



# INTRODUCTION

## Welcome to Sizewell C's FY25/26 Annual Report and Accounts

For the period 1 April 2025  
to 31 March 2026

*Aerial image of the construction of the concrete batching plant and the Green Rail Route on the Temporary Construction Area.*







Contents

## INTRODUCTION

# Sizewell C: Delivering lasting value for the UK

Once operational, Sizewell C will generate low-carbon electricity for at least 60 years, delivering around 7% of the UK's electricity needs.

It will provide reliable baseload to help meet energy demand, support long-term security of supply, and support the transition to Net Zero. We will deliver benefits for people, the environment, communities, and for the UK economy. Further detail can be found in our [Company strategy](#) section.

-  Low-carbon power for six million homes
-  1,500 apprenticeships
-  2030 target of 40% women in nuclear
-  70% of our construction spend will be in the UK
-  An average of just under 9,000 direct and indirect jobs a year during construction, with around 17,000 at peak<sup>1</sup>
-  Achieve 19% biodiversity net gain

<sup>1</sup> Around 8,000 (7,900) people will work on site during peak construction.



The first Women in Construction Jobs Fair in Leiston.

## INTRODUCTION

# Our vision is to lead the way on nuclear.

We want to set the standard for what good leadership for the nuclear industry and British infrastructure looks like.

It is about engineering done right – safely, sustainably, to quality, on time, and to cost.

As well as demonstrating excellence in engineering, we also want to create long-term benefits for the East of England and communities across the UK.

Our vision supports the UK's strategy to be a global leader in civil nuclear infrastructure.

### Strategic aims:

-  **Attract**
-  **Build & Operate**
-  **Invest**
-  **Promote**

## Delivering our vision:

We made significant progress this year in establishing the foundations for successful long-term delivery. These achievements put us in a strong position ahead of major construction milestones in FY26/27 and beyond.

- 01



Reached Final Investment Decision and Financial Close, with new shareholders: La Caisse, Centrica, and Amber Infrastructure joining EDF Energy and His Majesty's Government (HMG).
- 02





First UK nuclear power station financed under Regulated Asset Base model and to secure investment-grade credit rating.
- 03



No major injuries or significant incidents.
- 04



Established the Civil Works Alliance with three industry-leading construction companies, forming **one collaborative delivery team** to deliver the main civil works at Sizewell C.
- 05



First engineering trains delivering materials to site. Each train **prevents up to 50 Heavy Goods Vehicles** from travelling on local roads.
- 06



More than **2,000 people** on site and 120 apprenticeships created.
- 07



Our North and South Park & Ride **sites opened**, reducing the number of vehicles on local roads.
- 08



**Detailed design completed** for the outfall building, which forms part of the power station's cooling system.
- 09



Manufacturing progressed at pace, **delivering clear efficiency** and quality improvements. Completion of Unit 1 primary circuit forgings marked a major milestone, significantly reducing programme risk.
- 10



Site enabling works made good progress with the temporary sea defence nearing completion, **Site of Special Scientific Interest bridge access now open**, both rail connections delivered and jetty construction advancing at pace.
- 11



**Civils works ramped up**, with lessons from Hinkley Point C integrated into the design to support precast and prefabrication activities. Off-site manufacturing also commenced for the reactor steel liner and polar crane brackets.
- 12





Spend on the project reached **£4.89 billion** with over **1,000 suppliers** in the UK and **£1.35 billion** specifically in the East of England (£1 billion in Suffolk).
- 13





Almost **1,000 professionals** attended the Sizewell C Business Exhibition, strengthening engagement between small- and medium-sized enterprises and Tier 1 suppliers, and helping local firms access new opportunities.
- 14





More than **£3.9 million** allocated to local projects through the Sizewell C Community Fund.
- 15





Launched a **£78 million** environment charity and a **£10 million** environment mitigation fund.
- 16



A report by global economic advisory firm, Oxford Economics, estimates that Sizewell C will generate **£26 billion** of Gross Value Added for the UK.

# INTRODUCTION

**Our Mission and Purpose** is to build and operate a nuclear power station that delivers long-term value for UK consumers, the economy and the environment.

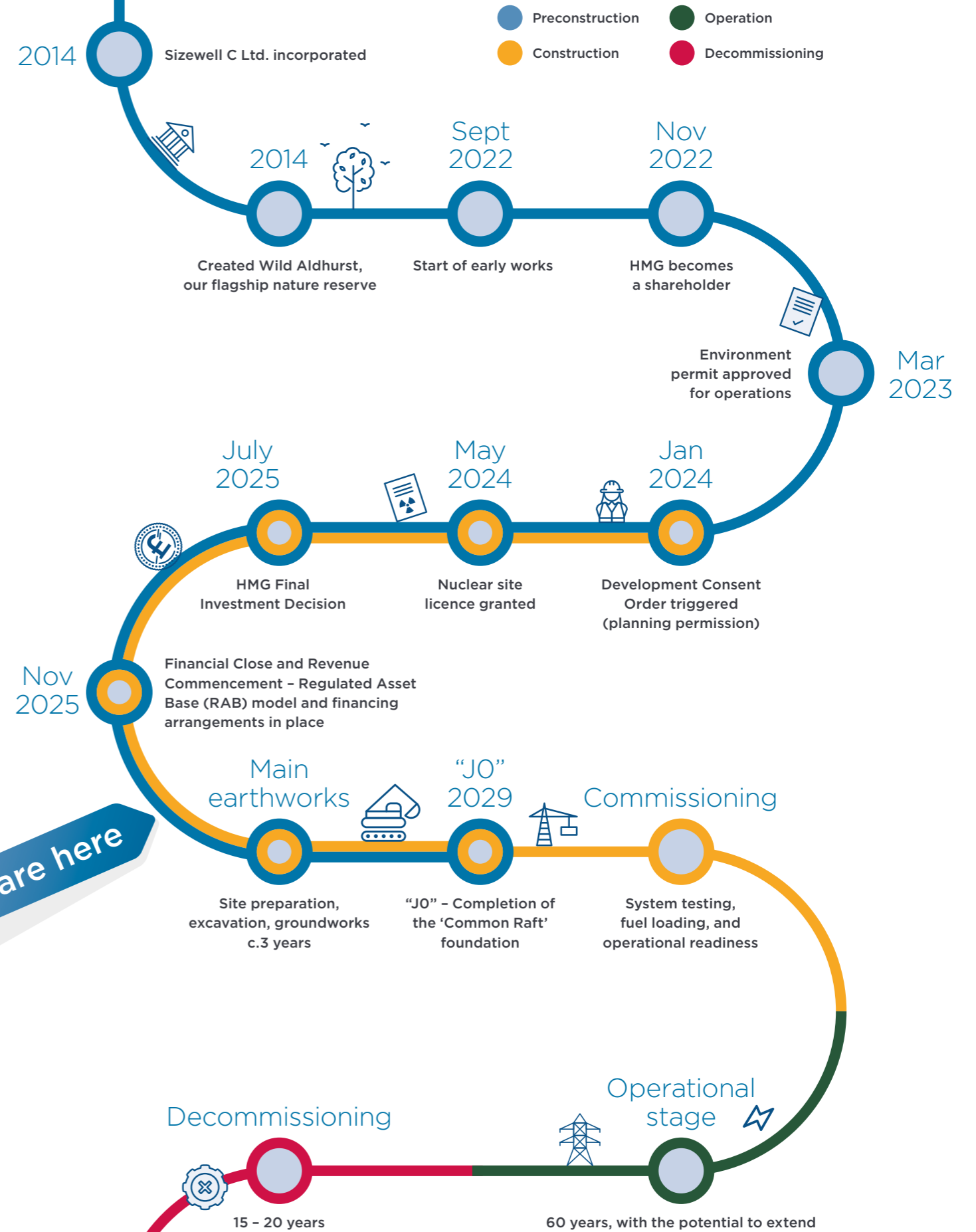
Sizewell C will play a critical role in the UK's future energy system. It will strengthen energy security and resilience, reduce long-term exposure to volatile fossil fuel prices, and support a more stable and affordable electricity supply. Once operational, Sizewell C is expected to deliver around £2 billion in annual energy system cost savings.

Across its life, the project will generate significant national benefits — supporting thousands of jobs, developing skills, strengthening the UK supply chain, and contributing to sustainable economic growth.

Construction of the 3.2-gigawatt power station is underway on the Suffolk coast. Sizewell C will replicate, wherever possible, the design used at Hinkley Point C, reducing delivery risk and enabling cost and schedule efficiencies. Together, these projects will form the UK's largest nuclear power stations, enhancing energy security, improving system stability, and supporting the transition to clean energy.

**We are here**

## Key milestones in the Sizewell C power station life



## INTRODUCTION

# Business model

The UK energy system is in transition.

The UK has a legally binding target to reach net zero greenhouse gas emissions by 2050. The demand for electricity is forecast to rise as we electrify transport and heating, and power new AI opportunities and data centres. At the same time, rising geopolitical uncertainty and increasing state-level conflicts have intensified the national need for energy security and resilience. These trends reinforce the importance of stable, low-carbon baseload generation – a role that large-scale nuclear is uniquely placed to fulfil.

The Regulated Asset Base Model (RAB) through which we are funded provides a stable economic regulatory environment, protects consumers' interests, and reduces the overall cost of capital by providing a more efficient funding model.

The Office of Gas and Electricity Markets (Ofgem) oversees and regulates our economic licence (also known as the RAB licence), protecting consumer interests. The positive influence and oversight of private investors, who are incentivised to control construction costs and improve delivery efficiency, should minimise overspend and delays, supporting better value for money for consumers.

Under the RAB model, electricity bill payers contribute a small, regulated portion of their bill which funds the regulatory allowed revenue set by Ofgem. During construction this lowers overall financing costs and saves consumers money over the lifetime of the project.

Once the power station is commissioned and safely operating, we will sell the electricity generated by the power station on the wholesale market. If market revenues are higher than the Allowed Revenue set by Ofgem, we will return the difference to consumers. If market revenues are lower than the Allowed Revenue we receive a "top up". This mechanism protects consumers from overpaying for the power station during periods of higher wholesale energy prices while also protecting investors and lenders from periods of low prices. We must also meet our operating performance targets set by Ofgem, protecting consumers from poor asset performance.

Throughout the operation of the power station, Sizewell C will regularly contribute to a Funded Decommissioning Programme. This will make sure there is enough money set aside to safely dismantle the plant at the end of its life so that taxpayers are not left with the cost in future.



# Chair's welcome



FY25/26 has been a transformational year for Sizewell C.

