL AUDITOR

The Committee is responsible for overseeing the relationship with the external Auditor. This includes recommending to the Board the appointment of the external Auditor, as well as its re-appointment and removal. The Committee also oversees and recommends to the Board for approval, the external Auditor annual audit plan and its fee for the year, and assessment of its independence as the external Auditor.

KPMG was appointed as external Auditor for the Company in August 2023 for a three-year term following a detailed tender process carried out by EDF SA. Following the Company’s transition out of the EDF group, the Company was satisfied KPMG should continue to serve its three year term. This was approved by the immediate parent company in December 2024.

During the reporting period, the Committee was provided with and heard from KPMG’s audit partner on its findings for the Annual Report and Accounts for 2023/24, which informed the Committee’s recommendation to the Board for its approval. The Committee reviewed KPMG’s audit scope of work for the Annual Report and Accounts for 2024/25, in which it was determined the scope of audit would be extended to include application of the 2018 Code. See the external Auditor’s report for 2024/25 on [page 69](#).

In order to assess the independence and effectiveness of the external Auditor, the Committee received an assessment from the finance team. This assessment was facilitated by use of a questionnaire, which sought feedback on areas of engagement with the Auditor. The feedback was acknowledged and considered by the Committee (without the external Auditor present) and concluded that, for the work carried out for 2023/24, the scope of work was appropriate, captured the key matters and was effective. For 2024/25, KPMG’s performance in the enhanced audit role (which takes taking into account greater scope in respect to 2018 Code requirements) will be reviewed following the finalisation of this Annual Report and Accounts.

The Committee also oversees any non-audit fees and work undertaken by the external Auditor in order to safeguard and maintain the external Auditor’s independence. The Committee is satisfied there were no non-audit fees or work carried out by KPMG during 2024/25.

Pictured below is a dozer moving earth on the Temporary Construction Area in November 2024.



CORPORATE GOVERNANCE

Audit and Risk Committee Report

CORPORATE AND FINANCIAL REPORTING

The Committee monitors the integrity of all significant financial reporting including key accounting judgements, prior to recommending them to the Board for approval.

Contingency provision

Management brought to the attention of the Committee gaps within the IR35 approach. This required further investigation into the practices and controls in respect to monitoring IR35 arrangements. As at the date of this report, the Committee concurred with the conclusion that the values recorded in the financial statements are appropriate.

Going concern and viability statement

The Committee reviewed the Company's going concern assumption and longterm viability as part of its assessment to determine whether the Company has the adequate resources to meet its operational objectives at least 12 months from the date of approval of the financial statements. This included an assessment and assumptions in the following key areas:

- The liquidity arrangements for the Company in terms of funding and HMG's commitment to continue to fund the Company following its announcement in June 2025 (recognising the capital raise process was ongoing at the time).
- The underpinning key assumptions for the Company budget.
- The risks and opportunities that may impact delivery under the Company budget.
- Long term viability assumptions (including completion of the capital raise process), downward scenario assessments against three scenarios against schedule baseline thresholds.

The Committee evaluated management's work in the key areas as set out above, and concluded the reasonableness of the assumptions and appropriateness of the longer term viability period. Further to this, the Committee concluded its recommendation to the Board that the Company's financial statements were appropriate on a going concern basis.

Fair, balanced and understandable

The Committee considered whether the Annual Report and Accounts were fair, balanced and understandable. To form its opinion the Committee reflected on the information and reporting received from management and the external Auditor's report (including the assessment of the going concern and longer viability assumptions as set out above). This included whether:

- The report was open and honest, including the difficulties and challenges experienced by the Company during the year, alongside its successes.
- The business performance is consistent with the financial statements.
- The key judgements align with the external Auditor's findings and report.
- The business model and strategy are clear.

- The report is presented consistently as a whole.
- The important Company information has been presented and highlighted.
- The lay out of the report is clear and cross referenced clearly and efficiently.

Reporting and regulatory maturity

The Committee remains cognisant of the expected changes to financial reporting and continued transitional maturity of the Company. This includes the readiness of a successful grant of the Economic Licence under the RAB model for which the Committee will be receiving regular updates during 2024/25. The licence conditions will require directors to provide a declaration each year, with oversight by a compliance committee, which will serve as a new Board Committee to meet licence conditions.

Provision 29 of the revised Corporate Governance Code 2024, which requires the directors to provide a declaration on the effectiveness of material controls will apply to the Company for the year 2026/2027. The Committee will work with management to set out a clear roadmap to meet these new requirements.

Compliance

The Committee received an update at each meeting on Compliance matters. The focus during 2024/25 was on the transition out of the EDF policies. Management's appointment of a Compliance officer in January 2025 to strengthen and evolve the Compliance framework was welcomed.

Key updates and activities on compliance matters included:

- Key deliverables over 2024/25, including the successful roll out of the refreshed code of conduct across the Company.
- Conducting a high-level internal gap analysis within the corporate compliance policy framework.
- Approving the engagement of Deloitte to carry out a risk assessment of procedures and policies in place; this included anti-money laundering, sanctions, data protection, anti-bribery and corruption, modern slavery and human rights. The outputs of this work are being considered including training requirements and alignment with regulatory changes under the Economic Crime and Corporate Transparency Act 2023.
- Received whistleblowing reports.

I would like to extend my thanks to all members of the senior leadership team that have supported the good progress made during the year. I look forward to reporting the continued good work as the Company navigates the critical milestone and preparation for the changes under our Economic Licence.

Elizabeth Barber
Audit & Risk Committee Chair

Pictured right is Shareholder Non-Executive Director, Jon Loveday, at Sizewell C's London office.



CORPORATE GOVERNANCE

Nomination and Remuneration Committee Report



I am pleased to present this report which reviews the role and main activities of the Nomination and Remuneration Committee (the “Committee”) for the year ended 31 March 2025.

This report outlines the activities and key decisions of the Committee and is divided into two sections of responsibilities for Nominations and Remuneration.

The Committee has operated in its full form since my appointment in January 2024 prior to which the Committee has operated in its initial set up phase. The activities of the Committee have been focused on supporting the transitional independence of Sizewell C as we reduce our reliance on EDF support services, and to build the governance foundations to support the Board in its strategic oversight of the composition of the Board, the ELT and the Company’s approach to remuneration. I would like to take this opportunity to thank both of the shareholders for their ongoing support during the year.

The Committee convened seven times as it focused on the corporate transitional key priorities, and this is reflected below in the key decision made in setting up the strength in the ELT and the Board. The HR Director acted as Secretary to the Committee during the year. Regular attendees included the Joint Managing Directors.

KEY NOMINATIONS ACTIVITIES DURING THE YEAR

BOARD

Non-Executive Director changes

A key priority during the year was the succession of the Chair; this followed Robert Holden CBE’s decision to step down from the Board after serving nine years, of which 2 were served as the Chair. Following a search process, John Holland-Kaye was appointed in February 2025 as a non-executive director, and following a one month handover, assumed the role as the Chair. Following a year in role, David Waboso stepped down from the Board in November 2024.

A decision to create the role of the Senior Independent Director was identified and, as an underpinning support to the Board as a whole and to the Chair, Elizabeth Barber was appointed in this role in May 2024. Also in 2024/25 was the change in shareholder non-executive director from Nick Smallwood to Jon Loveday.

During 2024/25, the Board also saw the change in the Executive Director composition following the appointment of David Gregg as Chief Financial Officer, replacing Frederick Mayeux in October 2024.

The Committee is confident that the Board competency is sufficient and meets its nuclear regulatory requirements, however the Chair continues to focus on the skill gaps in consideration of the Board changes and the current preconstruction lifecycle phase. See below details of the skills review work in the year.

The collective experience of the appointees in the year have strengthened the Board, bringing experience in complex infrastructure projects, corporate governance within a FTSE listed environment, operating in complex financial regulatory environments and understanding of diverse investor and stakeholder interests. The Committee continues to assess the relevant skills and experience in to order to enhance the Board’s composition as part of its succession planning in the short to medium term as it considered the specific skills required during this preconstruction phase and the corporate transitional phase as Sizewell C sets itself up as an independent company.

ELT changes

The Committee has focused on several ELT appointments during the year to both strengthen and develop the skills and experience of the ELT and one that builds on the talent that can provide the leadership and support to meet the key transitional phase to independence, as well the preconstruction phase. The focus has been on establishing the diverse skills in the ELT and which complement the Board

MEMBERSHIP AND ATTENDANCE

Name	Role	Appointed	Attendance
JULIE THORNTON	Committee Chair and Independent Non-Executive Director	January 2024	7/7
ELIZABETH BARBER ¹	Senior Independent Director	March 2024	6/7
JOHN HOLLAND-KAYE	Board Chair	March 2025	0/0
STUART CROOKS ²	Shareholder Non-Executive Director	January 2024	7/7
JON LOVEDAY ³	Shareholder Non-Executive Director	March 2025	0/0
PAST MEMBERS			
Name	Role	Stepped down	Attendance
ROBERT HOLDEN CBE	Board Chair	February 2025	7/7
NICK SMALLWOOD ³	Shareholder Non-Executive Director	March 2025	6/6

1 Elizabeth Barber was unable to attend one meeting during the year due to an unavoidable conflict, and discussed matters with the Committee Chair in respect of the topics relevant to the meeting missed.

2 Delegated Carol McArthur as his alternate for all meetings.

3 Delegated Henry Lloyd as his alternate for all meetings.

COMMITTEE ROLE AND KEY RESPONSIBILITIES

Role	Responsibilities
The Committee’s primary function is to support the Board in the oversight of the following key areas of responsibilities and as governed by its Terms of Reference:	- Board composition, appointments, evaluation and succession: Regularly review Board structure and skills; oversee appointments and evaluations; and lead succession planning aligned with long-term strategy. - Diversity and inclusion: Oversee and monitor the implementation of the Board’s diversity and inclusion strategy in alignment with Company culture and objectives. - Remuneration and termination arrangements: Approve and oversee fair, transparent, and performance-linked pay arrangements for the Joint Managing Directors and Executive Board members; approve contract terms and exit arrangements to ensure fairness, policy compliance, and avoidance of rewards for underperformance. - Share schemes: Approve and oversee any employee share schemes, ensuring compliance with best practice and evolving legal and tax requirements⁴. - ELT: Regularly review ELT and oversee remuneration arrangements align with Remuneration policy.

4 The Company does not currently operate an employee share scheme.

changes, in the areas of corporate FTSE listed company experience, complex financial transactions and working with diverse stakeholders, including external investors. This resulted in key decisions made leading to role creations of the Treasury Director, and Corporate Operations Director. Other changes to the ELT in the year were the appointment of the Chief Financial Officer, General Counsel and Supply Chain Director.

See page 50 for further details of the ELT.

Nomination and Remuneration Committee Report

COMMITTEE KEY ACTIVITIES DURING 2024/2025

The Committee's key priority areas were to:

- Recruit and appoint the Chair.
- Remuneration arrangements for the Chair, senior independent director and changes to the ELT (including where Executive Directors transferred through TUPE from EDF to the Company).
- Recruitment, changes and succession plan for the ELT.
- Commence the process to determine the Company's first Remuneration Policy.
- Engage Wills Tower Watson to assist the Committee in its formulation of the Company's first Remuneration Policy.
- Undertake a committee evaluation, which was performed as part of an overall Board effectiveness review. Refer to the review process on [page 48](#).

KEY PRIORITIES FOR 2025/2026

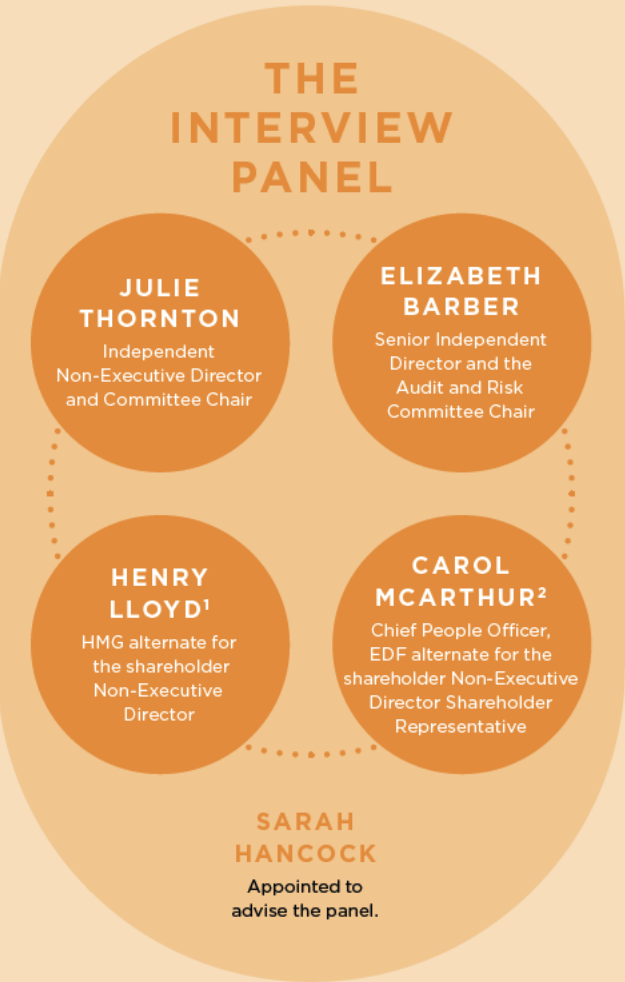
The Committee is now focused on the following key areas:

- Overall refresh of the Board skills mapping exercise.
- Continue to develop succession planning for Board and ELT.
- Continue to develop and enhance Board training (both Nuclear and Corporate level understanding).
- Design and recommend for approval to the Board the new Remuneration Policy.
- Design and recommend for approval to the Board the new Long Term Incentive Plan.
- Appointment of a remuneration adviser.
- Complete transfer of remaining employees from EDF to the Company.