We have made significant progress on site and in building our organisation. Since reaching Financial Close in November 2025, we're now a fully-funded independent British company.

**Our priorities are safety first, then quality, and then speed.**

The faster we can build and commission the power station, the sooner we will be able to help deliver a cheaper and more secure energy system for consumers.

Construction sites have many hazards, and our first priority is to make sure that everyone who works at Sizewell C goes home safe and well. Our excellent safety record last year is a good start which we aim to maintain as the project grows.

Enabling works at our Suffolk site began in 2024 and we've made strong progress. We met our FY25/26 milestones on time and in some cases ahead of schedule.

Much of our current work in Suffolk is taking place away from our main sites as we build supporting roads, railways, and roundabouts. This has been disruptive for those living in the local area and I would like to thank them for their patience. The improvements we're making will enhance road safety and benefit the area long after the power station has started operating.

We're already delivering significant new opportunities for businesses up and down the country, and especially in the East of England.

**To date, we've spent £4.89 billion with more than 1,000 companies in all four corners of the UK.**

**More than 2,000 people are working across our Suffolk sites, and we've spent £1 billion in the county.**

120 apprenticeships have been created so far and we aim to open a permanent post-16 College on the Coast in our host town of Leiston next autumn.

Our delivery strategy is to replicate the design and supply chain from Hinkley Point C (HPC), and to innovate in our logistics and construction processes. The team at HPC has done brilliant work to develop the first-of-a-kind design and to build the supply chain to deliver it. They've proven the benefits of replication already on HPC Unit 2. As a Board, we've visited the factories of some of our key contractors including Framatome, Laing O'Rourke, and Boccard and I've been impressed by the innovation they can offer.

I'm delighted that La Caisse, Centrica, and Amber Infrastructure have joined us as investors alongside His Majesty's Government and EDF Energy. Attracting major private equity partners, banks, and other lenders is a landmark moment for our industry. The presence of new shareholders on the Sizewell C Board will strengthen our expertise and reinforce financial discipline.

With our focus now fully on construction, Julia Pyke decided to step down as Joint Managing Director at the end of last year. Since 2017, Julia has led our financing strategy and established a plan to deliver Sizewell C which attracted support from an extraordinarily wide group of stakeholders. I would like to thank her for her passion and leadership and congratulate her on being awarded a CBE in HM The King's Birthday Honours List.

We appointed Nigel Cann as Chief Executive Officer from 1 January 2026. Nigel joined as Joint Managing Director in 2023 having spent more than 40 years building or operating nuclear plants. I can't think of anyone better qualified to deliver Sizewell C safely and efficiently.

Recent world events have highlighted the urgent need for new clean energy infrastructure to reduce the UK's vulnerability to fossil fuel price shocks. By supplying 7% of the UK's future electricity demand, Sizewell C will help to provide that resilience and make a significant contribution to our energy security for at least 60 years.

I'm confident that, with the commitment of our teams, the support of our shareholders, and the trust of the communities we serve, we'll build a power station that the country can be proud of for generations to come.

**John Holland-Kaye**  
Chair

# Chief Executive Officer's review

Sizewell C is one of the largest and most important investments in Britain's energy future.

Over the last year, global insecurity and conflict have highlighted more than ever the importance of our project and the energy security it brings.

Britain needs Sizewell C - and over the last twelve months, we've taken major steps to advance our project on the ground and significantly improve the capability of the Company that will deliver it.

## Delivering value for the UK

We want to set a template for how to build efficient, predictable, and repeatable nuclear construction - to show how, by building a replica power station, we can deliver maximum value for the UK.

We're already creating thousands of jobs and investing billions in British businesses - and by the end of last year, we had delivered over 70% of our project's construction value so far to UK companies. Through these contracts, we're supporting existing factories like William Hare's in Scarborough - who produced the steel for our amenity building - or supporting the creation of new ones, like Bocard's nuclear manufacturing facility in Deeside in North Wales.

Building Sizewell C will deliver growth and prosperity right across the UK - and in December, a new report by global economic advisory firm, Oxford Economics, backed this up, estimating that our project will generate £26 billion of Gross Value Added (GVA) for the UK during the construction phase alone.

## A pioneering funding model

Finalising our funding last year was a watershed moment - we became the first nuclear power project to be financed using the Regulated Asset Base (RAB) model, a model which brings the benefit of private sector expertise and rigour while reducing the cost of finance for the projects.

It means we're further strengthened by the expertise and depth of a new shareholder base: His Majesty's Government, La Caisse, Centrica, EDF Energy, and Amber Infrastructure each bring their own unique competencies, enhancing our strategic oversight and delivery at scale.

In May, in a thorough analysis of our project's value for money, another report - this time by the National Audit Office - concluded that our funding model reduced the cost of financing Sizewell C.

## A new phase with a new Chief Executive Officer

We now enter the main construction phase with a new leadership structure - and I'm honoured to lead Sizewell C as the new Chief Executive Officer.

I'm grateful to Julia Pyke for her leadership in developing Sizewell C - taking it from a small project within EDF Group to an investible company. We share a strong commitment to ensuring that major infrastructure delivers lasting social value for the communities it serves.

At the heart of this ambition is a simple principle: our success will be measured not only in megawatts, but in the lasting value we create for the communities hosting this nationally significant project.

# Chief Executive Officer's review

## Progress on and off site

We've made excellent progress on site and at our off-site infrastructure projects.

There are now well over 2,000 people on site each day, more than double the number we had last year. Over the last 12 months, the team completed 8.5 million hours of work.

The evidence of that work is clear: we built a bridge to span the Site of Special Scientific Interest and connect two construction areas; we welcomed our first engineering trains to our Ancillary Construction Area (ACA), which delivered aggregate to support the construction of our rail infrastructure; we opened two park and ride sites to limit our impact on local roads; we built two new roundabouts, improving local infrastructure; and stepped up progress on new roads and our beach landing facility.

Supporting all that great progress, we made important gains in early manufacturing and signed significant contracts in the last year. We announced a six-year enriched uranium supply contract with Urenco, a long-term fuel fabrication contract with Framatome, and secured our steam turbines order with Arabelle Solutions.

A core part of our Company strategy and vision to Lead the Way on Nuclear is driving a relentless focus on productivity and innovation – planning work so that people, plant, and materials arrive in the right place at the right time, removing constraints before they become delays.

Over the year, we strengthened day-to-day delivery discipline, from clearer work packaging and better sequencing across site areas to tighter interfaces between on-site teams and off-site infrastructure projects. Improving productivity is about working smarter, learning quickly, and turning good performance into repeatable routines that protect safety, schedule and cost.

## Building a true partnership with our supply chain

None of this is achievable without true partnership with our supply chain.

As we move into main construction, we need our suppliers to operate as an integrated delivery team – sharing data, tackling constraints early, and continuously improving how work is planned, prepared, and executed.

That partnership is also a route to supply chain innovation and capability development at scale – a strategic priority for the Executive Leadership team – from increased modularisation and off-site manufacturing to adopting digital tools that improve first-time quality and strengthen delivery confidence.

And by investing together in the skills – trades, supervisors, engineers, and project leaders – needed for this programme, we strengthen the resilience of our workforce and the wider UK industrial base.

Ultimately, the benefits flow through to the consumer, because every productivity gain, improvement in predictability, and innovation that lowers cost, helps us deliver better value for money, a stronger and cheaper energy system for Britain.

## Delivering benefits in our host region

We're proud to be part of the fabric of Suffolk – and we're working hard to ensure our presence delivers meaningful, long-term benefits here.

By surpassing our 100th apprentice milestone, putting a planning application in for a permanent post-16 college, and by delivering hundreds of local contracts, we've showed how we're making good on the jobs, skills, and local opportunities we promised to local people.

The three nature reserves around the site are already three times the size of the final permanent footprint of the power station. After launching a £78 million environment charity and a £10 million environmental mitigation fund in the last year, we showed the strength of our commitment to leave the local environment in a better state than we found it.

Communication, openness, and transparency are vital to ensure we continue to have a social licence to build in Suffolk. As we stepped up our work at our off-site infrastructure projects, we know the last year was also a more disruptive one for our host communities. I'd like to thank them for their patience and dialogue.

Sizewell Creative has been set up to bring our workforce together with local people using the arts. I am really excited by their upcoming programme which includes a performance of Purcell's King Arthur at Britten Pears Arts in Snape Maltings. I'm also very proud that we're teaming up with Ipswich Town Foundation – the charitable arm of the football club – to bring new education and personal development opportunities to local young people.

We've worked hard to listen to people here, to give them a voice, and to minimise disruption as we build projects that will have long-term benefits for the area. We've also taken the lead on collaborating and coordinating with other large infrastructure projects in the area to minimise cumulative impacts.

## The path ahead

Over the next year, we'll further strengthen our operational performance and build a highly capable and effective organisation and leadership team.

Safety will remain our highest priority: as our work increases, so do our efforts to ensure that we have the very highest level of health, safety, and wellbeing across our entire organisation. Our zero-harm principle will be at the forefront every day on site.


We'll also continue to push for more innovations so that we can improve 'how' we build safer, better, and faster based on a replicated design from HPC. We'll standardise and simplify wherever replication allows, while investing in data and digital to improve first-time quality and address risks.

When we innovate in how we build, we also reduce disruption – shortening critical activities, cutting vehicle movements, and making day-to-day construction more efficient for our workforce and more considerate for our neighbours.

The recommendations of the Nuclear Regulatory Taskforce will be useful here too: we're working with our regulators to put some of the recommendations into practice, progressing a number of pilot opportunities that will help our project reduce costs, accelerate the pace of delivery, improve environmental outcomes, and deliver better overall value to consumers.

It's been a landmark year. I would like to thank all our people, our partners, our shareholders, and the many communities and organisations who've worked for us and with us over the last 12 months. Thanks to all of them, we're stronger, more advanced, more mature, and better equipped to deliver a project that will provide low-cost energy and energy security for Britain.

**Nigel Cann**  
Chief Executive Officer



We're proud to be part of the fabric of Suffolk.

*Nigel Cann, CEO of Sizewell C, on site in Suffolk*

## STRATEGIC REPORT

# Our values and culture

Our values underpin our culture and guide how we work together to deliver our mission.

They inform how we make decisions, how we treat one another, and how we uphold our responsibilities to safety, quality, and the communities we serve.

### Safety and quality

The safety of our employees, suppliers, and the public is paramount. All our activities — on site, in offices, and across the supply chain — must be performed to the highest standards. Safety and quality are always our first priority.

### Positivity

We approach challenges constructively, focusing on solutions and maintaining energy and momentum even when delivery is demanding.