RECRUITMENT AND APPOINTMENT OF THE CHAIR

Following Robert Holden CBE's decision to step down from the Board, the Committee undertook a thorough search process for a new Chair.

This involved the appointment of Heidrick & Struggles as the executive search partner following a tender and selection process and the establishment of an interview panel to manage the process.



1 Henry Lloyd acted as alternate for Nick Smallwood.
2 Carol McArthur acted as alternate for Stuart Crooks.

THE KEY STEPS IN SEARCH AND RECRUITMENT PROCESS ARE SUMMARISED BELOW:



Induction of Chair Designate

John participated in an intensive and tailored induction programme upon his appointment, which included introductory sessions with each of the ELT and the Independent Non-Executive Directors. A programme of nuclear baseline training was scheduled and undertaken during 2024/25. A number of key stakeholder introductions were made; this included the Nuclear Regulator, and the Company's ultimate Shareholders.

Succession for Board and Executive

The significance of Board succession was tested during 2024/25. Nigel Cann was appointed as interim Chair to the Safety, Health and Environment Committee in place of David Waboso. For Robert Holden CBE, the newly appointed role of Senior Independent Director provided continuity and support to the Chair.

As John Holland-Kaye settles into the role as Chair of the Board, the Committee is now focused on developing further a clear and regular process for succession planning for the Board. This plan will also be reflective of the required change in skills and experience through the life of the Company.

On executive succession planning, the Committee considered executive succession planning for the ELT, on a role-by-role basis. The Committee recognised that the Company was going through a period of rapid organisational growth and that opportunities had been taken to promote internal identified talent. David Gregg was appointed Chief Financial Officer in October 2024 succeeding Frederic Mayoux as CFO. The Committee is acutely aware of the importance of building a robust succession plan and identifying talent within the ELT to support for both the Board and its ELT. The focus for 2025/26 will be to build out succession plans for all roles in the ELT.

Composition of the Board

Board directors completed a skills and experience mapping exercise in August 2024; this exercise was focused on the Independent Non-Executive Directors, and reflects the focus on building the relevant skills that were required to support the Company in its transitional environment. See [page 43 – 46](#) for the skills and experience of the Independent Non-Executive Directors. The Committee is now focused on extending the skills mapping to fit across all directors of the Board as the Company starts to consider the full needs of the Company in the short and longer term and which will improve the Committee's understanding of the Boards collective skills and experience.

CORPORATE GOVERNANCE

Nomination and Remuneration Committee Report

DIVERSITY AND INCLUSION

The Committee has supported the Company in taking practical steps to realise its broader diversity and inclusion vision. A cornerstone of this is our Diversity & Inclusion Charter, which articulates fundamental principles for building an inclusive, respectful, and diverse workplace that reflects the wider community in which we operate. This commitment translates into fostering safe working environments, ensuring diverse representation, embedding inclusive recruitment practices, championing mutual respect, and actively challenging discrimination.

Integral to this progress are seven employee-led networks: Diverse Abilities, Carers & Parents, Forces Support, Gender Balance, Mental Health and Wellbeing, Next Generation, Pride, and United for Race Equality. These networks are instrumental in raising awareness, providing support, and driving tangible action across a range of inclusion priorities, with all employees encouraged to participate and contribute to our ongoing diversity and inclusion journey.

KEY REMUNERATION ACTIVITIES DURING THE YEAR

The Company strives to foster a truly inclusive culture and ensure fair, competitive remuneration is provided across all levels of the organisation. During 2024/25, the Remuneration Committee focused on designing its future-looking Remuneration Policy (see more in the Remuneration Report below) using, in the interim, an interim set of design principles that were designed to prioritise respect for individual contributions, fairness in reward distribution, and equitable application of remuneration policies across all roles and levels.

To drive collective success and accountability, the incentive frameworks for the Joint Managing Directors and Executive Directors are directly linked to the achievement of key strategic project objectives and flow down through the Company. This includes prioritising health and safety, meeting critical construction milestones, optimising efficiency, and managing the development of our people.

DIRECTORS REMUNERATION REPORT
BASE SALARY

Each year, the Committee reviews the overall remuneration and benefits for all employees against internal and external market data. At the point of the 2024 pay review, the Company did not directly employ employees beyond the Joint Managing Directors. While pay increases were paid to EDF employees seconded to the Company, the increases were agreed and set by EDF not the Company. For this reason, the annual 2024 pay increases are not set out in this report. However, by the time of the 2025 pay review the Company had employed a small but growing number of employees for whom the salary increase was agreed at 3% budget. The Committee noted the proposed pay increases for EDF employees assigned to the Company employed under contracts of employment and collective agreement.

ANNUAL BONUS

At the beginning of 2024/25 the Committee set stretching performance targets for all individuals assigned to the Company (whether assigned by EDF or Sizewell C Limited) aligned to the Sizewell 16 management objectives. At the year end the Committee assessed performance against these objectives, taking into consideration overarching business performance and the experience of wider stakeholders over the period. Based on the formulaic outcome of the annual bonus, the bonus payout for the Joint Managing Directors and Executive Directors was 120% of target bonus. However, the Committee exercised a downward discretion in relation to the outcome. The Committee approved a bonus payout of 100% of target for the Joint Managing Directors and 110% of target for the other Executive Directors. More detail on the annual bonus outcome is provided in the table on [page 61](#).

DEVELOPMENT OF THE
REMUNERATION POLICY

In 2024, the Company operated an interim remuneration policy, largely inherited from EDF Energy Limited, to ensure continuity while the Committee developed an executive reward framework applicable for the Company as a standalone organisation. Throughout the year, the Committee thoroughly reviewed the executive remuneration approach, appointing Willis Towers Watson to develop a remuneration policy for the Company and to provide additional advice on an ad hoc basis for other remuneration matters. In formulating this policy, the Committee comprehensively reviewed best practices in executive compensation, considering the principles of the UK Corporate Governance Code, the views of our stakeholders which included the Shareholder Directors that sit on the Committee and regularly set out shareholder expectations, and the Company's specific strategic objectives and risk profile. The Committee has also been cognisant of the need to ensure value for money is clearly demonstrated as it determines the remuneration approach (this has been the case under the interim remuneration policy during the year and as part of setting the Remuneration Policy going forward).

The resulting policy reflects the Committee's commitment to transparency, fairness, and responsible governance in executive compensation. As the policy was not in operation for 2024/25 it will be presented in the Annual Report and Accounts for 2025/26.

WIDER WORKFORCE
TOTAL REWARD

Total reward for the wider workforce comprises salary, bonuses, core benefits, and a range of non-cash benefits. Bonus payments are typically awarded annually and based on individual, team, and company performance, with some schemes offered on a quarterly or project-based basis depending on the individual's role. Non-cash benefits include life assurance, income protection, a competitive workplace pension, an employee assistance programme, and access to additional lifestyle perks. The wider workforce in 2024 was comprised of EDF secondees apart from the Joint Managing Directors. By 2025 Sizewell C directly employed a small but growing number of employees.

The employee annual bonus (as described above) was linked to performance targets aligned to the Sizewell 16 management objectives and is the same scheme as the executive scheme with target opportunities ranging from 5% to 42% of salary depending on contract type and seniority. The Company is an employer committed to paying the 'Living Wage' to all directly employed staff aged 18 years and over, including those on internships and industrial placement students.

The Company's reward approach recognises the unique position of our secondees from EDF, who form a substantial part of our workforce. We ensure secondee remuneration is consistent and fair with overall reward decisions, while acknowledging existing legacy arrangements. The Committee actively monitors and supports the evolution of these reward practices to align with the Company's broader people strategy. This alignment will be a key focus for the Board and the Committee in 2025/26 ensuring that our remuneration practices for all employees, including secondees, support our broader people and strategic objectives.

GENDER PAY GAP REPORTING

As the Company's workforce is under 250 employees it does not legally necessitate gender pay gap reporting, however the Committee has proactively chosen to disclose this information for both employees and EDF secondees, underscoring our commitment to transparency and equitable reward practices.

In 2024, the Company's median gender pay gap for EDF employees assigned to Sizewell C was 24.4%, representing a positive and encouraging reduction from 26.6% in 2023. It is important to contextualize this data against our relatively small workforce which can amplify the impact of individual changes and potentially lead to fluctuations in the reported figures. We are aware that 24.4% is a fairly large pay gap within the UK market, and we seek to reduce this figure further through various initiatives including successful recruitment focused on attracting talented female professionals across various roles, and a review of our recruitment processes to support fair candidate assessment.

CORPORATE GOVERNANCE

Nomination and Remuneration Committee Report

REMUNERATION FOR THE FINANCIAL YEAR ENDED 31 MARCH 2025

The audited total remuneration earned by each individual is shown in the tables below:

Name	Base salary £k		Taxable benefits £k		Annual bonus £k ¹		Long-term incentive £k ²		Pension £k		Total £k		Total fixed remuneration £k		Total variable remuneration £k	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
EXECUTIVE DIRECTORS																
Julia Pyke ³	440	348	16	15	185	138	26	84	53	35	720	620	509	398	211	222
Nigel Cann ^{3,4}	440	373	38	38	185	135	11	53	53	45	727	644	531	456	196	188
Dr Mina Golshan CBE	190	181	13	13	54	49	77	–	29	25	363	268	232	219	131	49
David Gregg ⁵	140	–	7	–	31	–	–	–	14	–	192	–	161	–	31	–
Bertrand Michoud ^{6,7}	150	136	228	149	48	48	53	–	49	49	528	382	427	334	101	48
FORMER EXECUTIVE DIRECTORS																
Frederic Mayoux ⁸	131	194	90	123	64	89	108	–	35	60	428	466	256	377	172	89
NON-EXECUTIVE DIRECTORS ¹⁵																
John Holland-Kaye ⁹	24	–	–	–	–	–	–	–	–	–	24	–	24	–	–	–
Elizabeth Barber ^{10,11}	69	15	–	–	–	–	–	–	–	–	69	15	69	15	–	–
Julie Thornton ¹²	60	15	–	–	–	–	–	–	–	–	60	15	60	15	–	–
Richard Noble	60	45	–	–	–	–	–	–	–	–	60	45	60	45	–	–
Jouni Silvennoinen	50	38	–	–	–	–	–	–	–	–	50	38	50	38	–	–
FORMER NON-EXECUTIVE DIRECTORS ¹⁵																
Robert Holden CBE ¹³	267	275	–	–	–	–	–	–	–	–	267	275	267	275	–	–
David Waboso ¹⁴	35	45	–	–	–	–	–	–	–	–	35	45	35	45	–	–

¹ Annual bonus performance period is measured from 1st January to 31st December. No discretionary bonuses linked to key strategic goals were awarded in 2024/25 (2023/24: ENI).

² Individuals who were previously employed by EDF may have been eligible for payments under legacy EDF long-term incentives arrangements. The vesting condition and payout quantum are determined under EDF's policies.

³ Full 2024/25 bonus award for Nigel Cann and Julia Pyke shown. 50% of the bonus amount shown was paid in March 2025 with the remaining 50% being deferred for payment, in cash, to March 2027. No further performance conditions need to be achieved for this payment to be made in March 2027.

⁴ The annual bonus and long-term incentive for Nigel Cann reflect amounts earned whilst a director of the Company. Pension contributions for Nigel Cann refer to a cash allowance as he is no longer a member of the pension scheme.

⁵ David Gregg was appointed in October 2024.

⁶ Bertrand Michoud's pension contributions relate to the French EDF pension scheme. As part of Bertrand Michoud's secondment/expat contract, benefits include expatriate benefits including school fees, home insurance and travel allowance.

⁷ As a function of Bertrand's secondment/expat contract, his benefits

increased by 53% driven by contractually agreed rent allowance & associated costs increases (£4,000), increases in school fees (£36,000) and payment on tax liability on Bertrand's behalf (£25,000).

⁸ Richard Noble was appointed on 31 July 2023. The percentage increase reflects the difference between the prorated fee in 2023/24 and the full year's fee in 2024/25.

⁹ Jouni Silvennoinen was appointed on 31 July 2023. The percentage increase reflects the difference between the prorated fee in 2023/24 and the full year's fee in 2024/25.

¹⁰ Elizabeth Barber was appointed in January 2024.

¹¹ Elizabeth Barber received an uplift of £10,000 on her appointment as the Senior Independent Director in May 2025.

¹² Julie Thornton was appointed in January 2024.

¹³ Includes Robert Holden CBE's Chair fee for the period of 1st April 2024 to 28th February 2025. Robert stepped down as Chair in February 2025.

¹⁴ David Waboso stepped down in October 2024.

¹⁵ Shareholder Non-Executive Directors are excluded as they do not receive remuneration or benefits from the Company.

CORPORATE GOVERNANCE

Nomination and Remuneration Committee Report

2024 PERCENTAGE CHANGE IN REMUNERATION OF DIRECTORS

The table below sets out the percentage changes in each Director's base salary/fee, benefits and annual amounts for the year ended 31 March 2025 versus the prior year ended 31 March 2024 alongside the average change in gross earnings for all UK employees across the Company.

Name	Salary / fees % ¹	Benefits % ¹	Annual Bonus % ¹
EXECUTIVE DIRECTORS			
Julia Pyke	26%	7%	34%
Nigel Cann	18%	0%	37%
Dr Mina Golshan CBE	5%	0%	10%
David Gregg ²	–	–	–
Bertrand Michoud ³	10%	53%	0%
FORMER EXECUTIVE BOARD DIRECTORS			
Frederic Mayoux ⁴	-32%	-27%	-28%
NON-EXECUTIVE DIRECTORS			
John Holland-Kaye ⁵	–	–	–
Elizabeth Barber ⁶	360%	–	–
Julie Thornton ⁷	300%	–	–
Richard Noble ⁸	33%	–	–
Jouni Silvennoinen ⁹	32%	–	–
FORMER NON-EXECUTIVE DIRECTORS			
Robert Holden CBE ¹⁰	-3%	–	–
David Waboso ¹¹	-22%	–	–
WIDER WORKFORCE			
	6%	– ¹²	– ¹²

1 Percentage changes have been calculated based on 2024 Total remuneration table on page 61 for Executive Directors and Non-Executive Directors.

2 David Gregg was appointed in October 2024.

3 The increase in Bertrand's benefits is driven by a £4,000 increase in in rent allowances & associated costs, £36,000 increase in school fees and £25,000 payment on tax liability on Bertrand's behalf.

4 Frederic Mayoux stepped down as Director in October 2024.

5 John Holland-Kaye joined the Company in February 2025, therefore a prior year comparison is not applicable.

6 Elizabeth Barber was appointed in January 2024, the year-on-year comparison reflects remuneration received for three months as a Non-Executive Director and Audit and Risk Committee Chair in the prior year and full remuneration received during the reporting year (to 31 March 2025) and her additional responsibilities as Senior Independent Director from May 2024.

7 Julie Thornton was appointed in January 2024, the year-on-year comparison reflects remuneration received for three months as a Non-Executive Director and Nominations and Remuneration Committee Chair in the prior year and full remuneration during the reporting year (to 31 March 2025).

8 Richard Noble was appointed on 31 July 2023. The percentage increase reflects the difference between the prorated fee in 2023/24 and the full year's fee in 2024/25.

9 Jouni Silvennoinen was appointed on 31 July 2023. The percentage increase reflects the difference between the prorated fee in 2023/24 and the full year's fee in 2024/25.

10 Robert Holden CBE stepped down as Chair in February 2025, therefore the prior comparison reflects a slight reduction in the remuneration received during the reporting year (to 31 March 2025).

11 David Waboso stepped down as Director in October 2024. Therefore, the prior comparison reflects a reduction in the remuneration received during the reporting year (to 31 March 2025).

12 Due to the limited number of employees directly employed by the Company in the prior year, a year-on-year comparison cannot be made.

ANNUAL BONUS

Performance against the 2024 Company annual bonus scorecard is set out below. The scorecard is used in the determination of bonus payout for all employees. Each measure within the scorecard is assessed on a standalone basis and has a defined payout range.

Performance below the specified threshold level for each measure will result in 0% payout for that metric. 100% of the target bonus for on-target business performance and up to 150% of target bonus for performance at or above maximum. Maximum bonus payouts for the Joint Managing Directors are capped at 150% of target bonus while other Executive Directors are capped at 120% of target bonus. The table below presents the formulaic outcome for all participants in the plan.

Measure ¹³	Weighting	Threshold (50% of payout)	Target (100% of payout)	Maximum (150% of payout)	Outcome	Formulaic outcome (% of target bonus)
BUILDING OUR ORGANISATION						
RIDDOR injury frequency rate	10%	0.15	0.11	0.07	0.061	15%
Engagement index (or equivalent)	10%	76	83	88	85	12%
Training compliance	5%	85	88	95	88	5%
Diversity index (employees)	5%	32	40	42	42	7.5%
SCHEDULE						
Sizewell 16 milestones	60%	10	13	16	14	70%
FINANCIALS						
Forecast accuracy based on outcome of budget (%)	10%	+/- 10	+/- 5	+/- 2	-4%	12%
Total	100%					121%

13 The Nomination and Remuneration Committee has the option to make one-off, discretionary bonuses linked to key strategic goals.

In determining the annual bonus outturn, the Committee considers the formulaic scorecard outcome, as well as the overall business performance and the individual contribution of the Joint Managing Directors. The Committee exercised downward discretion on the bonus payout due to the unresolved Civils Alliance agreement and the delay in achieving the FID during the year. The final bonus payout was 100% of target for the Joint Managing Directors and 110% of target for all other Executive Directors.

After the discretion was applied, the bonus payable in 2024/25 to the Joint Managing Directors was 42% of base salary. As per the terms of the award, in respect of the Joint Managing Directors, half of the pre-tax annual bonus is deferred until March 2027. No further performance conditions apply to the deferred cash.

CEO PAY RATIO

The Company acknowledges the regulations requiring the disclosure of CEO pay ratios for certain large quoted companies who have a headcount of 250 or more. While the Company currently has a directly employed headcount below the 250 threshold and is not a quoted company, we are committed to the principles of transparency and fair remuneration and will report on the CEO pay ratio when the Company meets the headcount threshold.

Nomination and Remuneration Committee Report

REMUNERATION POLICY

The Committee has operated under the EDF Remuneration Policy terms for the year ended 31 March 2025 and will be adopting the Company’s first Remuneration Policy during the current period (and to be reported against for the year ended 31 March 2026 in the Annual Report and Accounts for 2025/26). The remuneration principles adopted during the year ended 31 March 2024 are set out below.

REMUNERATION PRINCIPLES

The below sets out the principles adopted during the year and in lieu of the Company’s own Remuneration Policy arrangements.

BASE SALARY/FEE PRINCIPLES

Executive Directors

Objectives and link to strategy	Element of fixed pay that reflects the individual’s role, position, experience and contribution to the Sizewell C.
Operation	Salaries are reviewed annually with any increases typically accounting for: - Increases awarded across Sizewell C as a whole. - Comparison to market remuneration trends. - Pay levels at organisations of a similar size and sector. - Changes in responsibilities or scope of the role. By exception, an individual’s salary may be amended outside of the annual review process at the discretion of the Committee.
Maximum potential value	We operate with pay bands which relate to the seniority and scope of the role. We do not therefore prescribe a maximum salary level. Increases will normally be in line with overall employee salary increases. Increases above this level may be considered by the Committee.
Performance metrics	Individual and business performance are considered when setting salary levels.

Non-Executive Directors

Chair	The Chair receives an all-inclusive fee in respect of the role. The remuneration of the Chair was determined by the Nominations and Remuneration Committee.
Non-Executive Directors	The Chair receives an all-inclusive fee in respect of the role. The remuneration of the Chair was determined by the Nominations and Remuneration Committee. Non-Executive Directors receive an annual fee in respect of their Board and Committee appointments. An additional supplementary fee is paid for chairing a Board committee, and holding the office of senior independent director. Shareholder Non-Executive Directors are not eligible for an annual fee.

PENSION AND BENEFITS

Executive Directors

Objectives and link to strategy	Assists participants’ plans for retirement.
Operation	Pension provision is provided in the form of a defined contribution (DC) pension.
Maximum potential value	The maximum employer contribution for the Executives are aligned with those made available to the UK workforce, being, at the date of this policy, 15% of pensionable salary and option to reduce.
Performance metrics	None.

Non-Executive Directors

Chair and Non-Executive Directors	The Chair and the Non-Executive Directors are not eligible for benefits in respect to pension, bonus or incentive arrangements. The Chair and Non-Executive Directors are reimbursed for travel and reasonable expenses incurred during the course of performing their duties on behalf of the Company. Shareholder Non-Executive Directors were not eligible for reimbursement for travel and expenses, or benefits.
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ANNUAL BONUS

Executive Directors

Objectives and link to strategy	To incentivise delivery of annual performance targets most critical for Sizewell C.
Operation	Annual bonuses are paid entirely in cash post year end. Targets are normally set at the beginning of the performance period and are assessed at the end of the financial period. The Committee has the discretion to adjust the bonus targets or outcome if the pure application of a formula is not felt to produce an appropriate result in light of overall underlying performance of Sizewell C or the contribution of management. Any adjustment made using this discretion will be explained. Half of the pre-tax annual bonus for the Joint Managing Directors is deferred for three years. Awards are subjected to malus and clawback provisions – see the notes in the policy table.
Maximum potential value	The maximum total variable remuneration is set at 42% of base salary for the Joint Managing Directors.
Performance metrics	The specific measures, targets and weighting may vary from year to year in order to align with Sizewell C’s strategy. The performance conditions are set based on the metrics the Committee feels are most appropriate for the business and create value for stakeholders. Normally, the maximum bonus attributable to personal performance will be 40% of the maximum opportunity.

Non-Executive Directors

Chair and Non-Executive Directors	The Chair and Non-Executive Directors are not eligible for an annual bonus.
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Nomination and Remuneration Committee Report

NOTES TO THE REMUNERATION PRINCIPLES

Performance measures, target setting and assessment of performance

The performance targets for the annual bonus are closely aligned with the Company’s short-term annual milestones. The intention is to provide a direct link between reward levels and performance.

The Company has operated a performance scorecard-based approach for the annual bonus. This ensured that both individual bonus levels and overall spend were commensurate with the performance of the Company across several key metrics. The Committee considered performance metrics and targets prior to the start of the financial year (ended 31 March 2025) to ensure that these remained suitable and relevant. It was the intention of the Committee that the bonus payments should reflect the outcome of the performance measures set, although the Committee applied independent judgement to ensure that the outcome was a fair reflection of the performance of the Company and individual over the performance period (ended 31 March 2025). When making this judgement, the Committee had scope to consider any such factors as it deemed relevant.

Annual bonus granted to Executive Directors was subject to clawback provisions for up to two years from the date of payment or vesting in the above circumstances.

The Company does not currently operate a long-term incentive plan for Executive Directors. The long-term incentives shown in the remuneration table on [page 61](#) were paid to individuals previously employed by EDF who were eligible for payments under legacy EDF arrangements. The vesting conditions and payouts were determined under EDF’s policies and not managed by the Committee.

Recruitment practice

- When determining remuneration for an incoming Executive Directors during the year, the Committee took account of:
- Prevailing competitive pay levels for the role.
 - Experience and skills of the candidate.
 - Incentive and other elements which will be forfeited by the candidate.
 - Transition implications on initial appointment.

Compensation was considered in respect of arrangements forfeited on joining the Company. The size and structure of any such arrangement will take account of relevant factors in respect of the forfeited terms including potential value, time horizons and any performance conditions which apply. The buyout of any arrangements forfeited is not permitted unless approved by the Nomination and Remuneration Committee in respect of an individual.

Ordinarily, it would be expected that the package on recruitment would be consistent with the usual ongoing Sizewell C incentive arrangements. However, on initial appointment (including interim appointments) the Committee retains discretion in exceptional cases to award higher incentive awards to facilitate recruitment. Within these limits, and where appropriate, the Committee may tailor the award (for example, time frame, form, performance criteria) based on the commercial circumstances.

Relocation principles

Where an Executive Director was required to relocate from their home location to take up their role, the Committee provided reasonable relocation assistance and other allowances. Relocation support and any associated costs or benefits (including but not limited temporary living expenses, housing cost and transportation to new location). In the event of Executive’s employment being terminated without cause by the Company, any repatriation costs were met by the Company. The maximum relocation amount was £25,000 per repatriation.

Employment agreements

It is the Company’s policy that Executive Directors should have employment contracts with an indefinite term which can be terminated by the Company or the Executive Directors by giving 12- or 6-months’ notice depending on the position. The terms set out in the employment agreements for the current Executives do not allow for any payments that are not in line with this policy.

Non-Executive Directors are appointed for three-year term, no contractual termination payments being due and are subject to their re-election. The contract for the Chair is subject to a 3 months’ notice provision on either side.

Policy on payment for loss of office

Subject to the execution of an appropriate general release of claims an Executive Director could receive payments on termination of employment under certain conditions as set out below.