### Respect

We value people, safety, the environment, and the regulatory framework within which we operate. Respect underpins how we work together and how we engage with others.

### Solidarity

We work as one team — collaborating closely, supporting one another, and taking shared ownership of outcomes.

### Clarity

We understand where we are, where we are going, and how we will get there. Clear priorities and decision-making support confident action and effective delivery.

### Humility

We recognise there is always more to learn. We value different perspectives and remain open to improvement.

Some of the Sizewell C team catching the bus at our Northern Park and Ride.



## Culture is central to how work gets done at Sizewell C.

We are building a workplace grounded in collaboration, accountability and respect, where people feel confident to contribute, supported to challenge constructively, and trusted to act within clear standards and decision-making frameworks. Through our culture programme, we are embedding shared leadership behaviours that reinforce high performance and safety, particularly under pressure.

Our focus is on consistency in how leadership is demonstrated, how decisions are made, and how learning is applied across the organisation and its supply chain.

In a safety-critical infrastructure programme such as Sizewell C, culture is a key driver of safety, delivery performance, and regulatory confidence. Leadership behaviours directly influence how risks are identified, escalated, and managed.

During the year, we appointed a Culture Transformation Lead and established a structured, evidence-based approach, positioning culture as a critical delivery control aligned to programme requirements.

A cultural framework has been defined, comprising values, leadership principles, and behavioural expectations aligned to recognised industry standards, including the Nuclear Industry Safety Culture Inventory and the World Association of Nuclear Operators. This has been shared with key stakeholders, including the Office for Nuclear Regulation and the Environment Agency, who support the overall approach.

### Focus has been on adoption and alignment, including:

- ▶ Socialising the framework and securing leadership adoption
- ▶ Auditing existing programmes and initiatives
- ▶ Aligning these into a coherent system under a single standard
- ▶ Addressing fragmentation across a complex delivery environment

The Company is in the early stages of embedding a consistent culture of safety and performance, with formal culture reporting and assurance mechanisms currently being developed.

STRATEGIC REPORT

# Our Company strategy

Our Company strategy sets out four long-term aims that define how we will successfully deliver our vision and mission:

-  **Attract**
-  **Build & Operate**
-  **Invest**
-  **Promote**

Sustainability, Culture, and Digital are **golden threads** woven throughout everything we do as an organisation. These are not confined to a single aim; rather, they act as common enablers of successful delivery and the creation of lasting value.

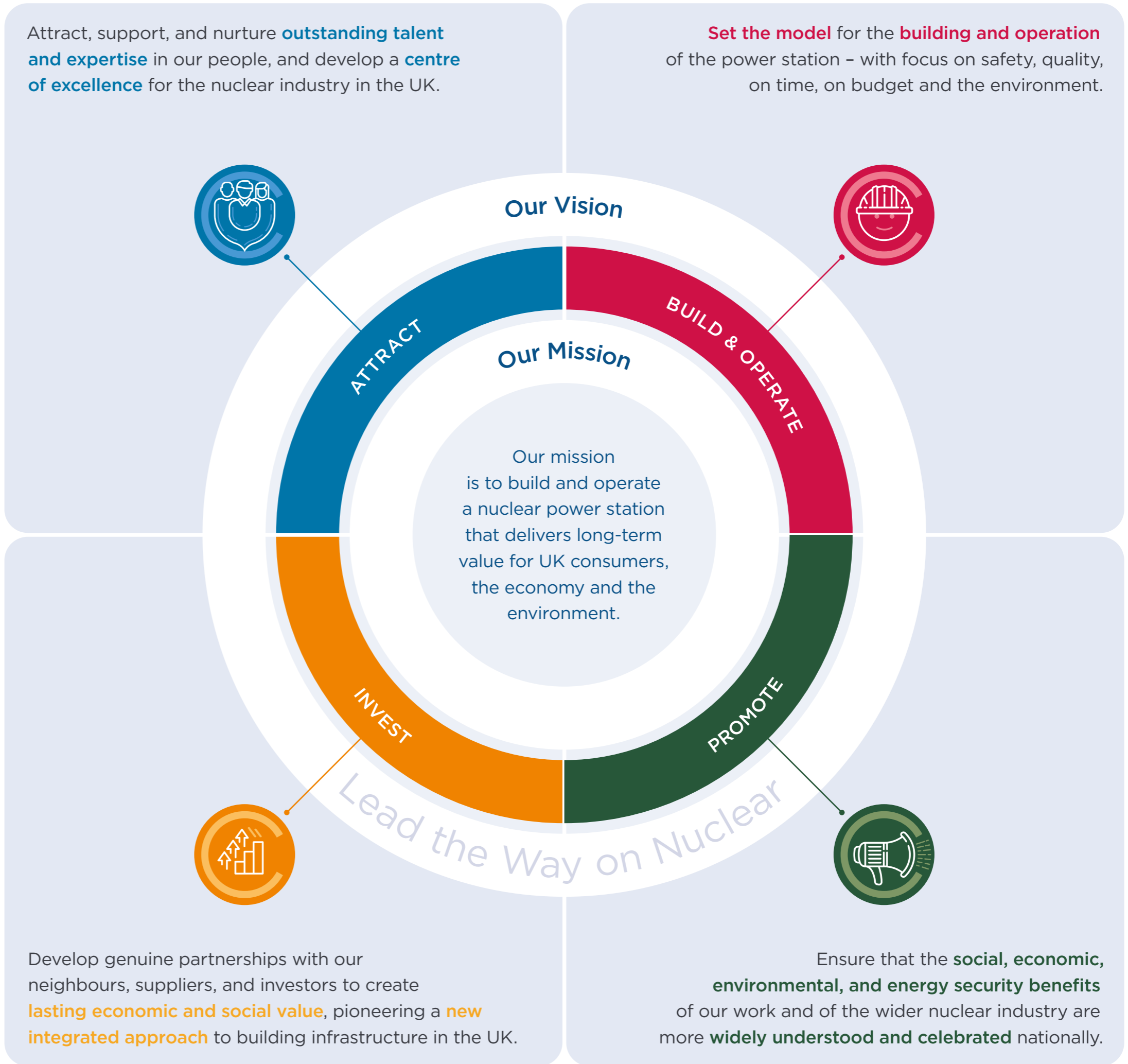
These aims guide our investment decisions, capability development, and delivery priorities. They ensure we progress safely and effectively towards major delivery milestones such as JO (Completion of the 'Common Raft' foundation) and Commercial Operation Date (COD - when the power station is switched on).

Each aim is supported by clear objectives, short to long term priorities, alongside strategic KPIs to measure our long-term performance.

An overview of each strategic aim and FY25/26 performance are outlined in following pages.

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

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



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.

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



## Attract

### Our strategic objective

- ▶ Attract a respected, diverse, and productive Sizewell C workforce with the required skills, enabled by a purposeful, performance-focused culture.

### Our long-term priorities

**Make Sizewell C a great place to work**, focusing on our workspaces, wellbeing, and our community arts programme (Sizewell Creative) to bring our workforce together.

**Remove barriers to successful and productive employment**, embedding our people requirements within our supply chain partners.

**Create satisfying careers** with clear career pathways and a focus on our Young Sizewell C programme and succession planning.

**Embed an inclusive Sizewell C culture.**

**Listen to our workforce** and maintain strong employee and industrial relations.

### Our focus in FY26/27 is to lay the foundations for future success

**Succession planning** for the Executive team, senior leadership teams, and priority roles.

**Deliver our Lead the Way for People programme** to transform our culture, employee value proposition, and HR operations.

### FY25/26 performance

Our people are the foundation of Sizewell C and central to our ability to deliver safely, credibly, and at scale. We are focused on attracting and developing a diverse, high-quality workforce that reflects the communities we serve, while securing a sustainable skills pipeline for both the delivery and operational phase of Sizewell C.

Strategic Aim	Strategic KPI Measure	FY24/25	FY25/26
Attract	Employee Engagement Index	85%	80%
Attract	Cumulative apprenticeships	70	120

Our workforce continued to scale rapidly during FY25/26 in line with our construction schedule. By year end, more than 2,000 people were working on site, with around 6,000 having completed induction - reflecting both the pace and complexity of mobilisation at Sizewell C.

### Attracting and developing a diverse and talented workforce

As we grow, we remain focused on building a diverse and inclusive workforce, tracking progress against key areas. We recognise that further progress is required to improve disability representation, with 3% of employees disclosing a disability as of March 2026. Overall, to strengthen representation at all levels, we are prioritising inclusive recruitment, strengthened succession planning, targeted cultural initiatives, and improving workforce data quality to better understand and address gaps, while continuing to enhance accessibility and inclusion across the workplace for all colleagues.

#### Sizewell C's Diversity metrics

	FY24/25	FY25/26
<b>Board</b>		
Female diversity	33%	46%
Ethnicity diversity	8%	8%
<b>Executive team</b>		
Female diversity	64%	70%
Ethnicity diversity	8%	20%
<b>Employees<sup>1</sup></b>		
Female diversity	42%	40%
Ethnicity diversity	17%	17%
<b>Early careers</b>		
Female diversity	28%	34%
Ethnicity diversity	17%	14%

## Diversity & Inclusion networks at Sizewell C



<sup>1</sup> Employee diversity metrics are presented excluding Early Careers populations, with Early Careers reported separately. This reflects their cohort-based intake and exit cycles, which can introduce short-term variability in overall employee metrics. Reporting on this basis is consistent with internal workforce performance tracking. Early Careers diversity is also disclosed separately to provide additional transparency on this important talent pipeline.

# STRATEGIC REPORT



## Attract

### Creating early careers and apprenticeship opportunities, supported by our supply chain

Developing skills and capability at scale is central to the long-term success of Sizewell C and the wider UK nuclear sector. By working closely with our supply chain, we continue to make strong progress towards our ambition of creating 1,500 apprenticeships. This reflects both the scale of the project and our commitment to leaving a lasting regional and national legacy.

During the year, we marked the milestone of our 100th apprentice during a ministerial visit in December 2025, growing to 120 apprentices by the end of the financial year.

Alongside apprenticeships, we are investing in a broader pipeline of early careers and local employment opportunities, including:

**Power Up**  
Ages 7 - 15

**Young Sizewell C**  
Ages 16 - 21

**Job Services**  
Supporting local people into employment

**Apprenticeship and Trainee Hub**  
Supporting up to 540 local apprentices

**Centre of Excellence**  
A purpose-built training facility focused on 'right first time' skills across civil, mechanical, electrical, and welding disciplines

**College on the Coast**  
A permanent post-16 education centre offering technical, vocational, and academic routes, developed with Suffolk New College

A key milestone this year was securing formal approval for the Sizewell C Education and Skills Campus - a significant strategic investment in long-term regional capability and workforce resilience.