(a) Notice period of up to 12-months

In the event of a termination where the Company requests that the Executive Director ceases work immediately a payment in lieu of notice may be made (except in circumstances where they are guilty of gross misconduct or conduct that materially damages their or the Company’s reputation). Payment will be calculated by reference to base pay and will be subject to the Executive Director entering into a Settlement Agreement with the Company.

Payments may be made in instalments and would ordinarily be subject to mitigation should the individual find alternative employment during the unexpired notice period. In the event of redundancy, any payment made within the terms of the Company’s redundancy policy will be inclusive of statutory redundancy pay and pay for any notice calculated by reference to base pay.

(b) Bonus payment for the financial year of exit

Bonuses were only paid to Executive Directors who were granted ‘good leaver’ i.e. retirement in accordance with the bonus plan rules. If the Executive Director was a ‘bad leaver’ i.e. dismissed for gross misconduct, then they would forfeit the bonus. In respect of a ‘good leaver’, the bonus amount would be pro-rated depending on the proportion of the financial year which has been completed by the time of the termination date and paid in line with the normal bonus scheme timings and performance metrics.

CORPORATE GOVERNANCE

Nomination and Remuneration Committee Report

REMUNERATION POLICY PLANNING

The table below shows how the Committee addressed the principles of clarity, simplicity, risk, predictability, proportionality and alignment to culture as it operated under an interim remuneration policy. This has also informed the forward-looking remuneration policy plan (and which will be reported in next year’s Annual Report and Accounts and 2025/26).

Code provision	Compliance
Clarity – Remuneration arrangements should be transparent and promote effective engagement with shareholders and the workforce.	• The presentation of the Remuneration Report is intended to provide clarity on the Company’s approach. • We aim to be completely transparent about our remuneration policy and arrangements and comply, as far as we are able, to listed company practice.
Simplicity – Remuneration structures should avoid complexity and their rationale and operation should be easy to understand.	The Company operates an approach to remuneration that is simple to understand and aligned to market practice: • Fixed element: comprising base salary, taxable benefits and a pension allowance. • Short-term element: an annual performance-related bonus with a selection of financial and non-financial targets. • Long-term element: a three-year long-term incentive scheme linked to the delivery of project milestones and key objectives.
Risk – Remuneration arrangements should ensure reputational and other risks from excessive rewards, and behavioural risks that might arise from target-based incentive plans, are identified and mitigated.	• A combination of short and long-term incentives encourages individuals to deliver long-term value for our stakeholders, discouraging decision-making that only focuses on the short term. • The Committee retains flexibility to adjust payments through malus and clawback provisions, and an overriding discretion to depart from formulaic outcomes where behaviours may be viewed as inappropriate or criteria on which the award was based do not reflect the underlying performance of Sizewell C.
Predictability – The range of possible values of awards to individual directors and any other limits or discretions should be identified and explained at the time of approving the policy.	• Incentive policy limits are clearly disclosed in the policy table. • Stakeholders are kept fully informed and consulted on the values that can be earned under the incentive plans for different levels of performance.
Proportionality – The link between individual awards, the delivery of strategy and the long-term performance of the Company should be clear. Outcomes should not reward poor performance.	• Short and long-term incentive awards reward the delivery of key project objectives. • Performance measures are designed to align with strategy and financial performance and provide for a range of pay out levels which are dependent on and linked to Company performance. • The Committee has overriding discretion over eventual outcomes when they do not reflect business performance, and/or stakeholder experience, which ensures that poor performance would not be rewarded.
Alignment to culture – Incentive schemes should drive behaviours consistent with company purpose, values and strategy.	When considering the alignment of incentive plans and culture the Committee considers the following: • Metrics: ensuring that performance targets are aligned to culture and do not drive the wrong behaviours. • Governance: ensuring adoption of best practice through a robust malus and clawback policy with a substantial list of relevant trigger events, such as corporate failure and reputational damage. The Committee also retains discretion under the plan rules to override formulaic vesting. • Wider workforce: understanding remuneration for the wider workforce and ensuring that pay decisions are aligned across the Company and wider engagement with our stakeholders, including our employees and secondees.

CORPORATE GOVERNANCE

Directors' Report

The directors present their annual report and the audited Company financial statements for 2024/25. The Directors' Report should be read in conjunction with the Strategic Report, which includes information the Board considers of strategic importance which would otherwise be disclosed in the Corporate Governance section of this Annual Report and this Directors' Report.

STRATEGIC REPORT

Principal activities

See Our Vision and Purpose on [page 2](#)

Engagement with employees

See Stakeholder Engagement on [pages 15 – 17](#)

Diversity and inclusion

See [page 60](#)

Engagement with suppliers, customers and others

See Stakeholder Engagement on [pages 15 – 17](#)

Going concern and long-term viability

See [page 37](#)

Principal risks and uncertainties

See Risk Management on [pages 26 – 27](#)

Events after the reporting period

See Chair's welcome on [page 5](#) and Financial Review on [page 13](#)

DIRECTORS

The directors who served during the year under review;

Chair

Robert Holden CBE – resigned 1 March 2025

John Holland-Kaye – appointed to the Board 1 February 2025, and subsequently appointed Chair of the Board 1 March 2025.

Non-Executive Directors

Richard Noble

Elizabeth Barber

Julie Thornton

David Waboso (resigned 1 November 2024)

Jouni Silvennoinen

Shareholder Non-Executive Directors

Nick Smallwood (resigned 24 March 2025)

Jon Loveday (appointed 24 March 2025)

Stuart Crooks CBE FREng

Executive Directors

Dr Mina Golshan CBE

Frederic Mayoux (resigned 7 October 2024)

Bertrand Michoud

Julia Pyke

Nigel Cann

David Gregg (appointed 7 October 2024)

Company Secretary

Abbie Pokorny (resigned 25 June 2024)

Asha Magnus (appointed 25 June 2024)

INCORPORATION AND REGISTERED OFFICE

The Company is incorporated in England and Wales under company registration 09284825. The Company's registered address changed during the year to 25 Copthall Avenue, London, EC2R 7BP.

SHARE CAPITAL

The Company has only one class of shares, Ordinary shares of £1.00 each.

As at 31 March 2025, the share capital of the Company comprised of 16,300,002 fully paid up shares, all owned by the Company's immediate holding company, Sizewell C (Holding) Limited. As at the date of this report, this figure remains the same.

SHAREHOLDERS

The Secretary of State for Energy Security and Net Zero is the ultimate majority shareholder of the Company, and has had a controlling interest since the Government's Investment Decision in November 2022.

As at 31 March 2025, the Secretary of State for Energy Security and Net Zero held 86.54% (89,281,532 Ordinary-B shares) of the Company's immediate holding company, Sizewell C (Holding) Limited. EDF Energy Holdings Limited held the remaining 13.46% (13,880,517 Ordinary-B shares) of the Company's immediate holding company.

DIRECTORS' LIABILITIES

Director and officer liability insurance was in place for the benefit of the directors during the year, which remains in force at the date of this report.

CORPORATE GOVERNANCE

The Company's disclosures under Corporate Governance standards are set out in the Corporate Governance section within this Annual Report and Accounts.

POLITICAL CONTRIBUTIONS

The Company made no political contributions in 2024/25 (2023/24: £nil).

FINANCIAL INSTRUMENTS

Full disclosure on the Company's use of financial instruments is set out in the financial statements, see note 2 on [page 77](#).

DIVIDENDS

The directors do not recommend payment of a dividend (2023/24: £nil).

DISCLOSURE OF INFORMATION TO THE AUDITOR

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the external Auditor is unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the external Auditor is aware of that information.

REAPPOINTMENT OF AUDITOR

Pursuant to Section 487 of the Companies Act 2006, the external Auditor will be deemed to be reappointed and KPMG LLP (66 Queen Square, Bristol, United Kingdom, BS1 4BE) will therefore continue in office.

OTHER INFORMATION

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on [page 3 to 16](#).

The Directors' Report should be read in conjunction with the Strategic Report and the Corporate Governance section within this Annual Report and Accounts.



SUSTAINABILITY REPORTING

For further information about the Company's approach to sustainability, [see pages 18 to 25](#), including our TCFD Disclosure and our standalone [Annual Sustainability Report](#).

CORPORATE GOVERNANCE

Directors' Responsibilities Statement

The directors are responsible for preparing the Annual Report and Accounts in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law, they have elected to prepare the financial statements in accordance with UK-adopted international accounting standards and applicable law.

The directors have decided to prepare voluntarily a Corporate Governance Statement as if the Company were required to comply with the UK Listing Rules and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority in relation to those matters. 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 these financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable, relevant and reliable.
- State whether they have been prepared in accordance with UK-adopted international accounting standards.
- Assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern.
- Use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation

of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

ACCOUNTING OFFICERS' RESPONSIBILITIES

The Principal Accounting Officer for the Department for Energy Security and Net Zero appointed, us as the Accounting Officers for the Company with effect from 28 September 2023.

As the Accounting Officers we are both personally responsible and accountable to Parliament for the use of public money and stewardship of public assets and must be able to assure Parliament and the public of high standards of probity in the management of public funds and assets. We must also be able to give assurances about the performance and insight on the Company's risk profile, the responses to the identified and emerging risks, and how any risks have been successfully managed.

In preparing the Financial Statements, as the Accounting Officers and on behalf of the Board, we have ensured that the Company's auditors are aware of all relevant audit information that would have a material impact on the Financial Statements. We are not aware of any material information that the auditors are unaware of.

As members of the Board, we also confirm that the Annual Report and Accounts as a whole are fair, balanced and understandable and we have taken personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

This statement was reviewed by the Board on 24 September 2025 and signed on 24 September 2025.

Julla Pyke & Nigel Cann
Joint Managing Directors & Accounting Officers
24 September 2025.

Pictured right is the Temporary Construction Area at the Sizewell C site in Suffolk.



FINANCIAL REPORT

Pictured below are Joint Managing Directors Julia Pyke (right) and Nigel Cann (left) at Sizewell C's site in Suffolk.



FINANCIAL REPORT

Independent auditor’s report to the members of Sizewell C Limited

1. OUR OPINION IS UNMODIFIED

We have audited the financial statements of Sizewell C Limited (“the Company”) for the year ended 31 March 2025 which comprise the Income Statement, Statement of Financial Position, Statement of Changes in Equity, Statement of Cashflows, and the related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- Give a true and fair view of the state of the Company’s affairs as at 31 March 2025 and of its profit for the year then ended.
- Have been properly prepared in accordance with UK-adopted international accounting standards.
- Have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (“ISAs (UK)”) and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Overview	
Materiality:	£90m (2024:£40m)
Financial statements as a whole	2.48% (2023/24: 1.94%) of total assets
Key audit matters	Going concern

2. KEY AUDIT MATTERS: OUR ASSESSMENT OF RISKS OF MATERIAL MISSTATEMENT

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including 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. This matter was 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 this matter. In arriving at our audit opinion above, the key audit matter was as follows:

	The risk	Our response
Going concern <i>See Note 2 to the financial statements</i>	Disclosure quality The financial statements explain how the Board has formed a judgement that it is appropriate to adopt the going concern basis of preparation for the Company. That judgement is based on an evaluation of the inherent risks to the Company’s business model and how those risks might affect the Company’s financial resources or ability to continue operations over a period of at least a year from the date of approval of the financial statements. The risks most likely to adversely affect the Company’s available financial resources over this period were: • Reaching Financial Close; and • HMG’s stance on nuclear power and other sources of low carbon energy generation and the impact of this on approval of continuation of the project. The risk for our audit was whether or not those risks were such that they amounted to a material uncertainty that may have cast significant doubt about the ability to continue as a going concern. Had they been such, then that fact would have been required to have been disclosed.	We considered whether these risks could plausibly affect the liquidity in the going concern period by assessing the directors’ sensitivities over the level of available financial resources indicated by the Company’s financial forecasts taking account of severe, but plausible, adverse effects that could arise from these risks individually and collectively. Our procedures also included: • Historical comparisons: We considered relevant factors, including the proposed funding model and progress of the project to date, which support the likelihood of the project reaching FC. In addition, we assessed commitments made by the current HMG in support of the project, including net zero targets, current investment in the project and press releases on the subject; and • Assessing transparency: We considered whether the going concern disclosure in note 2 to the financial statements gives a full and accurate description of the directors’ assessment of going concern, including the identified risks and dependencies.

3. OUR APPLICATION OF MATERIALITY AND AN OVERVIEW OF THE SCOPE OF OUR AUDIT

OUR APPLICATION OF MATERIALITY

Materiality for the financial statements result, set at £90.0m (2023/24: £40.0m), determined with reference to a benchmark of total assets, of which it represents 2.5% (2024: 1.9%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, result, reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality was set at 65% (2023/24: 75%) of materiality for the financial statements as a whole, which equates to £58.5m (2023/24: £30.0m) for the Company. We applied this percentage in our determination of performance materiality based on the level of identified misstatements and control deficiencies during the prior period.

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £4.5m (2023/24: £2.0m), in addition to other identified misstatements that warranted reporting on qualitative grounds.

OVERVIEW OF THE SCOPE OF OUR AUDIT

Our audit of the Company was undertaken to the materiality level specified above and was performed by a single audit team.

IMPACT OF CONTROLS ON OUR AUDIT

We involved our IT auditors to assist us in assessing the design of the general IT controls of the Company’s general ledger system.

Taking into account both general IT and wider control deficiencies identified in both the current and prior year audits and the nature of balances in the financial statements at this stage of the project (which are predominantly balance sheet accounts), we concluded that a substantive approach in all areas of our audit was the most efficient and effective approach to obtaining sufficient and appropriate audit evidence.

As such, we did not plan to rely on general IT controls, or controls more widely.

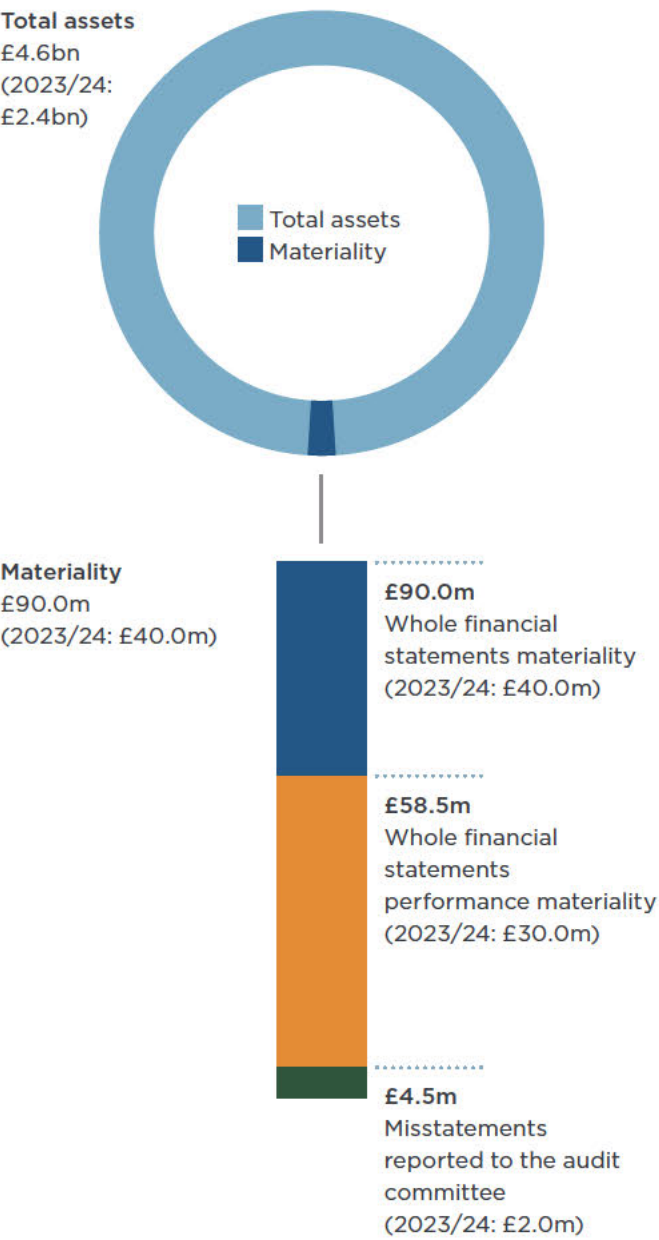
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FINANCIAL REPORT

Independent auditor’s report to the members of Sizewell C Limited

IMPACT OF CONTROLS ON OUR AUDIT (CONTINUED)

As we did not rely upon controls, our work to respond to the significant risk of management override of controls considered both automated and manual journal entries. We also performed direct manual testing over the completeness of the journals data set and the reliability of relevant data elements.



4. GOING CONCERN

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company’s financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements (the going concern period).

An explanation of how we evaluated management’s assessment of going concern is set out in the related key audit matter in section 2 of this report.

Our conclusions based on this work:

- We consider that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate.
- We have not identified, and concur with the directors’ assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company’s ability to continue as a going concern for the going concern period.
- We have nothing material to add or draw attention to in relation to the directors’ statement in note 2 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Company’s use of that basis for the going concern period, and we found the going concern disclosure in note 2 to be acceptable.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

5. FRAUD AND BREACHES OF LAWS AND REGULATIONS - ABILITY TO DETECT

IDENTIFYING AND RESPONDING TO RISKS OF MATERIAL MISSTATEMENT DUE TO FRAUD

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and internal audit as to the Company’s high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Company’s channel for “whistleblowing”, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board and audit committee minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because there are no revenue transactions.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries and other adjustments to test based on risk criteria and comparing the identified entries to supporting documentation. These included those entries posted to unusual accounts paired with cash and those posted to seldom used accounts.

IDENTIFYING AND RESPONDING TO RISKS OF MATERIAL MISSTATEMENT RELATED TO COMPLIANCE WITH LAWS AND REGULATIONS

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Company’s regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of Company’s license to operate. We identified the following areas as those most likely to have such an effect: health and safety, building regulation requirements, ONR regulations and the terms of the DCO. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

For the IR35 matter discussed in note 15, we assessed the disclosure against our understanding from inspection of internal audit reports and the Company’s correspondence with HMRC. We inspected a selection of supplier contracts to evaluate the appropriateness of the provision recognised.

Continued on the next page.

FINANCIAL REPORT

Independent auditor’s report to the members of Sizewell C Limited

CONTEXT OF THE ABILITY OF THE AUDIT TO DETECT FRAUD OR BREACHES OF LAW OR REGULATION

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

6. WE HAVE NOTHING TO REPORT ON THE OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

STRATEGIC REPORT AND DIRECTORS’ REPORT

Based solely on our work on the other information:

- We have not identified material misstatements in the strategic report and the directors’ report.
- In our opinion the information given in those reports for the financial year is consistent with the financial statement.
- In our opinion those reports have been prepared in accordance with the Companies Act 2006.

DISCLOSURES OF EMERGING AND PRINCIPAL RISKS AND LONGER-TERM VIABILITY

We are required to perform procedures to identify whether there is a material inconsistency between the directors’ disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge.

Based on those procedures, we have nothing material to add or draw attention to in relation to:

- The directors’ confirmation within the Long Term Viability Statement (see [page 37](#)) that they have carried out a robust assessment of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency and liquidity.
- The Principal Risks disclosures describing these risks and how emerging risks are identified, and explaining how they are being managed and mitigated.
- the directors’ explanation in the Long Term Viability Statement of how they have assessed the prospects of the Company, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Company’s longer-term viability.

CORPORATE GOVERNANCE DISCLOSURES

We are required to perform procedures to identify whether there is a material inconsistency between the directors’ corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- The directors’ statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company’s position and performance, business model and strategy.
- The section of the annual report describing the work of the Audit and Risk Committee, including the significant issues that the Audit and Risk Committee considered in relation to the financial statements, and how these issues were addressed.
- The section of the annual report that describes the review of the effectiveness of the Company’s risk management and internal control systems.

In addition to our audit of the financial statements, the directors have engaged us to review their Corporate Governance Statement as if the Company were required to comply with the UK Listing Rules and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority in relation to those matters. Under the terms of our engagement we are required to review the part of the Corporate Governance Statement relating to the Company’s compliance with the provisions of the UK Corporate Governance Code specified for our review. We have nothing to report in this respect.

7. WE HAVE NOTHING TO REPORT ON THE OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us.
- The financial statements are not in agreement with the accounting records and returns.
- Certain disclosures of directors’ remuneration specified by law are not made.
- We have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Continued on the next page.

FINANCIAL REPORT

Independent auditor’s report to the members of Sizewell C Limited

8. RESPECTIVE RESPONSIBILITIES DIRECTORS’ RESPONSIBILITIES

As explained more fully in their statement set out on [page 67](#), the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR’S RESPONSIBILITIES

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 our opinion in an auditor’s report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC’s website at www.frc.org.uk/auditorsresponsibilities

9. THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

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 and the terms of our engagement by the Company. 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 the further matters we are required to state to them in accordance with the terms agreed with the Company, 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.



James Ledward (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants, 66 Queens Square
Bristol, United Kingdom BS1 4BE
30 September 2025

FINANCIAL REPORT

Financial statements

INCOME STATEMENT FOR THE YEAR ENDED 31 MARCH

	Note	2025 £m	2024 £m
Operating expenses	5	(8.4)	-
Operating loss		(8.4)	-
Finance expenses	6	(0.1)	-
Finance income	7	14.3	5.8
Profit before tax		5.8	5.8
Taxation	8	(3.4)	(1.5)
Profit for the year		2.4	4.3

Notes 1 to 24 form an integral part of these financial statements. There were no recognised gains or losses during the current or prior year other than the results shown above. Accordingly, no statement of comprehensive income has been presented. The above results were derived from continuing operations in the current and prior year.

The Financial Statements of Sizewell C Limited (registered number: 09284825) on *pages 73 to 84*, of which the notes on *pages 75 to 84* form part, were approved and authorised for issue by the Board of Directors on 24 September 2025 and were signed below on its behalf by:

[Redacted signature]

David Gregg
Chief Financial Officer
24 September 2025

STATEMENT OF FINANCIAL POSITION AT 31 MARCH

	Note	2025 £m	2024 £m	1 April 2023 £m
ASSETS				
NON-CURRENT ASSETS				
Property, plant and equipment	9	3,758.8	2,008.4	840.8
Right of use assets	10	60.5	4.6	0.7
Prepayment	11	275.0	-	-
Total non-current assets		4,094.3	2,013.0	841.5
CURRENT ASSETS				
Trade and other receivables	12	133.0	95.2	35.0
Cash and cash equivalents	13	365.1	283.9	128.8
Total current assets		498.1	379.1	163.8
Total assets		4,592.4	2,392.1	1,005.3
EQUITY AND LIABILITIES				
CURRENT LIABILITIES				
Trade and other payables	14	(371.1)	(312.2)	(103.8)
Tax liability	8	(2.7)	(1.5)	(0.1)
Lease liabilities	10	(3.6)	(0.5)	(0.1)
Provisions	15	(5.8)	(1.5)	-
Total current liabilities		(383.2)	(315.7)	(104.0)
NON-CURRENT LIABILITIES				
Deferred tax liabilities	8	(0.5)	(0.5)	(0.5)
Provisions	15	(130.2)	(75.2)	(0.1)
Lease liabilities	10	(53.6)	(3.2)	(0.5)
Total non-current liabilities		(184.3)	(78.9)	(1.1)
Total liabilities		(567.5)	(394.6)	(105.1)
Net assets		4,024.9	1,997.5	900.2
EQUITY				
Share capital	19	16.3	16.3	16.3
Capital reserve	19	4,001.7	1,976.7	883.7
Retained earnings	19	6.9	4.5	0.2
Total equity		4,024.9	1,997.5	900.2

Notes 1 to 24 form an integral part of these financial statements.

FINANCIAL REPORT

STATEMENT OF CHANGES IN EQUITY

	Called up share capital £ m	Capital reserve £ m	Retained earnings £ m	Total £ m
Balance at 1 April 2023	16.3	883.7	0.2	900.2
Profit for the year	-	-	4.3	4.3
Capital contribution (Note 19)	-	1,093.0	-	1,093.0
Balance at 31 March 2024	16.3	1,976.7	4.5	1,997.5
Profit for the year	-	-	2.4	2.4
Capital contribution (Note 19)	-	2,025.0	-	2,025.0
Balance at 31 March 2025	16.3	4,001.7	6.9	4,024.9

Notes 1 to 24 form an integral part of these financial statements.

STATEMENT OF CASHFLOWS

	Note	2025 £m	2024 £m
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		5.8	5.8
Adjustments:			
Finance income	7	(14.3)	(5.8)
Finance expenses	6	0.1	-
Net foreign exchange differences		(1.5)	(0.7)
Loss on disposal of property, plant and equipment		0.3	-
(Increase) in trade and other receivables	12	(37.8)	(60.2)
Increase in trade and other payables	14	58.9	208.4
(Increase) in prepayment	11	(275.0)	-
Increase in provisions		7.5	-
Corporation tax paid	8	(2.2)	(0.1)
Net cash flows from operating activities		(258.2)	147.4
CASH FLOWS FROM INVESTING ACTIVITIES			
Finance income		15.0	5.7
Acquisition of property, plant and equipment	17	(1,694.7)	(1,090.4)
Proceeds from sale of property, plant and equipment		0.1	-
Net cash flows from investing activities		(1,679.6)	(1,084.7)
CASH FLOWS FROM FINANCING ACTIVITIES			
Lease liability payments	10	(6.0)	(0.6)
Proceeds from shareholder loans	19	2,025.0	1,093.0
Net cash flows from financing activities		2,019.0	1,092.4
Net increase in cash and cash equivalents		81.2	155.1
Cash and cash equivalents at the beginning of the year	13	283.9	128.8
Cash and cash equivalents at the end of the year		365.1	283.9
COMPRISES			
Cash available for use		292.1	210.9
Restricted cash		73.0	73.0

The accompanying notes 1 to 24 form an integral part of these financial statements.