Developed with regional partners, the campus is an example of how we are delivering on our vision to 'Lead the Way on Nuclear' to improve productivity, safety and quality across nuclear construction. It also establishes a lasting skills legacy for the region, strengthening local communities while supporting delivery of one of the UK's largest infrastructure projects.

### Creating an environment where people want to stay and grow their careers

Retaining and developing our people is critical to delivering Sizewell C. Listening to and acting on employee feedback is a key part of this.

The 2025 MySizewell C (our engagement survey) results highlight high confidence in the future of Sizewell C, along with clear understanding of everyone's role and contribution to the overall success. Overall engagement remained strong, with an **Employee Engagement Index of 80%** which indicates high emotional connection to the Company.

**This strong performance is underpinned by a safe and positive working environment, high job satisfaction, and a strong leadership culture that fosters autonomy, openness, care, and recognition.**

**We continue to invest in creating an inclusive environment where everyone feels able to contribute and perform at their best.**

Alongside this, we are strengthening capabilities across the organisation through targeted learning programmes, leadership development, technical upskilling, and on-the job training - equipping our workforce to operate effectively in a complex, fast-paced delivery environment.

Together, these efforts support a positive employee experience and help position Sizewell C as an organisation where talented people choose to join, stay, and build their careers, reflected in an **attrition rate of 7%** for FY25/26, within our target range.

Over the next 12 months, we will be focusing our attention on four main areas to support both the organisation's and our employees' success: improving communication and information flow; addressing efficiency challenges; ensuring a positive work environment with particular attention to people's wellbeing and workload; and continuing to fuel professional development through high recognition, learning and upskilling opportunities, and clear career paths.

# STRATEGIC REPORT



## Build and Operate

### Our strategic objectives

- ▶ Ensure a safe, secure, and compliant working environment, enabled by modern technology
- ▶ Leverage replication and value of European Pressurised Reactor (EPR) construction experience to successfully deliver a quality build faster and more cost-effectively than has been seen before in Europe
- ▶ Develop plant operational capability

### Our long-term priorities

**Strengthen health, safety, security, and compliance.** Improve cyber resilience and safety and compliance culture to maintain permits and consents

**Maximise the benefits of the UK EPR fleet approach.** Collaborate with HPC and other EPR programmes and deliver our safety case to support the completion of the 'Common Raft' foundation (JO)

**Drive productivity and innovation in delivery.** Adopt a data-centric approach, maximise off-site activity and modularisation, and implement area management principles. Maximise resource efficiency through circular economy principles, effective water management, and low-carbon construction

#### Excel in supply chain and logistics.

Support supplier development and performance improvements. Purchase critical equipment and materials early. Use our Orwell Logistics Hub to enable leading logistics solutions

**Become a world-class nuclear operator.** Deliver the Operational Readiness Roadmap and build capability<sup>1</sup>. Engage with industry groups such as the World Association of Nuclear Operators

### Our focus in FY26/27 is to lay the foundations for future success

**Improve safety and wellbeing performance** and continue to be exemplary while building trusted relationships with our regulators

**Work with our supply chain** to strengthen culture, build knowledge, and enhance performance

**Further optimise cost management**, and strengthen internal commercial capabilities

**Improve our delivery pace and productivity** and achieve key delivery Mission Milestones<sup>2</sup> for the next financial year

**Collaborate and innovate to enable JO**, working with key partners to ensure the availability of design information at the right time

### FY25/26 performance

Strategic KPI Measure	Actual FY24/25	Actual FY25/26
RIDDOR* frequency rate	0.05	0.05
Security Reportable Incident Rate (NISR**)	0.05	0.03
Delivery against the regulatory baseline - cost (£38 billion)	n/a <sup>3</sup>	On target
Delivery against accepted programme - schedule completion by mid- to late-2030s	n/a <sup>3</sup>	On target

\* Reporting of Injuries, Diseases and Dangerous Occurrences Regulations  
 \*\* Nuclear Industry Security Regulations

### Keeping our people safe and maintaining secure operations

#### Safety is our overriding priority and fundamental to the way we operate and to our culture.

As part of our commitment to maintain a safe and responsible working environment, we begin each day on site and in all key office meetings with a safety message, reinforcing our priority to ensure that everyone goes home safely every day.

As construction activity has accelerated, with over 2,000 people working across site locations each day (FY24/25: 1,227), we have maintained a strong safety performance. There were no major injuries or significant incidents during FY25/26. Our RIDDOR Frequency Rate remained low at 0.05 (FY24/25: 0.05), across 8.5 million hours worked (FY24/25: 2.0 million), with four RIDDOR-reportable incidents.

We continue to place strong emphasis on leadership, learning, and continuous improvement. More than 3,000 assurance activities were undertaken during the year (FY24/25: 841), including 417 leadership engagement tours (FY24/25: 212) to maintain strong visibility and active senior management presence on site. Our health and safety reporting observations app is being proactively used by our workforce to identify both good practice and unsafe conditions, enabling effective and prompt action to be taken. In FY25/26, a total of 3,467 observations were reported and closed, with 22% being positive observations.

We maintained a secure operating environment during the year, with one reportable security incident recorded, resulting in a rate of 0.03 (FY24/25: 0.05).

We are investing in the wellbeing of our workforce, as we recognise its importance to both safety and sustained performance. This includes flexible working arrangements, mental health support, and employee assistance programmes. From April 2025, an on-site medical centre has provided walk-in services for our workers, complemented by an out-of-hours GP telephone service, alongside a network of 167 Mental Health First Aiders trained by Sizewell C.

### Quality

During the year, we have continued to strengthen our quality capability and maturity, ensuring we are well positioned to support the next phase of manufacturing activity in FY26/27. The introduction of digital tools to manage non-conformances has improved visibility and control across manufacturing.

We're also working with Nuclear Collaboration Ltd on broader supplier improvement and targeted capability development across key replicated suppliers.

To manage supplier quality, we've aligned our on-site surveillance strategy to a risk-based approach. We are collaborating with HPC and EDF SA to mitigate wider delivery risks, including counterfeit, fraudulent and suspect items. We are also working with Great British Energy - Nuclear (GBE N) to optimise nuclear supplier audits, with the first pilot underway.

<sup>1</sup> The Roadmap to Operational Readiness is a guidance document issued by the World Association of Nuclear Operators (WANO), based on industry experience, to support new nuclear build projects in the preparation for safe nuclear plant operation.  
<sup>2</sup> Mission Milestones are the key delivery milestones we have set out to achieve for the next financial year.  
<sup>3</sup> Data not available as this is a performance indicator that was introduced during FY25/26.

## STRATEGIC REPORT



# Build and Operate

### Delivering to time and budget, and achieving productivity improvements

We remain on track, both against our approved project baseline for the construction stage and against our target to become operational by the mid-to-late 2030s.

### Delivery milestones

► We achieved 27 out of 29 delivery and management objectives for FY25/26. Key highlights include:

#### Q1 April to June

- Temporary sea defence sheet piling started
- Civil Works Alliance with Balfour Beatty, Laing O'Rourke and Bouygues Travaux Publics announced

#### Q2 July to September

- Cut-off wall works started
- Reinforcement manufacturing facility establishment started

#### Q3 October to December

- Financial Close achieved
- Temporary bridge across the Site of Special Scientific Interest installed

#### Q4 January to March

- Material deliveries to site by rail began
- Outfall building detailed design complete

- All Development Consent Order (DCO) discharges are on track to support the construction programme
- Land acquisition is now substantially complete, with 99% of main development site land secured (FY24/25: 97%) and 94% of off-site land acquired (FY24/25: 94%)
- We've obtained 148 of 189 required permits (FY24/25: 101 of 164) and 18 of 31 marine licences; the remainder are on track to support the construction programme
- Construction is in progress on all highway sites, which include junction improvements on the A12 and a new link road. Two new roundabouts on the A12 have now been opened and local bus services and two new park and ride schemes are in operation to ease the impact of construction activity on Suffolk roads and to bring long-term safety benefits
- Materials are being brought into site via a new rail route, and the main site access road is also in use. Construction has begun on an on-site facility to produce concrete on site, and also on a temporary jetty - called a Marine Bulk Import Facility - to deliver bulk materials by sea. Construction of a temporary sea defence and cut-off wall is progressing, to enable bulk excavation for the power station's foundations
- We've also begun foundations for a campus amenities building to accommodate the future workforce on site
- All our on- and off-site construction works have included the protection and, when needed, the relocation of wildlife, as well as the clearance of unexploded ordnance. Ongoing archaeological investigations continue to provide valuable insights into the local area's historical significance

### Design and engineering

- Continued collaboration with Nuclear Services and the Nuclear Services Agreement Consortium enables critical engineering and technical support, and provides technical expertise for design, design assurance, and Construction Design Management (CDM) Regulations activities
- The Pre-Construction Safety Report has been written and is on track to be submitted to the Office for Nuclear Regulation, which will support the permissioning of the first nuclear safety concrete pour
- Detailed design for civils structures is progressing as planned and remains aligned to the dates needed to start on site. High levels of replication are being maintained as design progresses through civils structures and equipment contract placement and launch. No new major replication deviation risks have been identified.

### Productivity and digital

- Our early manufacturing strategy protects the construction schedule by removing equipment from the critical path, while continuity of manufacturing from Hinkley Point C (HPC) reduces quality risk. Manufacturing of major nuclear components for Units 1 and 2 is progressing well, with fabrication activities advancing in line with the delivery programme
- During the year, we strengthened our logistics capability through the purchase of the freehold at Orwell Logistics Park near Ipswich. This provides approximately one million square feet of storage for manufactured equipment, enabling just-in-time delivery to site
- We secured Board endorsement of our Digital Delivery Strategy, which will enhance productivity and efficiency, enabling high quality data to flow through an integrated systems architecture that supports the effective delivery of Sizewell C

### Supply chain

Our supply chain remains a critical enabler of delivery, providing the capacity, capability, and resilience required to support construction at scale. We signed a total of 167 contracts (FY24/25: 229) with suppliers.