Notes to the financial statements

1. GENERAL INFORMATION

BASIS OF PREPARATION

Sizewell C Limited is a private company incorporated, domiciled and registered in England in the UK. The registered number is 09284825 and the registered address is 25 Copthall Avenue, London, EC2R 7BP.

The principal activity of the Company is the construction and operation of a nuclear power station which will supply the UK with low-carbon electricity. The Company plans to build twin EPR at Sizewell in Suffolk, UK. This is the third nuclear power station in this area, and it will be known as Sizewell C.

At 31 March 2025, Sizewell C (Holding) Limited holds a 100% interest in the Company and is considered to be the immediate parent company and the DESNZ through the Secretary of State is considered to be the ultimate parent and the controlling party for the Company.

The Company financial statements have been prepared and approved by the directors in accordance with UK-adopted international accounting standards (UK-adopted IFRS).

The Company is preparing its financial statements in accordance with UK-adopted IFRS for the first time and consequently has applied IFRS 1. An explanation of how the transition from UK Generally Accepted Accounting Practice (GAAP) to UK-adopted IFRSs has affected the reported financial position financial performance and cash flows of the Company is provided in Note 24.

The Company has applied the IFRS 1 exemption in relation to the practical expedients under IFRS 16 for short term and low value leases. The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements and in preparing an opening IFRS balance sheet at 1st April 2023 for the purposes of the transition from UK GAAP to UK-adopted IFRSs.

2. ACCOUNTING POLICIES

MEASUREMENT CONVENTION

The financial statements have been presented on the historical cost basis except that the following assets and liabilities are stated at their fair value. The financial statements are presented in pounds sterling as that is the currency for the primary economic environment in which the Company operates.

JUDGEMENTS AND ESTIMATES

In the application of the accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. 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.

The financial statements include other areas and accounting estimates. While these areas do not meet the definition under IAS 1 of significant accounting estimates, the recognition and measurement of certain material assets and liabilities are based on assumptions and/or are subject to longer term uncertainties. The other areas of judgement and accounting estimates are:

Discount rates for Leases and Provisions

The discount rates are observable rates provided by His Majesty’s Treasury. The average discount rates applied during the year to the lease portfolio is 4.77% (2024: 7.49%) and to the provision is 4.37% (2024: 4.35%).

The carrying amount of the lease liability and provisions have been disclosed in Note 10 and Note 15 respectively.

Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations, that the directors have made in the process of applying the accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Capitalisation of costs

Management are required to make judgements in relation to the capitalisation of costs. This relates to both when amounts may begin to be capitalised, where there may be doubt about planning consent or the ultimate completion of the asset, and in relation to the nature of costs incurred. Judgement has been exercised in the period including in relation to:

- The assessment of assets in the course of construction, where judgement is exercised to determine costs that are directly attributable to the Asset Under Construction.

The Company has a substantial capital programme and therefore incurs significant annual expenditure in relation to the construction of the Sizewell C asset. All costs incurred are capitalised as Asset Under Construction in accordance with the cost capitalisation policy. Due to the significance of these costs and their materiality in the context of the financial statements, the directors need to ensure their completeness, existence and validity is appropriately monitored, controlled and recorded.

Carrying value of property, plant, equipment:

The Company reviews the carrying value of property, plant, equipment on an annual basis of where there is an indicator impairment. As at 31 March 2025, there were no indicators of impairment as the developments are at the early stage of a long term build of the Nuclear plant.

The recoverability of the balance of assets in the course of construction relating to Sizewell C at 31 March 2025 is dependent upon both the project achieving FID and the forecast profitability of Sizewell C.

GOING CONCERN

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons.

The Directors have performed a going concern assessment which indicates that, in both a base case and reasonably possible downside scenarios, the company will have sufficient funds to meet its liabilities as they fall due for the period of at least 12 months from the date of approval of the financial statements, the going concern period. This assumes that the Company achieves Financial Close during the going concern assessment period, which is deemed to be a key assumption underpinning the assessment.

The Company has been equity financed since incorporation. An Interim Shareholders’ Agreement between Électricité de France and the Secretary of State for Business, Energy and Industrial Strategy, in respect of Sizewell C (Holding) Limited, its immediate parent company, was signed on 29 November 2022 and was amended and restated on 22 March 2024, agreeing in principle to develop the project in Suffolk until FID. Since November 2022, HMG had committed more than £3.5bn to the Company and is now the majority Shareholder in Sizewell C (Holding) Limited. The Shareholder Funding Cap had been raised to provide a further £2.7bn in funding for 2025/26, being a second utilisation of the £5.5bn DevEx subsidy scheme that was announced in August 2024.

A capital raise process was launched in September 2024 and HMG announced FID on 22 July 2025. This latest announcement included a package of financial support totalling £54.6bn, subsuming the previous DevEx subsidy, in line with HMG’s long-standing objective for a new large-scale nuclear project and a further demonstration of its confidence and commitment. It is expected that good progress will be made to reach Financial Close with new investors in the near future, when a new shareholders’ agreement would be entered into and will confirm the Company’s future funding structure. This would support the Company’s ongoing development and allow it to continue to mobilise fully its construction activities. However, should Financial Close not be forthcoming, the financial support package would enable the Company to maintain its financial resilience.

Continued on the next page.

FINANCIAL REPORT

Notes to the financial statements

2. ACCOUNTING POLICIES (CONTINUED)

GOING CONCERN (CONTINUED)

After making enquiries and reviewing cash flow forecasts and available funding for at least 12 months from the date of approval of the financial statements, the Directors have formed a judgement that there is a reasonable expectation that the Company can meet its liabilities as they fall due over the going concern assessment period. This judgement has been formed taking into account the principal risks and uncertainties that the Company faces, including that Financial Close is not forthcoming, along with the financial support announced by the Department for Energy Security & Net Zero on 22 July 2025. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

FOREIGN CURRENCY

Transactions in foreign currencies are translated to the Company's functional currencies at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to the functional currency at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment comprises of an Asset Under Construction, Provisions Assets and Freehold Land.

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Provision asset and Freehold land are not depreciated.

Asset Under Construction (AUC) – Recognition and measurement

The construction phase of the Sizewell C Nuclear power station commenced in 2024. During the construction phase of the project, expenditure which is directly attributable to bringing the Sizewell C asset into its working condition for its intended use will be capitalised within Asset Under Construction. The directors consider that the Company is constructing one asset, that being the Sizewell C nuclear plant. The directors consider all expenditure in the year ended 31 March 2025 to have met the capitalisation criteria. The Asset Under Construction is measured at cost less any accumulated impairment losses.

AUC – Depreciation

The AUC is recognised as the total of cost of purchase, design, construction and installation of tangible assets to bring them into use. For the assets to be bought into use, they are transferred to a relevant tangible asset class, where they are depreciated as per the policy of that tangible asset class. No depreciation is recognised prior to these transfers.

Disposal

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is de-recognised.

Provision assets – Recognition and measurement

The provision asset is initially recognized at the same amount of the provision liability determined by discounting the expected future cash outflow at a pre-tax rate that reflects risks specific to the liability.

The depreciation of the provision asset begins when the Nuclear plant is completed.

IMPAIRMENT

The directors consider the AUC to consist of a single cash-generating unit (CGU), the power station. As such, impairment is considered in the context of the whole asset under construction as opposed to review of individual components.

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined at single CGU level, the Sizewell C Nuclear Power Station. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on most recent budgets and forecast calculations, which are prepared on a single CGU, the Nuclear power plant. These budgets and forecast calculations cover a period of three years. A long-term growth rate is calculated and applied to project future cash flows after the third year.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increases.

Continued on the next page.

FINANCIAL REPORT

Notes to the financial statements

PROVISIONS

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability where the effect of the discount is material. The unwinding of the discount is recognised as financial expense.

FINANCIAL INSTRUMENTS

Financial instruments are recognised on the balance sheet when the Company becomes a party to the contractual provisions of the instruments.

The Company determines the classification of financial instruments at initial recognition. The initial and subsequent measurement of financial instruments depends on their classification as follows:

Trade and other receivables

Trade and other receivables that do not have a significant financing component are held at amortised cost under IFRS 9; initially recognised at their transaction price, rather than at fair value. Subsequent to initial recognition they are measured at amortised cost and any expected credit loss impairments or reversals are recognised through profit or loss.

Trade and other payables

Trade and other payables are recognised initially at fair value which is typically the transaction price. Subsequent to initial recognition they are measured at amortised cost. The amortized cost is calculated by taking the initial recognition amount and adjusting it for any repayments.

Transaction costs that are directly attributable to the acquisition or issue of the financial instrument (other than those at fair value through the profit or loss) are added to or deducted from the fair value, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through the income statement are recognised immediately in the income statement.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand balances. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Debt and equity instruments are classified as either liabilities or as equity in accordance with the substance of the contractual arrangement.

Restricted cash is classified as non-current or current in accordance with the substance of the contractual agreement.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

FINANCING INCOME AND EXPENSES

Financing expenses include interest payable, finance charges on shares classified as liabilities and finance charges on lease liabilities recognised in the income statement using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the income statement (see foreign currency accounting policy). These are then capitalized to Asset under construction.

Financing income comprise interest receivable on funds invested, interest income on lease receivables and net foreign exchange gains.

Interest income and interest payable is recognised in the income statement as it accrues, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

TAXATION

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly within equity, in which case it is recognised within equity.

Current tax is the expected tax payable or receivable on the taxable profit or loss for the period, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustments to tax payable in respect of previous periods. Taxable profit differs from the profit on ordinary activities before tax as reported in the income statement as it excludes items of income or expense that are taxable or deductible in other periods and items that are never taxable or deductible. It also includes the effect of tax allowances.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the statement of financial position liability method.

Deferred tax is measured on a non-discounted basis using tax rates enacted or substantively enacted at the balance sheet date and that are expected to apply in the period when the deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised only to the extent that it is probable that sufficient future taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off tax assets against tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Continued on the next page.

FINANCIAL REPORT

Notes to the financial statements

2. ACCOUNTING POLICIES (CONTINUED)

LEASES

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

AS A LESSEE

Right-of-use assets and lease liability – Recognition and measurement

The Company 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 dismantling and restoration costs for the underlying asset or site, less any lease incentives received.

The right-of-use asset is subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The right-of-use asset will be depreciated over the useful life of the underlying asset if the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

At commencement of a lease the Company recognises a lease liability measured at the present value of the lease payments to be made over the lease term. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, then the incremental borrowing rate at the date of the lease commencement. The lease liability is split between current and non-current lease liabilities. Lease payments include fixed payments less any lease incentives receivable and amounts expected to be paid under residual value guarantees.

The lease liability is measured at amortised cost using the effective interest method. Finance costs are calculated periodically on the remaining balance of the lease liability. These are initially charged to the profit or loss and consequently capitalised under assets under construction.

The carrying amount of lease liabilities is re-measured if there is a modification such as a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, to the extent that the right-of-use asset is reduced to nil, with any further adjustment required from the remeasurement being recorded in profit or loss.

NEW ACCOUNTING STANDARDS AND FUTURE CHANGES

At the date of authorisation of these financial statements, there were certain new or revised IFRSs that will be applicable in future years, but the Company does not expect any material impact on the Company's Financial Statements at future adoption. These new or revised IFRSs are noted below:

- IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures.
- Proposed new IFRS Standard in relation to Regulatory Assets and Regulatory Liabilities (expected to replace IFRS14).
- IFRS 18 Presentation and Disclosure in Financial Statements.

3. AUDITORS' REMUNERATION

	2025 £m	2024 £m
AUDIT SERVICES		
Statutory audit of these financial statements	0.2	0.1
	0.2	0.1

With effect from 2024, KPMG LLP was appointed as auditor of the Company. All of these fees have been capitalised in both financial years.

4. STAFF NUMBERS AND COSTS

The average number of persons employed by the Company (including directors) during the year was 8 (2024: 2).

The aggregate employment costs of these persons were as follows:

	2025 £m	2024 £m
Wages and salaries	2.2	0.8
Social security costs	0.4	0.1
Contributions to defined contribution pension plan	0.3	-
Capitalised into asset under construction	(2.9)	(0.9)
	-	-

Director's remuneration is disclosed within the Remuneration Report section (pages 58 to 67) of this Annual Report and Accounts.

The Company operates a single defined contribution pension plan which is open to all employees of the Company.

The remaining staff on the project currently have an employment contract with EDF Energy Limited and/or EDF Nuclear Generation Limited and are seconded to Sizewell C. It is expected that the majority of these staff will transfer to Sizewell C Limited under a TUPE arrangement, with Senior Leaders and Critical roles as a minimum transferring in advance of Financial Close.

5. OPERATING EXPENSES

	Note	2025 £m	2024 £m
Training cost		0.6	-
Loss on disposal		0.3	-
Off payroll working	15	7.5	0
DEPRECIATION			
Depreciation for right-of-use assets	10	4.5	0.5
Capitalised depreciation		(4.5)	(0.5)
Total		8.4	-

6. FINANCE EXPENSES

	Note	2025 £m	2024 £m
FINANCE COSTS			
Interest expense on lease liabilities	10	1.9	0.2
Unwinding interest on provisions	15	2.8	-
Tax interest		0.1	-
Capitalised finance expense		(4.7)	(0.2)
Total		0.1	-

7. FINANCE INCOME

	2025 £m	2024 £m
Interest income	15.0	5.7
Foreign exchange gain/(loss)	(0.7)	0.1
Total	14.3	5.8

Continued on the next page.

FINANCIAL REPORT

Notes to the financial statements

8. TAXATION

	2025 £m	2024 £m
CURRENT TAXATION		
Tax on the profit or loss for the year	3.4	1.5
DEFERRED TAXATION		
Adjustments in respect of previous years' reported tax charge / (credit)	-	-
Total Income Statement tax expense	3.4	1.5

The Company's effective tax rate for the year ended 31 March 2025 is 59% (2024: 25%) which is 34% higher than (2024: the same as) the standard rate of corporation tax in the UK due to the items shown below.

RECONCILIATION OF EFFECTIVE TAX RATE

	2025 £m	2024 £m
Profit before tax	5.8	5.8
Expected tax credit/(charge) using UK corporation tax rate of 25% (2024: 25%)	1.5	1.5
Adjustment to prior year deferred tax (charge) / credit	-	-
Impact of disallowed underpaid tax in relation to off payroll working	1.9	-
Total Income Statement tax expense	3.4	1.5

OTHER FACTORS AFFECTING THE TAX CHARGE FOR THE PERIOD:

The accounting for deferred tax follows the temporary differences between the carrying amounts of assets and liabilities, and their tax base. The closing deferred tax balance at 31 March 2025 has been calculated at 25% (31 March 2024 : 25%). This is the effective tax rate at which the reversal of the net deferred tax liability is expected to occur.

CURRENT TAX LIABILITY

	£m
At 1 April 2023	0.1
(Charge)/credit to income: Charge in the year	1.5
Adjustments in previous years' reported tax charges	-
Payment in the year	(0.1)
At 31 March 2024	1.5
(Charge)/credit to income: Charge in the year	3.4
Adjustments in previous years' reported tax charges	-
Payment in the year	(2.2)
At 31 March 2025	2.7

DEFERRED TAX

The following are the deferred tax liabilities recognised by the Company and movements thereon during the current and prior reporting period:

	Accelerated capital allowances	Total £m
At 1 April 2023	(0.5)	(0.5)
(Charge)/credit to income:		
Adjustments in respect of previous years' reported tax charges	-	-
Effect of increased tax rate on opening liability	-	-
At 31 March 2024	(0.5)	(0.5)
(Charge)/credit to income:		
Adjustments in respect of previous years' reported tax charges	-	-
Effect of increased tax rate on opening liability	-	-
At 31 March 2025	(0.5)	(0.5)

There are no deferred tax assets identified in the year.

9. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment comprised the following at 31 March 2025:

Cost	Freehold land £m	Provision assets £m	Assets under construction £m	Total £m
Balance at 1 April 2023	2.2	-	838.6	840.8
Additions	256.5	76.5	834.6	1,167.6
Balance at 31 March 2024	258.7	76.5	1,673.2	2,008.4
Additions	16.3	58.8	1,687.6	1,762.7
Disposals	-	-	(0.4)	(0.4)
Remeasurements	-	(11.9)	-	(11.9)
Balance at 31 March 2025	275.0	123.4	3,360.4	3,758.8
Net book value at 31 March 2025	275.0	123.4	3,360.4	3,758.8
Net book value at 31 March 2024	258.7	76.5	1,673.2	2,008.4
Net book value at 31 March 2023	2.2	-	838.6	840.8

ASSET UNDER CONSTRUCTION

Assets in the course of construction relate to nuclear new build activities, of which the amount capitalised in relation to Sizewell C at 31 March 2025 is £3,360.4m (2024: £1,673.2m). As explained in Note 2, the recoverability of the balance of assets in the course of construction relating to Sizewell C at 31 March 2025 is dependent upon both the project achieving FID and the forecast profitability of Sizewell C.

During the construction phase of the project all expenditure which is directly attributable to bringing the asset into its working condition for its intended use will be capitalised.

PROVISION ASSETS

In line with IFRS, the Company has recognised as at 31 March 2025 a DCO Provision Asset of £64.6m and a Site Restoration Provision Asset of £58.8m.

During the year, a remeasurement of the DCO provision of £11.9m was recognised.

FREEHOLD LAND

The Company purchased the freehold land from EDF Energy Nuclear Generation Limited on 25 March 2024 with the intention of constructing the main development site. On 7th May 2024, the Company's application for a Nuclear Site Licence to construct and operate a twin EPR™ power station at Sizewell in Suffolk was granted by the ONR.

During the year, additional freehold land of £16.3m was purchased.

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FINANCIAL REPORT

Notes to the financial statements

10. LEASES

COMPANY AS LESSEE

The entity applies the recognition exemptions for short-term leases and leases for which the underlying asset is of low value, leases containing peppercorn ground rent have therefore been excluded. The weighted average incremental borrowing rate applied in discounting the lease liability is 4.77% (2024: 7.49%).

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	Land and buildings £m	Vehicles £m	Total £m
COST			
At 1 April 2023	0.9	-	0.9
Additions	4.3	0.2	4.5
Disposals	(0.1)	(0.1)	(0.2)
At 1 April 2024	5.1	0.1	5.2
Additions	60.2	0.2	60.4
Disposals	(0.7)	(0.1)	(0.8)
At 31 March 2025	64.6	0.2	64.8
ACCUMULATED DEPRECIATION			
At 1 April 2023	0.2	-	0.2
Amortisation for the year	0.5	0.1	0.6
Disposals	(0.1)	(0.1)	(0.2)
At 1 April 2024	0.6	-	0.6
Amortisation for the year	4.4	0.1	4.5
Disposals	(0.7)	(0.1)	(0.8)
At 31 March 2025	4.3	-	4.3
Net book value at 31 March 2025	60.3	0.2	60.5
Net book value at 31 March 2024	4.5	0.1	4.6
Net book value at 31 March 2023	0.7	-	0.7

Set out below are the carrying amounts of lease liabilities and movement during the year:

	2025 £m	2024 £m	1st April 2023 £m
At 1 April	3.7	0.6	0.1
Additions	57.6	3.6	0.7
Interest	1.9	0.1	-
Payments	(6.0)	(0.6)	(0.2)
At 31 March	57.2	3.7	0.6

The lease liabilities have been split as follows:

	2025 £m	2024 £m	1st April 2023 £m
Current	3.6	0.5	0.1
Non-current	53.6	3.2	0.5
Total	57.2	3.7	0.6

The following are amounts recognised in the income statement:

	2025 £m	2024 £m
Depreciation for right-of-use assets	4.5	0.5
Capitalised depreciation expense	(4.5)	(0.5)
Net depreciation expense	-	-
Interest expense of lease liabilities	1.9	0.2
Capitalised interest expense	(1.9)	(0.2)
Net interest expense of lease liabilities	-	-

MATURITY ANALYSIS

At 31 March 2025, the Company had future aggregate minimum undiscounted lease payments under non-cancellable leases as follows:

	Within 1 year £m	Between 2-5 years £m	After 5 years £m
Land and buildings	6.3	16.3	49.9
Vehicles	0.1	0.1	-
Total 31st March 2025	6.4	16.4	49.9

11. PREPAYMENT

The Company has made an advance payment of £275m (€318.8m) to its supplier Framatome SE as of November 2024. The advance payment represents a prepayment for goods to be received, and the supplier is expected to utilise the funds to manage its supply chain and secure the necessary materials and components from its sub-suppliers required to manufacture critical components necessary for the completion of the nuclear plant. The Company will continue to monitor the progress of the procurement and production of these components in alignment with the project timeline.

The Company expects the prepayment to be drawn down from April 2026, on a straight-line basis over a four-year period. As the supplier fulfils its performance obligations and delivers the agreed-upon components, the Company will recognise the corresponding expense and reduce the advance payment accordingly.

As of the reporting date, the Company has no reason to believe that the advance payment will not be fully utilised as agreed, but any significant changes to the supplier's performance or the project schedule may impact the timing and recognition of the associated costs.

12. TRADE AND OTHER RECEIVABLES

	Note	2025 £m	2024 £m	1st April 2023 £m
Amounts due from related parties	16	58.7	26.3	21.1
Prepayments		6.9	-	-
Other debtors		7.6	3.1	0.9
Value added tax receivable		59.8	65.8	13.0
Total		133.0	95.2	35.0

Amounts owed from related parties are unsecured, interest free and repayable on demand.

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FINANCIAL REPORT

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13. CASH AND CASH EQUIVALENTS

	2025 £m	2024 £m	1st April 2023 £m
Cash at bank	292.1	210.9	128.8
Restricted cash	73.0	73.0	-
Cash and cash equivalents	365.1	283.9	128.8

RESTRICTED CASH

The Company is required to hold a balance in a restricted cash account to cover for contingent liabilities in relation to the main land acquisition agreement. The fund shall be released to the third party should the liability become due.

14. TRADE AND OTHER PAYABLES

	Note	2025 £m	2024 £m	1st April 2023 £m
Trade payables		50.2	51.4	0.9
Accruals		186.9	169.4	74.6
Amounts due to related parties	16	134.0	91.4	28.3
Total		371.1	312.2	103.8

Amounts owed to related parties are unsecured trading balances and are interest free, with 30-day repayment terms in both current period and prior year.

15. PROVISIONS

Provisions comprised the following at 31 March 2025:

Cost	Dilapidation	Development Consent Order	Benacre Flood Defence	Site restoration	Off Payroll Working	Total
As at 1 April 2023	0.1	-	-	-	-	0.1
Arising during the year	0.1	76.5	-	-	-	76.6
Payments in the period	-	-	-	-	-	-
Unwinding of discount	-	-	-	-	-	-
As at 31 March 2024	0.2	76.5	-	-	-	76.7
Arising during the year	2.2	-	25.0	58.8	7.5	93.5
Payments in the period	-	(0.1)	(25.0)	-	-	(25.1)
Unwinding of discount	0.1	2.7	-	-	-	2.8
Remeasurement	-	(11.9)	-	-	-	(11.9)
As at 31 March 2025	2.5	67.2	-	58.8	7.5	136.0

The provisions have been split as follows:

	2025 £m	2024 £m	1st April 2023 £m
Current	5.8	1.5	-
Non-current	130.2	75.2	0.1
Total	136.0	76.7	0.1

DEVELOPMENT CONSENT ORDER (DCO) PROVISION

The DCO provision relates to the Suffolk Environment Charity Deed and the Deed of Obligations clauses within the DCO that were triggered when construction commenced. The provisions have been estimated at a present value of £67.2m (2024: £76.5m) as at year end.

Suffolk Environment Charity Deed

Under the Charity Deed, the following payments shall be made:

- The First Annual Contribution in the amount of £1.5m is due to the Suffolk Environment Charity upon its registration.
- Payments of £1.5m on each anniversary of Commencement (August 2021 money) until the twenty years from the end of the Construction period thereafter.
- Followed by payments of £0.75m (August 2021 money) upon the twenty-first anniversary of the end of the Construction Period and on each anniversary of that date until the end of the Operational Period.

The Construction Period has been estimated as 12 years, and the Operational Period has been estimated at 60 years. Obligations within the Charity Deed are subject to annual CPIH indexation, with a base month of August 2021 money.

The present value of the obligations under the Charity Deed have been estimated as £52.2m (2024: £55.0m).

As at 31 March 2025, no payments have been made since the commencement of the DCO as the Charity has not been registered per the agreement. The estimated indexed payment of £3.7m would immediately become due after 10 working days, if the Charity is registered before the second anniversary of Commencement.

A sensitivity analysis has been performed to calculate the impact of a 1% increase to the inflation rate assumption. An absolute 1% change in forecast CPIH would increase the provision by £12m. This is not considered material, and therefore management consider the estimate of £52.2m to be reasonable.

Deed of Obligations (DoO)

Under the DoO, Sizewell C is liable to make payments to East Suffolk Council and Suffolk County Council based on trigger dates or a request by the councils. On an annual basis, management performs an assessment to identify triggered obligations that should be provided for.

As at the Balance Sheet date, provisions of £15.0m (2024: £21.5m) have been estimated and a total payment of £0.12m (2024: £nil) has been made towards the DoO provision in the year.

BENACRE PROVISION

The Benacre provision of £25m was paid in March 2025. This relates to flood defence works on the A12 north of the construction site to prevent adverse impacts on logistics.

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FINANCIAL REPORT

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15. PROVISIONS (CONTINUED)

DILAPIDATION PROVISION

The dilapidation provision relates to the cost of restoring the Right of Use Asset to the condition required by the terms of the lease. The cash outflow is expected to occur at the end of the 15 year lease, in July 2039.