These included some significant milestones:

- Signature of the turbine contract with Arabelle Solutions, and the provision of the enriched uranium with Urenco
- 24 key equipment contracts to secure manufacturing capacity and the benefits of HPC design replication
- Signing of a Programme Alliance Agreement with the Civil Works Alliance at the end of June 2025 under a Target Outturn Cost approach. This is designed to drive transparency, productivity and disciplined cost control through collaborative delivery
- We've commenced bulk procurement activities for the Mechanical, Electrical and Heating, Ventilation and Air Conditioning programme

# STRATEGIC REPORT



## Invest

### Our strategic objectives

- ▶ Build a financially resilient and investible company
- ▶ Mature company operations, with data, systems, and processes designed to support all business needs
- ▶ Maintain social licence by delivering local, regional, and national benefits that foster growth, employment, and enduring social value

### Our long-term priorities

#### Prove our financial resilience and stewardship.

Ensure money is available when needed to maintain our construction schedule. Embed a cost-conscious culture. Remain a sustainable investment, demonstrating our Environmental, Social and Governance (ESG) credentials.

#### Manage risk and comply with regulation.

Adopt proactive risk and opportunity management and robust assurance practices.

#### Build a leading infrastructure company with

the right capabilities, end-to-end processes, data, and systems for today and as a future operator.

#### Enhance communities and support growth.

We are committed to deepening our work with local partners to strengthen community networks and create new opportunities for enrichment and personal development. Deliver lasting infrastructure, including passenger rail improvements and the new post-16 college, College on the Coast. Ensure supply chain commitments to local jobs and skills.

**Prioritise climate resilience** through the Benacre and Kessingland Flood Risk projects and by enhancing biodiversity.

### Our focus in FY26/27 is to lay the foundations for future success

**Enable an effective and efficient organisation** by implementing the agreed operating model and delivering our digital delivery strategy and roadmap.

**Engage positively with our stakeholders,** local communities, and public.

### FY25/26 performance

Strategic KPI Measure	Actual FY25/26	Actual FY24/25
Credit Rating	BBB+	n/a <sup>2</sup>
Actual and Projected Financial Covenants Compliance (RAR <sup>1</sup> )	60.9%	n/a <sup>2</sup>
Actual and Projected Financial Covenants Compliance (FFO ICR)	Historic 1.25 Forward 1.77	n/a <sup>2</sup>
% Sizewell C Construction value spent in the UK	Over 70%	n/a <sup>2</sup>
Onsite workforce from the local area <sup>2</sup>	34%	n/a <sup>2</sup>

### Delivering shareholder returns and value for money to the UK public

FY25/26 was a pivotal year in establishing Sizewell C as a financially investible infrastructure company.

We achieved a Final Investment Decision in July 2025 and reached Financial Close in November 2025, securing the long-term funding required for delivery. Alongside EDF and the UK government, we welcomed new long term equity shareholders during the year, including La Caisse, Centrica, and Amber Infrastructure, resulting in a broad, experienced, stable shareholder base with the UK government as the largest shareholder. We secured debt financing from a combination of the National Wealth Fund (NWF) and a consortium of 14 lending banks under an export credit facility backed by Bpifrance. Our innovative financing model received international recognition during the year, including being awarded PFI Global Deal of the Year (2025) and Association of Corporate Treasurers Deal of the Year, reflecting the strength of the public-private financing structure, and setting a benchmark for investment in future large-scale nuclear projects.

We also secured investment-grade credit ratings consistent with our target, Baa1 from Moody's, BBB+ from S&P, and BBB+ from Fitch. Maintaining this robust financial position remains a priority as we progress through construction.

Performance against financial covenants has been closely managed since Financial Close.

The Funds from Operations (FFO) Interest Coverage Ratio (ICR) is calculated on a last twelve months (LTM) basis and measures the ratio of Funds From Operations (FFO) (revenue less operating expenditure) to senior debt interest expense. Following the introduction of the debt structure in November 2025, Sizewell C incurred approximately five months of interest accrual, whereas revenue commenced in January 2026. This resulted in a temporary timing difference between debt service costs and cash flow generation, leading to lower historic FFO ICR of 1.25x. This outcome was fully anticipated within the financing profile and the historic FFO ICR is not subject to review as at the First Test Date (31 March 2026).

The forward looking FFO Interest Coverage Ratio (ICR) is projected to be 1.77x, reflecting the continued ramp up of revenue receipts and the corresponding forecast interest expense consistent with the capital structure.

Total spend in FY25/26 was £4.38 billion with investments made in line with our strategy and vision to Lead the Way on Nuclear. For further information on our financial performance, please refer to the [Financial Review](#) on [page 19](#).

<sup>1</sup> RAR is defined as the ratio of Total Net Indebtedness to RAB.  
<sup>2</sup> Data not available as this is a performance indicator that was introduced during FY25/26.

## STRATEGIC REPORT



## Invest

**Building a leading infrastructure company**

Reflecting our transition to a standalone company, we are strengthening our governance and operating model.

This has included designing and implementing a target governance framework aligned to shareholder requirements and enhancing our reporting to provide greater transparency to key stakeholders. For further detail, please refer to the [Governance Standards](#) section and the [Audit and Risk Committee Report](#).

As required under our RAB licence, we have onboarded an independent technical adviser to fulfil the obligations defined in our Liaison Agreement.

In FY26/27, we will continue to evolve our operating model to support delivery at scale, including implementing our Digital Delivery Strategy.

**Maintaining our social licence to operate**

Community and stakeholder support is fundamental to the long-term success of Sizewell C. We are focused on delivering tangible economic, social, and environmental impacts, ensuring that the benefits of Sizewell C are felt both locally and nationally. During the year:

- ▶ We have spent over £600 million in the East of England, bringing our total regional spend to £1.35 billion to date. Over 70% of our construction spend has been in the UK, supporting domestic supply chains, skills development, and employment
- ▶ 34% of the on-site workforce was drawn from the local area, an increase on the prior year, demonstrating continued progress in creating local job opportunities
- ▶ We launched East Suffolk Trust, a new grant-giving charity set up to enhance biodiversity and restore landscapes in East Suffolk and the wider county
- ▶ We've maintained a strong focus on minimising disruption to local communities, with the operation of park and ride facilities, ongoing engagement with local stakeholders, and delivery of 14 public forums during the year. We have also enhanced our local presence through improvements to the Leiston High Street office and continued to provide accessible, timely information through multiple channels, including our online Works Tracker<sup>3</sup>, local radio, and regular newsletters

Project 21 flash mob at the Suffolk show.



<sup>3</sup> Online tool for the public to track construction progress with up-to-date information on work locations and timings.

# STRATEGIC REPORT



## Promote

### Our strategic objective

- ▶ Be seen as a flagship UK infrastructure company, contributing to the development of the sector. Promote a wider understanding of the benefits of nuclear for society and the energy system.

### Our long-term priorities

**Define how we should be measured.**

Put in place a measurement framework which sets out how we should be assessed beyond our cost and schedule metrics

**Display our talents.** Define the areas in which we will be known for 'moving the industry dial', and develop a clear narrative to communicate them

**Promote our champions.** Bring together leading thinkers from across the company and supply chain, who embody our successes

**Understand our audiences.** Understand the differing views and concerns of our audiences, and strengthen our communication and public relation to evidence and tell our story in a way that resonates with them

**Build great relationships.** Further our connections with government, trade bodies, industry voices, and sustainability leaders by growing and maintaining strong relationships and partnerships

**Demonstrate our credentials transparently.** Create transparency through our external reporting, via our Annual Report and Accounts publication, Annual Sustainability Report, and other external communications

### Our focus in FY26/27 is to lay the foundations for future success

Promote the benefits of Sizewell C to enhance and protect our reputation

### FY25/26 performance

We continue to promote the value being delivered beyond the power station, as set out in our [Annual Sustainability Report](#). We are also developing measures to assess perceptions of Sizewell C by key stakeholders and to assess our role in promoting nuclear.

### Promoting the environmental, social, and economic benefits of nuclear for the UK

More of our senior leaders took part in external events or appeared in the media to help bring greater understanding of our project and our industry.

### Building strong relationships and partnerships

We are strengthening relationships with key industry and policy institutions that shape delivery standards, capability, and public confidence in major infrastructure.

During the year, we joined the Major Projects Association and became a Company Member of the Nuclear Institute - supporting the exchange of best practice and reinforcing our active participation in the UK's nuclear and infrastructure community.

We have deepened our regional supply chain partnerships, with proactive engagement with local networks such as the Suffolk Chamber's Sizewell C Supply Chain portal.

Some of our supply chain companies have supported us at external events to help build confidence in our ability to deliver successfully. At Nuclear Week in Parliament (January 2026), Ryan Gorman, Managing Director Exentec (one of our key suppliers), highlighted the benefits of our collaborative delivery approach - specifically the importance of strong, trusted relationships between infrastructure companies such as Sizewell C and its supply chain, and the contribution these partnerships make in strengthening the capability, capacity, and resilience needed to deliver infrastructure crucial to the UK's nuclear sector.

We also secured support from influential industry leaders. In July 2025, Leo Quinn, former CEO of Balfour Beatty publicly endorsed Sizewell C as a "critical investment in the UK's energy security and net-zero future" and commended the project's alliance approach - reflecting the strength of relationships being established with leaders across UK construction.

We worked closely with Ofgem as it published formal Economic Guidance for the project under the Regulated Asset Base model. This demonstrated our strong engagement with key stakeholders, providing investor confidence and value for money for British energy consumers.

### Demonstrating our credentials transparently

We are strengthening transparency and accountability through formal reporting of our performance.

Our [Annual Sustainability Report](#) sets out our ambitions for Sustainability. We've pledged to deliver infrastructure differently; and leave a sustainable legacy for jobs, skills, and economic growth, as well as long-term benefits for local communities and the environment. The Report details our Sustainability Performance Indicators; transparently measuring progress against our commitments.

# Financial review

## Introduction

I was appointed acting CFO of Sizewell C in October 2025 to continue the good work started by my predecessor, David Gregg, in building an independent, regulated company that will be financially resilient with an immediate focus on the completion of the capital raise process and onboarding new investors.

Following the successful Financial Close, significant progress has been made embedding new procedures and reporting to meet the large number of new requirements from our new funding arrangements. We have also defined our strategic priorities and KPIs and these now form the basis of our evolving performance management framework. This will continue to be an area of focus in 2026/27 in addition to our plans to comply with Provision 29 of the UK Corporate Governance Code 2024.

## Performance

We achieved all our financing priorities for the year. Sizewell C's Economic Licence was modified at Financial Close to incorporate the RAB model. With respect to our financing, at Financial Close we repaid £5,657.9 million of pre-Financial Close funding to EDF and DESNZ, drew down £5,696.4 million of debt funding from the National Wealth Fund (NWF) and Bpifrance facilities, and investors injected £2,444.9 million of funding via the Intercompany PledgeCo loan. Cash and liquidity continued to be managed effectively and prudently, in accordance with the Treasury Policy and financing agreements, including a further £518.1 million of funding drawn down from investors. Debt covenants remain in line with our financing plan and fully compliant with our Common Terms Agreement (CTA). Net debt/Adjusted RAB (gearing) is 60.9% (the covenant threshold is 65%) and the Interest Coverage Ratio forward test is 1.77x (covenant threshold is 1.3x) as at 31 March 2026. The Company has secured total committed debt and equity funding of £50,322.0 million. Of this committed funding, £8,675.7 million has been drawn down and the funds have been received.