SITE RESTORATION PROVISION

The Company has identified site restoration obligations related to its operational sites. These obligations include, but are not limited to, the following activities:

- Decommissioning of facilities, equipment, and temporal structures.
- Restoration of natural habitats.
- Management of waste materials.

As of March 31st, 2025, the Company has estimated the present value of its site restoration obligations to be £58.8m (2024: £nil). This estimate is based on current legal and regulatory requirements and reflects the anticipated costs associated with fulfilling these obligations. The provision is expected to be utilised after the end of the Operational Period, when the sites are decommissioned and restored to their original condition. No provisions for site restoration were recognized in the prior year, as construction activities commenced in May 2024.

A sensitivity analysis has been performed to calculate the impact of the minimum and maximum cost estimate per benchmarking data. The minimum cost would result in a decrease in provision by £20.6m and the maximum cost would result in an increase by £38.2m. This is not considered material, and therefore management consider the estimate of £58.8m to be reasonable.

OFF PAYROLL WORKING

During 2024/25, an Internal Audit review of compliance with off payroll working regulations (IR35) reported potential exceptions for further investigation and identified scope for process improvements. These regulations affect individuals providing services to end clients through an intermediary, typically including a Personal Service Company, who could be considered employees for tax purposes if engaged directly.

Following receipt of the Internal Audit report, it was decided to perform a historical review of the status of all individuals not directly employed by the Company. This review covered the four years to 31 March 2025 and, to date, has identified 54 instances that did not appear to comply with IR35. Subsequent steps have been taken to prevent the recurrence of any IR35 exceptions.

Sizewell C has proactively notified HMRC of its review and, in due course, intends to make a voluntary disclosure to progress settlement of underpaid tax liabilities. It is noted that HMRC may decide to impose penalties up to 30% of the amount of underpaid tax and late payment interest. A provision of £7.5m has been recognised in respect of underpaid tax arising from the exceptions identified by the historical review. At the date of signing the financial statements there is no indication of potential penalties, if any, and therefore no provision has been made.

16. RELATED PARTY TRANSACTIONS

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

No power sales have occurred yet, however, the Company has received payment from DESNZ for innovation services for the development and testing of a direct air capture pilot plant.

	Grants from related parties	Purchased from related parties	Grants from related parties	Purchased from related parties
Year ended 31 March	2025 £m		2024 £m	
EDF DIR Production Ingenierie	-	98.6	-	55.8
Arabelle Solutions France SAS	-	0.9	-	0.1
Framatome SAS	-	547.8	-	214.6
EDF Energy Ltd	-	18.6	-	23.2
Nuclear Services (Technical) Co Ltd	-	9.8	-	0.5
NNB Generation Company (HPC) Ltd	-	9.6	-	246.5
EDF Energy Nuclear Generation Ltd	-	24.6	-	-
EDF SA Direction Des Achats	-	0.3	-	0.8
Edvance	-	21.8	-	-
Department for Energy Security & Net Zero (DESNZ)	(0.9)	-	(1.4)	-
Total	(0.9)	732.0	(1.4)	541.5

	Amount due from related parties		Amount due to related parties	
Gross outstanding balances as of 31 March	2025 £m	2024 £m	2025 £m	2024 £m
EDF DIR Production Ingenierie	-	-	28.6	18.6
Arabelle Solutions France SAS	-	-	0.6	0.1
Framatome SAS	286.4	-	66.4	65.9
EDF Energy Ltd	15.7	-	14.3	3.6
Nuclear Services (Technical) Co Ltd	-	-	1.3	0.6
NNB Generation Company (HPC) Ltd	-	-	2.5	2.5
EDF Energy Nuclear Generation Ltd	-	26.0	6.6	-
EDF SA Direction Des Achats	-	-	0.2	0.1
Edvance	17.3	-	13.5	-
Sizewell B	14.0	-	-	-
Sizewell C (Holding) Ltd	0.2	-	-	-
Department for Energy Security & Net Zero (DESNZ)	0.1	0.2	-	-
Total	333.7	26.2	134.0	91.4

The amounts are classified as Long term receivables, trade receivables and trade payables, respectively (see Notes 11, 12 and 14).

Amount due from/to related parties are unsecured and non-interest bearing and are generally on terms of 30 to 90 days.

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16. RELATED PARTY TRANSACTIONS (CONTINUED) TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Key management personnel comprise the members of the Board and of the ELT during the year.

The remuneration of the Key Management Personnel is included within the amounts disclosed below. Further information about the remuneration of individual Directors is provided in the audited part of the *Remuneration Committee Report on pages 59 to 66*.

Year ended 31 March	2025 £m	2024 £m
Fees	-	-
Salary	2.2	0.8
Pension and pension allowance	0.4	0.1
Bonus	-	-
Other benefits	0.3	-
Total	2.9	0.9

Other benefits include medical benefits, car allowances, relocation costs, salary adjustments and other incentive payments.

17. RECONCILIATION TO CASHFLOW STATEMENT

	2025 £m	2024 £m
Additions to Property, Plant and Equipment Note 9	1,762.7	1,167.6
LESS NON-CASH MOVEMENTS		
Provisions:		
Provisions (excluding dilapidation provisions)	(58.8)	(76.5)
Unwinding interest:		
Provisions (excluding dilapidation provisions)	(2.7)	-
Leases interest	(1.9)	(0.1)
Dilapidation interest	(0.1)	-
Depreciation charge:		
ROU Asset depreciation	(4.5)	(0.6)
Total	(68.0)	(77.2)
Total cash movement in Property, Plant and Equipment	1,694.7	1,090.4

18. FINANCIAL INSTRUMENTS FAIR VALUES OF FINANCIAL INSTRUMENTS

The financial assets and liabilities listed below are measured at amortised costs and the carrying values are a reasonable approximation of fair value.

FINANCIAL ASSETS

	2025 £m	2024 £m	1st April 2023 £m
Cash and cash equivalents	365.1	283.9	128.8
Amount due from related parties	58.7	26.3	20.8
VAT receivables	59.8	65.8	13.0
Total financial assets	483.6	376.0	162.6

Trade receivables

The Company does not currently have trade receivables as it is not trading yet.

FINANCIAL LIABILITIES

	2025 £m	2024 £m	1st April 2023 £m
Trade and other payables	371.1	312.2	103.8
Lease liabilities	57.2	3.7	0.6
Total financial liabilities	428.3	315.9	104.4

FINANCIAL RISK MANAGEMENT

The Company's principal financial liabilities comprise of trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include cash and short-term deposits that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by the Audit and Risk Committee that advises on financial risks and the appropriate financial risk governance framework for the Company.

The Audit and Risk Committee provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised opposite.

i. Credit risk

Credit risk is the financial cost of replacing contracts that fail to be performed due to a counterparty or supplier's default, or failure to deliver. The main risk to the Company is potential significant cost and time overruns due to insolvencies in the supply chain and/or suppliers being unable to fulfil their contractual obligations due to financial constraints. This risk is managed through a credit risk management procedure that measures, monitors and mitigates credit risk. As the Company is transitioning from the development phase to the construction phase of the EPR build, its exposure is currently limited.

Trade receivables

The Company does not currently have trade receivables as it is not trading yet.

Financial instruments and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Company's treasury department in accordance with the Company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

ii Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include deposits and derivative financial instruments.

iii Foreign Currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities as some supply contracts are denominated in foreign currency. Presently these exposures are limited and managed on a realised basis as settlements become due. Company-specific hedging strategies will be developed as exposure increases during the construction phase.

iv Liquidity risk

In order to ensure that sufficient funds are available for ongoing developments, operations and future construction, the Company is financed by shareholder loans. These loans are classified as equity instruments, as the terms are such that interest payments are deferrable. There is no redemption date and the holder has no option to redeem the instrument. The Company's parent company, Sizewell C (Holding) Limited, is equity funded by its ultimate shareholders. Our liquidity risk and investment case risk are intricately linked considering the funding from our investors directly impacts our liquidity position. In order to ensure that sufficient funds are available for ongoing developments, operations and future construction, the Company is financed by shareholder loans. These loans are classified as equity instruments, as the terms are such that interest payments are deferrable. There is no redemption date and the holder has no option to redeem the instrument. The Company's parent company, Sizewell C (Holding) Limited, is equity funded by its ultimate shareholders. Our liquidity risk and investment case risk are intricately linked considering the funding from our investors directly impacts our liquidity position.

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19. CALLED-UP SHARE CAPITAL

ALLOTTED, CALLED UP AND FULLY PAID SHARES

	31 March 2025		31 March 2024		1 April 2023	
	No. m	£m	No. m	£m	No. m	£m
Ordinary shares of £1 each	16.3	16.3	16.3	16.3	16.3	16.3

The Company has one class of Ordinary shares which carry no right to fixed income.

Further information on the role of the shareholders is outlined in the Company's Governance section of the Annual report.

RETAINED EARNINGS

	2025 £m	2024 £m	1st April 2023 £m
At the beginning of the year	4.5	0.2	0.4
Profit/(loss) for the year	2.4	4.3	(0.2)
At the end of the year	6.9	4.5	0.2

CAPITAL RESERVE

The capital reserve was created as a result of capital contributions from the shareholders of £94m in 2016. During the year ended 31 March 2025, an additional £2,025m (2024: £1,093m) was contributed by shareholders, taking the total capital contributions to £4,001.7m at 31 March 2025 (2024: £1,976.7m).

These are classified as equity instruments as the terms of the shareholder loan are such that there is no interest and no redemption date and the holder have no option to redeem the instrument. These are classified as an Investment on the Parent Company's balance sheet.

20. COMMITMENTS AND CONTINGENT LIABILITIES

	2025 £m	2024 £m	1st April 2023 £m
Commitments and contingent liabilities	917.5	354.5	110.5
	917.5	354.5	110.5

DEED OF CONSENT ORDER COMMITMENTS AND CONTINGENT LIABILITIES

A number of contracts are subject to FID and are subject to possible payment which will apply only in the case that Sizewell C reaches this milestone.

The total amount contracted for but not provided, arising from the Deed of Obligation, in the financial statements was £142.1m (2024: £98.6m).

Commitments arising from the Deed of Obligation include executory contracts of £86.3m (2024: £38.3m) on the basis that the future payments are dependent on the counterparty performing certain activities.

Contingent liabilities of £55.8m (2024: £60.3m) depending on the Company's future activities in assessing and determining amount of contributions. The contingent liabilities are subject to approval and clawback if not allocated appropriately – therefore have been accounted for under the cost accumulation approach and will be capitalised as incurred.

OTHER COMMITMENTS

The total amount of other commitments contracted for but not provided in the financial statements was £775.4m (2024: £255.9m), comprising purchase commitments of £694.3m (2024: £253.8m), letters of credit issued via BNP Paribas and HSBC of £56.8m (2024: £Nil), Land commitment £Nil (2024: £2.1m) and future residential compensation obligation estimated by management to be £24.3m (2024: £Nil).

21. CONTINGENT ASSETS

As part of the main site land purchase, a potential purchase price reduction was agreed contingent upon the conclusion of the Unexploded Ordnance programme and the actual costs incurred, which remained uncertain as of year-end.

Therefore, no asset has been recognised in the financial statements as of year-end.

22. INTERMEDIATE AND ULTIMATE PARENT COMPANY AND CONTROLLING PARTY

The immediate parent of the Company is Sizewell C (PledgeCo) Limited, whose immediate parent is Sizewell C (Holding) Limited.

The Company is a subsidiary undertaking of Department for Energy Security and Net Zero (DESNZ) which is the ultimate parent company incorporated in United Kingdom. The ultimate controlling party is DESNZ and the ultimate parent.

The largest group in which the results of the Company are consolidated is that headed by DESNZ, 3-8 Whitehall Place, London SW1A 2EG. No other group financial statements include the results of the Company. The consolidated financial statements of these groups are available to the public and may be obtained from the HMG's website www.gov.uk.

23. POST BALANCE SHEET EVENTS

There have been no adjusting post balance sheet events. See the Financial Review on [page 13](#) for further details on events occurring after 31 March 2025.

24. EXPLANATION OF TRANSITION TO UK-ADOPTED IFRSs

As stated in Note 1 (Accounting Policies), these are the Company's first financial statements prepared in accordance with UK-adopted IFRSs. The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended 31 March 2025, the comparative information presented in these financial statements for the year ended 31 March 2024 and in the preparation of an opening IFRS balance sheet at 1 April 2023 (the Company's date of transition).

In preparing its opening IFRS balance sheet, the Company has not identified any adjustments to the amounts reported previously in financial statements prepared in accordance with its old basis of accounting (FRS 101). An explanation of how the transition from FRS 101 to UK-adopted IFRSs has affected the Company's financial position, financial performance is therefore not required. However, the change in standards has required the preparation of a cash flow statement under IFRS.



info@sizewellc.com

0800 197 6102

sizewellc.com

Registered office:

25 Copthall Avenue, London EC2R 7BP
Registered in England & Wales:
Registered No. 09284825



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For any questions about this report please contact cosec.genco@sizewellc.com