£(m)	NWF	Bpi ECA Facility	Intercompany Loans	Ordinary Share Capital	Working Capital Facility	Total
Committed funding	36,600.0	5,000.0	8,505.7	16.3	200.0	50,322.0
Drawn funding	(4,322.0)	(1,374.4)	(2,963.0)	(16.3)	-	(8,675.7)
Available committed funding	32,278.0	3,625.6	5,542.7	0	200.0	41,646.3

## Treasury policy

Sizewell C's Treasury Policy incorporates the corporate objective to finance the company while minimising risk. The Policy sets objectives, guidelines and limits in relation to treasury and financial risk management and has been developed to maintain compliance with our financing agreements, Government Support Package and Economic Licence.

## Sustainable financing

As a vital part of the UK's low-carbon future, Sizewell C represents a significant sustainable finance opportunity, evidenced by the Project's financing arrangements.

We have a Green Financing Framework which, in 2024, received a "Medium Green" rating from S&P Global through their independent Second Party Opinion. Under S&P Global's methodology, this represents the second-highest possible rating. The framework, which follows the International Capital Markets Association (ICMA) Green Bond Principles (GBP) and the Loan Market Association Green Loan Principles (GLP), has supported the structuring of Sizewell C's £5 billion green loan (the Bpifrance AE debt facility). This green loan leads the way for future sustainable finance investments in the UK's nuclear sector, recognising the technology's crucial role to support the transition to net zero, while delivering home-grown, secure power to the UK.

## Hedging

In line with the Hedging Policy set out in the CTA, Sizewell C has entered forward exchange contracts using a three-year strategy to hedge euro- denominated allowable capex spend in line with our three-year forecast. Under the CTA policy the Company can enter foreign exchange contracts annually, up to a value of 100% of foreign denominated capital expenditure for the first year, 60% for the second and 30% for the third year.

## Distributions

Prior to Commercial Operations, Sizewell C Limited will not generate distributable profits and as such it will not be able to pay equity dividends to its shareholders. As a result, during construction shareholders receive a cash return on their investment through a combination of payments of interest on loans and partial repayments of those loans. This mechanism was put in place during Financial Close and overseen by Ofgem and DESNZ and was key to achieving the low cost of capital bid by our shareholders. Ultimately, electricity consumers will benefit from the low cost of capital achieved through a lower charge on their bills.

## Liquidity

At 31 March 2026, we had total cash and cash equivalents of £594.5 million. This, combined with expected RAB income collections and equity undrawn committed funding, including £200 million drawable under the working capital facility, provides liquidity significantly more than our 12-month requirements.

## Credit ratings

On 4 November 2025, Fitch assigned Sizewell C a BBB+ rating with a stable outlook, Moody's assigned Sizewell C a Baa1 rating with stable outlook and S&P Global Ratings assigned Sizewell C's HMG Term Facility a BBB+ rating, also with a stable outlook.

## Investment management

We maintained substantial cash balances throughout the period as a result of significant initial financing at Financial Close with a closing cash and cash equivalents balance of £594.5 million. These cash balances were managed under the set limits and criteria of our approved Treasury Policy, prioritising the preservation of principal, ensuring adequate liquidity and striving to optimise the yield.

# Financial review

## 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) mandate otherwise.

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.

Following consideration of the nature of the Revenue Collection Contract ("RCC") and the underlying regulatory framework, the Company has concluded that IAS 20 provides the most appropriate basis for accounting. Income earned under the RCC during the construction phase will be classified according to its nature. Most funding is directly linked to the financing and construction of the assets and will be treated as a grant related to assets and recognised as a reduction to the carrying value of the asset under construction on the Statement of Financial Position.

## Non-Generally Accepted Accounting Principles (GAAP) measures

In addition to the measures reported under IFRS, we also use certain alternative performance measures that reflect the regulatory framework under which Sizewell C operates.

These measures are not defined by IFRS but are required under our Nuclear RAB Licence or funding arrangements, and are used by management, investors and regulators to assess delivery of the project against its regulatory and borrower obligations.

Our principal non-IFRS measure is Allowable Project Spend, which represents expenditure that is eligible to be added to the Regulatory Asset Base (RAB) in accordance with the Licence and at the earlier of it being accrued or cash paid. The Licence requires all project costs to be classified as either Allowable Project Spend or Excluded Project Spend. Allowable Project Spend is split between Allowable OPEX Spend and Allowable CAPEX Spend.

Allowable OPEX spend is funded via Pass-Through and OPEX allowances which reimburse certain direct costs in the period as incurred. The Social Benefits and Communication Costs Allowance reimburses specific indirect costs to a maximum of £10.4 million (FY24/25 prices) per 12 month charging period.

Most costs fall into the Allowable Capital Spend category, which increases the RAB and forms the basis for calculating future regulated income under the RAB model's Return on Capital Allowance, which applies the regulated weighted average cost of capital to our Regulated Asset Base to calculate the allowance. In addition, the Cost of Debt Adjustment Allowance provides SZC with an allowed revenue adjustment (either upwards or downwards) to reflect deviations during the construction phase between its actual cost of debt and the cost of debt assumed in the regulated weighted average cost of capital calculations as at the Licence Modification Date. The purpose is to reflect market movements in the cost of debt over the construction period and to incentivise SZC to manage its debt costs and raise any debt efficiently.

Excluded Project Spend, which includes items such as financing costs and certain non project expenditures, does not form part of the RAB. Financing costs are funded via the Return on Capital and Cost of Debt Adjustment allowances.

To calculate net debt under the Finance Documents, borrowings comprise all third party debt, excluding intragroup loans. This non-IFRS measure is used to monitor compliance with financing covenants and to assess the capital structure of the project during the construction phase.

These non IFRS measures provide users of the financial statements with additional insight into the project's regulatory performance and progress in building the RAB, which is the key economic measure of value under the RAB model.

## Income statement

During the year, Sizewell C reported a Net Income of £5.1 million (FY24/25: £2.4 million), with £nil dividends paid or proposed (FY24/25: £nil). The Company recognised £5.3 million of Profit Before Tax in the period (FY24/25: £5.8 million), mainly relating to interest income on cash balances, offset by expenses for staff-related costs that did not meet the capitalisation criteria of IAS 16. The resulting corporation tax charge for the period was £0.2 million (FY24/25: £3.4 million).



Some of the Sizewell C team at the opening of the SSSI bridge linking two of our construction sites.

## STRATEGIC REPORT

## Financial review

## Statement of financial position

At 31 March 2026, cumulative costs of £7,968.3 million (2025: £3,758.8m) had been capitalised as PP&E in the Statement of Financial Position. This includes £4,730.0 million of capital additions during the year (2025: £1,762.7 million) offset by -£471.5 million of RAB income (2025: £nil) and a -£49.0 million remeasurement of provision assets (2025: -£11.9 million). The capitalised costs were funded through a combination of proceeds from issue of debt, Allowed Revenue from the Revenue Collection Contract with the Low Carbon Contracts Company (LCCC) and shareholder capital injections.

We have apportioned the £4,730.0 million of PPE additions as follows:

	FY25/26 £m	FY24/25 £m
Costs directly related to the design and delivery of the new power station	586.6	596.6
Preparation of the construction site at Sizewell C	1,178.7	619.6
Vehicles and Plant and Machinery	1.0	-
Movement on Provision Assets	42.7	46.9
Other design and delivery support	429.2	138.2
Know-How Payment	1,579.8	-
<b>Total direct costs</b>	<b>3,818.0</b>	<b>1,401.3</b>

The below table summarises the reconciliation of PPE additions to Allowable Capex additions.

(£m)	RAB additions reconciliation
<b>Sunk costs at 31 March 2025<sup>1</sup></b>	<b>3,980.4</b>
Closing RAB at 31st March 2026	8,381.9
<b>Allowable Capex Additions to RAB</b>	<b>4,401.5</b>
Allowable Capex presented in Income Statement	(6.4)
Allowable OPEX recorded against AUC in balance sheet	34.1
Movements in Advance Payments	(33.4)
Provision Asset additions net of provision payments	30.4
Capitalised ROU Asset depreciation & interest net of lease payments	2.5
Capitalised interest and fee amortisation	314.5
Capitalised finance income	(14.0)
Capitalised depreciation	0.8
<b>Additions to PPE<sup>2</sup></b>	<b>4,730.0</b>

	FY25/26 £m	FY24/25 £m
People costs	195.9	142.1
Insurances	34.9	44.2
Property purchases	191.7	16.3
Loan interest and fees	307.4	-
Other corporate cost	182.1	146.9
<b>Total indirect costs</b>	<b>912.0</b>	<b>349.5</b>

## Net indebtedness and financing

At Financial Close Sizewell C entered the debt facilities detailed on [page 19](#), providing the Company with committed external debt funding of £41.8 billion. Net indebtedness at 31 March 2026 was £5,101.9 million (2025: net cash of £365.1 million). The table below provides the breakdown of net indebtedness as per the Master Definitions of the Common Terms Agreement of the Financial Documents, and the balance as at 31 March 2025.

(Net Indebtedness) / cash (£m)	FY25/26 £m	FY24/25 £m
Cash and cash equivalents	594.5	365.1
Borrowings <sup>3</sup>	(5,696.4)	-
<b>Net Indebtedness</b>	<b>(5,101.9)</b>	<b>365.1</b>

At 31 March 2026, the Company's total borrowings were £8,492.4 million, being £3,053.8 million of intra-group debt and interest and £5,696.7 million of external debt (including £0.3 million working capital facility), less £258.1million of unamortised debt issue costs.

## Cash

Cash and cash equivalents at 31 March 2026 was £594.5 million, which was £229.4 million higher than the £365.1 million cash and cash equivalents at 31 March 2025.

Net cash flows from operating activities of £136.5 million (2025: cash outflows of £258.2 million) represent movements in working capital and are mainly driven by timing of payments to our Main Works Contractors. Net cash flows used in investing activities of £4,077.9 million (2025: £1,679.6 million) show the gross cash outflows used in construction and for the £1,579.8 million Know How Payment. This is offset by RAB income receipts from LCCC which are deferred on the Statement of Financial Position during the construction phase of the project and interest income on cash balances. The net cash inflows from financing activities of £4,170.8 million (2025: £2,019.0 million) are principally proceeds from new shareholder loans and drawdowns of external debt, offset by repayment of pre-Financial Close funding, payment of interest and fees and lease liability payments.

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

	FY25/26 £m	FY24/25 £m
<b>Profit before tax</b>	<b>5.3</b>	<b>5.8</b>
Net finance income/(expense) & FX differences	(16.1)	(15.7)
Increase in provisions	(12.3)	7.5
(Increase)/Decrease in working capital	159.6	(255.8)
<b>Net cash flow from operating activities</b>	<b>136.5</b>	<b>(258.2)</b>
Interest income on cash and cash equivalents	27.2	15.0
Net acquisition of property, plant and equipment	(2,796.0)	(1,694.6)
RAB income received	270.7	-
Know-How Payment	(1,579.8)	-
<b>Net cash flows from investing activities</b>	<b>(4,077.9)</b>	<b>(1,679.6)</b>
Proceeds from issue of shareholder loans	4,619.2	2,025.0
External debt funding	5,696.4	-
Repayment of pre-Financial Close funding	(5,657.9)	-
Interest and fees paid	(474.4)	-
Lease liability payments	(12.5)	(6.0)
<b>Net cash flows from financing activities</b>	<b>4,170.8</b>	<b>2,019.0</b>
Net increase in cash and cash equivalents	229.4	81.2
Cash available for use at 1 April	365.1	283.9
<b>Cash available for use at 31 March</b>	<b>594.5</b>	<b>365.1</b>

<sup>1</sup> Calculated as PPE adjusted to include advance payments and exclude provision assets.

<sup>2</sup> See note 17 for Reconciliation to Acquisitions of PP&E in the Cashflow Statement.

<sup>3</sup> Net Indebtedness as per Master Definitions of the Common Terms Agreement of the Finance Documents; Borrowings excludes intra-group debt.

## STRATEGIC REPORT

# Financial review

### Financial key performance indicators (KPIs)

Under its Common Terms Agreement (CTA), Sizewell must comply with a set of financial covenants, including calculating two key ratios, Senior Regulatory Asset Ratio (Senior RAR) and Funds from Operations Interest Cover Ratio (FFO ICR) and report compliance with certain thresholds in specified circumstances. The performance of the two ratios for FY25/26 are provided below.

#### 1. Senior RAR

This ratio compares the Net Indebtedness to the RAB. It is calculated as senior borrowings, less cash and cash equivalents to the RAB. The Senior RAR trigger in the Finance Documents is 65%.

#### FY25/26 performance = 60.9%

Senior RAR		31 March 2026
A	Net debt – per CTA (£m)	5,101.9
B	Regulated Asset Base (£m)	8,381.9
A/B	Senior RAR	60.9%

The table below provides a reconciliation to the net debt in the financial statements:

Reconciliation to reported net debt (£m)	31 March 2026	Note
Net debt – per CTA	5,101.9	16
Intragroup borrowings & interest payable	3,053.8	16
Derivatives	(0.2)	11
Unamortised loan fees	(258.1)	16
Working Capital Facility fees	0.3	16
Lease liabilities	22.0	14
<b>Reported net debt</b>	<b>7,919.7</b>	<b>16</b>

#### 2. FFO ICR

The Funds from Operations Interest Cover Ratio compares the level of cash interest cover compared with the free cash flows from operations. The FFO ICR historic test has a trigger in the CTA of 1.3 times. The test period is twelve months to the reporting date. The Common Terms Agreement specifies that the Historic FFO ICR is not required to be tested on the first test date following Financial Close, reflecting the expected delay in the receipt of RAB revenues after Financial Close. Reporting of this covenant will therefore commence from the 30 September 2026 test date.

The FFO ICR forward test has a trigger in the CTA of 1.3 times. The test period is twelve months from the reporting date. The result of the forward test at 31st March 2026 is 1.77 times.

FFO ICR		12 months to 31 March 2027
A	Net cash flow – per CTA (£m)	1,050.4
B	Debt interest – per CTA (£m)	593.9
A/B	FFO ICR	1.77

#### Allowed revenue

Within the financial statements, all regulated Allowed Revenue is recorded as a reduction to the carrying value of PPE in the Statement of Financial Position, in line with our IAS 20 Government Grants accounting policy. During the year, we recognised £472.3 million of RAB income, of which £471.5 million was recorded against the balance sheet. £270.7 million of cash inflows were received from LCCC, which includes £0.8 million related to the Social Benefits and Communications Cost allowance which was recognised as income in the Statement of Financial Performance to match the related expenses. No allowed revenue was recorded or received in the prior financial year.

#### 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 [sizewellc.com/investor](http://sizewellc.com/investor). The publication of this strategy is considered to constitute compliance with the duty under paragraph 16(2) Schedule 19 Part 2 of the UK Finance Act 2016.

Our tax strategy is to comply with all applicable UK tax legislation and pay the correct taxes on time and in full. If any non-compliance with UK tax legislation is identified, we will take immediate remedial action.

#### Subsequent events occurring after the reporting date

There have been no significant post balance sheet events that require disclosure.

#### Going concern

The financial statements have been prepared on a going concern basis. Further details are set out in Note 1 to the financial statements.

**Dr. Laura Barbrook**  
Acting Chief Financial Officer

# Section 172 statement

In accordance with Section 172(1) of the Companies Act 2006, the Directors of the Company have a duty to act in the way they consider, in good faith, would be most likely to promote the long-term success of the Company for the benefit of its members as a whole.

In doing so, the Directors have regard to, amongst other matters:

- ▶ the likely consequences of any decision in the long term
- ▶ the interests of the Company's employees
- ▶ the need to foster the Company's business relationships with suppliers, customers, and other stakeholders
- ▶ the impact of the Company's operations on the community and the environment
- ▶ the desirability of maintaining a reputation for high standards of business conduct
- ▶ the need to act fairly between members of the Company

Consistent with the principles and provisions of the UK Corporate Governance Code (2024), the Board recognises that effective decision-making requires an understanding of the perspectives of key stakeholders and the integration of those considerations into Board deliberations.

Section 172 is central to the Board's governance and decision-making process. These considerations were reflected through:

- ▶ the setting of Board and Committee agendas
- ▶ the planning of strategic and operational activities
- ▶ structured discussions and challenge at Board meetings

The Board is satisfied that the decisions taken during the year were made with appropriate consideration of the matters set out in Section 172 and were directed towards delivering sustainable long-term value. The outcomes of these decisions are described throughout this Annual Report and Accounts.

Two areas of decision-making were particularly significant during the year and illustrate how the Board discharged its Section 172 duties:

- ▶ Construction logistics preparedness, where a number of decisions relating to construction logistics arrangements were made following careful consideration
- ▶ Financial Close and securing the Economic Licence, where careful consideration was given to regulatory requirements, funding sustainability, stakeholder confidence, and the Company's long-term operating model

Throughout the year, the Board also considered a wider range of stakeholder and contextual matters in performing its duties. Key themes and outcomes arising from these considerations are summarised on the following page and are referenced more fully elsewhere in this Annual Report and Accounts.

*Plastic wall concrete pour on the Main Construction Area.*



The team have built a new roundabout on the A12 at Yoxford, near to the site.



## Principal decision: construction logistics preparedness

Logistics are the lifeblood of this project and getting logistics arrangements right is essential for delivery.

During the year, the Board considered and supported a number of decisions relating to construction logistics arrangements – all of which were designed to support safe, efficient, and timely construction activity through the coordinated use of rail, road infrastructure, and off-site warehousing.

In making these decisions, the Board considered the long-term success of the Company and the need to maintain effective oversight of logistics arrangements as construction activity increases.

### Decision-making process

Logistics arrangements must be intricately planned, expertly coordinated, and effectively integrated with the wider construction programme. Materials, equipment, and components must be transported, stored, and managed in support of construction activities. The Board has to consider all of these requirements – to deliver the best outcomes for the project.



Key examples of logistics-related decisions considered during the year included:

- ▶ The acquisition of the freehold interest in Orwell Logistics Park in Ipswich, providing a strategically important off-site logistics and warehousing hub to support construction delivery
- ▶ Approvals relating to Main Development Site (MDS) roads, including scope and budget changes required to deliver permanent and temporary road infrastructure essential for construction traffic
- ▶ The approval of highways and off-site infrastructure agreements, supporting defined road routes, junctions, and interfaces with local highways authorities
- ▶ Following a competitive tender process, the Company appointed Wilson James as its logistics partner, with responsibility for delivering all logistics support services, including warehousing, logistics planning, transport, and distribution

In each case, the Board considered the proposals, the approvals sought, and the associated risks and mitigations, including safety, environmental, and community considerations.

Where decisions required further design development or phased implementation, the Board ensured that appropriate governance was in place for approval as required.

### Key Section 172 considerations

The Board always considered the long-term consequences of construction logistics decisions. Those decisions are vital in helping to control cost, manage schedule risk, and support delivery certainty for shareholders. The Board also considered the interests of employees, contractors, and suppliers, noting the role of effective logistics planning in supporting safe working practices and efficient supply-chain coordination.

The impact on the local community and environment was also a key consideration. The Board considered how the use of rail, defined road infrastructure, and off-site warehousing can help manage traffic movements, reduce disruption, and support responsible construction practices.

### Actions, outcomes, and impact

As a result of its considerations, the Board supported construction logistics arrangements that enable the effective delivery of the project while maintaining appropriate oversight and control. The Board confirmed the importance of continued reporting on logistics performance and risks. It also confirmed the importance of bringing any material changes to logistics arrangements back to the Board in line with established governance and approval processes.



## Principal decision: Financial Close – securing the equity and lender stakeholders and the Economic Licence

### Decision-making process

During FY25/26, the Board oversaw the evolution of the ownership and financing structure for Sizewell C in the period leading up to Financial Close.

In advance of implementing the new financing arrangements, the UK government contributed additional equity to ensure the project’s construction activity could continue to progress in the period before Financial Close was reached.

As part of the new financial structure and capital raising process, ownership of the project was opened to third-party private sector investors that secured approval to participate in the capital raise process. The Board approved the financing and funding structure that resulted from the capital raise process. This included additional equity and debt commitments from Financial Close and a funding arrangement under an Economic Licence regulated by Ofgem. The Licence provides a regulated revenue framework intended to support long-term project delivery and enable appropriate returns for investors.

The financing structure was designed to achieve balanced and transparent allocations of risk between equity and debt investors, consumers and the government, including through the provision of a government Support Package (GSP). At Financial Close, the ownership structure comprised a diversified group of public and private shareholders, with the UK government holding a 44.9% interest, alongside La Caisse (20.0%), Centrica (15.0%), EDF (12.5%), and Amber Infrastructure<sup>1</sup> (initially 7.6%). Debt financing was secured from a combination of the National Wealth Fund (NWF) and a consortium of 14 lending banks under an export credit facility backed by Bpifrance.

Under the equity and debt commitments, the Economic Licence and the GSP that were confirmed at Financial Close, the Company is positioned on a robust footing to deliver a major item of nationally significant infrastructure through a blended public and private investment model.

### Key Section 172 considerations

In approving commercial close at Final Investment Decision (FID) and Financial Close, the Board carefully reviewed the principal risks, regulatory requirements, and compliance obligations associated with the new ownership and financing structure. In doing so, the Board had regard to:

- ▶ the long-term consequences of the proposed structure for the sustainability and resilience of the project
- ▶ the interests and wellbeing of employees and contractors involved in construction and delivery
- ▶ the strength and continuity of relationships with suppliers, lenders, investors, and regulators
- ▶ the impact of the project on local communities and the environment
- ▶ the importance of maintaining high standards of governance, transparency, and conduct

### Actions, outcomes, and impact

The Board’s oversight and approval of the revised ownership and financing structure supported the long-term success of the Company by providing funding certainty, regulatory clarity, and an appropriate allocation of risk across stakeholders. This enabled the Company to move into the construction phase with a stable and diversified investor base, clear regulatory oversight, and strong alignment between public and private interests.

The decisions taken during the year were consistent with the Directors’ duties under Section 172 and contributed to the Company’s ability to deliver long-term value for shareholders while supporting employees, suppliers, communities, and the wider public interest.

*Image: CGI of how the Sizewell C nuclear power station will look*



<sup>1</sup> Funds managed by Amber Infrastructure comprising INPP and NLE

## STRATEGIC REPORT

# Stakeholder engagement

### Regulators

#### Office for Nuclear Regulation (ONR)

We have an open and constructive relationship with our nuclear regulator, the ONR, which enables us to deliver Company activities in a compliant and timely manner. We are also reviewing recommendations from the Nuclear Regulatory Taskforce, to assess established modes of working and manage real risk.

#### Office of Gas and Electricity Markets (Ofgem)

After achieving Financial Close, our Generating Licence was modified to allow the Regulated Asset Base funding model to begin. This increased Ofgem's role as our regulator and generated additional requirements that we need to meet to ensure that we are compliant with our obligations and that our spend is eligible to be supported. We have worked closely with Ofgem officials over the last 12 months to ensure we meet the new requirements and to resolve any issues and report quarterly to them through the Liaison Committee.

From 2027, we will provide an annual spend and forecast report to Ofgem<sup>1</sup>, which will allow Ofgem to review our allowed revenue under our Economic Licence.

#### Environment Agency (EA)

As on-site works progress, our open and productive relationship with the EA is as important as ever. Last year, the EA issued all permissions in line with our schedule, and we demonstrated compliance with all our permits. Our engagement included on-site inspections, collaborative site-orientation visits, and regular engagement across all levels of seniority. We also worked together to explore how we can enhance our environmental protections while supporting the progress of our project.

#### Marine Management Organisation (MMO)

We made good progress on our offshore enabling works, which are a highly visible area of public interest. An important part of its success is our open, trusted, and productive relationship with the MMO. The MMO is the regulator for our construction activities in the sea. We work regularly with its case team on technical matters and with senior management and inspectors, as required, to ensure and to demonstrate compliance with our marine licences.

In 2025, the MMO issued a variation for our overarching Deemed Marine Licence to consent revised designs for some of our marine infrastructure. The MMO approved our necessary licence conditions for all offshore works planned for 2026. It also issued new licences for unexploded ordnance investigations and a crew transfer pontoon at Lowestoft Port.



It's important we create meaningful engagements with our stakeholders.

Local students, who form The Sizewell C Youth Council, made a visit to 10 Downing Street this year.

<sup>1</sup> Via Ofgem's Regulatory Instructions and Guidance (RIGs) which provides a structured framework for network operators to report data consistently.

## STRATEGIC REPORT

# Stakeholder engagement

### Local Community

As part of our strategic aim to 'Invest', over the last year, we have strengthened our local presence across East Suffolk. Our local teams have worked really hard to match construction progress with meaningful community engagement and tangible local benefits.

We've expanded our direct engagement with parish councils, residents' groups and local forums, maintaining regular dialogue through Community Forums, drop-in events, and targeted briefings.

We made further progress in employment, skills, and widening access to opportunities. Our aspiration-raising programme included education outreach linked to our newly-opened Sizewell Visitor Centre, careers events, and partnerships that connect young people with long-term opportunities linked to the project.

Through the Sizewell C Community Fund and wider social investment, we've supported a broad range of local initiatives — from grassroots voluntary organisations to larger cultural and educational partnerships. Across East Suffolk, our funding has helped strengthen advice services, community cafés, festivals and education, and employability support in its broadest sense. Our collaboration with Citizens Advice East Suffolk continued to provide practical energy advice, while our work with community partners supported access to jobs for hard-to-reach groups.

*Image: From left to right, Ashley-Shorey Mills (Suffolk Chamber of Commerce), with Nigel Cann (CEO of Sizewell C), Tim Johnson (Sizewell C), Hannah Bloom (Suffolk Community Foundation), and John Dugdale (Suffolk Chamber of Commerce)*

We've also had a positive influence on local culture.

From archaeology exhibitions through to our Artist in Residence programme, we've enabled communities to engage with and experience our project in new and creative ways, celebrating local heritage while acknowledging the scale of change underway.

Our impact on the local roads is an important issue for us. To mitigate those impacts and respond to community feedback, we've accelerated our park and ride provision, invested in worker accommodation to reduce pressure on local roads, and continued to work closely with partners to manage our impacts responsibly.

Overall, local public opinion is in favour of the project too. Last year, we commissioned a new poll of over 2,000 adults across Suffolk, Norfolk, Essex, and the parts of Cambridgeshire and Hertfordshire closest to the Suffolk coast. The report found that 70% of people in the East believe a new nuclear power station in Suffolk will bring job opportunities while it is being constructed - rising to 76% in Suffolk and 73% in Norfolk.

While a small opposition group applied for permission to bring a judicial review against the Secretary of State in relation to our flood barriers, the High Court refused the application in December 2025, and this was upheld by the Court of Appeal in February.

Our focus remains clear for the rest of the Sizewell C project: to listen, to respond, and to ensure that we deliver lasting economic, social, and cultural value for the communities who host us.

## The Leiston Education Partnership

With the support of Sizewell C, Kingfisher Schools Trust has established a collaboration between 18 primary and secondary schools in the area, known as the Leiston Education Partnership. This cross-curriculum, cross-multi-academy initiative is a unique way of breaking down barriers to learning.

Working with the Trust, we are supporting growth in key foundation areas:

- ▶ Science, Technology, Engineering, and Mathematics
- ▶ Literacy
- ▶ Creative Arts and Music
- ▶ Health and Wellbeing
- ▶ Community Partnerships

This approach addresses attainment, confidence, and aspirations. Students are engaging in a wide range of activities — from establishing a school council to give young people a voice, through to curriculum enrichment and external events.



## Inspire Suffolk

Sizewell C represents an extraordinary opportunity for Suffolk. Alongside significant economic benefits, the project is already playing a transformative role in helping local young people — particularly those facing barriers — access meaningful, sustainable work.

Since 2019, Inspire and Sizewell C have worked in partnership to support young people across Suffolk to build confidence, gain industry insight, and develop the skills needed to move towards employment.

### Together, we have achieved:

- ▶ Over 450 young people engaged in Sizewell C-linked activities, insight days, and site visits since 2019
- ▶ 300 one-to-one sessions delivered this year, helping young people explore careers, build confidence, and overcome barriers
- ▶ Six young people progressing into work experience, seven into paid employment, and two into education as a direct result of this support
- ▶ Three young people applying for Sizewell C apprenticeships after meeting staff and seeing the project first-hand
- ▶ 82% of participants reporting increased confidence after taking part in Inspire's employability and industry sessions
- ▶ Young people consistently report reduced anxiety, improved motivation, and a clearer sense of direction. Increasing numbers of young people are gaining valuable insight into the wide range of sectors connected to Sizewell C and our supply chain



# Stakeholder engagement

## Trade unions

We work closely with our recognised trade unions to deliver successful outcomes for our people and our project.

The Social Covenant is embedded within each of the three Sizewell C construction collective agreements - the Civil Engineering Sector Agreement (CESA), Engineering Construction Sector Agreement (ECSA), and Site Operations Agreement (SOA) - and sits at the forefront of the Common Framework in each document. It establishes the shared cultural ethos, behavioural expectations, and partnership principles that underpin the application of the agreements, and they have all been formally agreed by Sizewell C, its Tier 1 contractors, and the two recognised trade unions, Unite and the GMB. The construction agreements apply specifically to site-based personnel and the supply chain and are distinct from the NNB Collective Agreement covering directly employed SZC staff.

Throughout the year, our priority was to establish the transitional arrangements required to bring all supply chain partners together under the principles of these collective agreements. We'll complete this implementation in the coming year and ensure a consistent and collaborative framework is in place.

We've continued to work closely with Hinkley Point C to share lessons learned and replicate best practice in respect to our employed workforce and continue to consult with our recognised employee unions, Unite and Prospect, to support the successful transfer of EDF secondees into direct employment with us.

For the 2026/27 year, we'll continue our close engagement with all recognised unions, so that our employees and the construction workforce have a meaningful voice in shaping the policies, processes, and local decisions that affect them.

## Supply chain partners

Our supply chain management is crucial to the delivery of our project.

By concluding our remaining procurements, ensuring our contract management applies strong methodology, and strengthening sovereign capability, we're laying the foundations for a deliverable, cost-effective, and nationally-beneficial project.

During the FY25/26 financial year, we focused on awarding high-value, strategically significant contracts across our delivery programmes. We strengthened our strategic supplier partnerships and worked with our Tier 1 partners to ensure they consistently met safety, quality, cost, and schedule commitments.

Our partnership with the Suffolk Chamber of Commerce is vital. The Sizewell C Business Exhibition in February 2026 was a great example of how we are working together to engage local businesses. Delivered by the Chamber on our behalf, the event attracted 1,000 businesspeople and brought together companies from six counties for a day of networking, insight, and opportunity at Trinity Park in Ipswich.

National capability is integral to our success, and so we're investing in the readiness of the UK supply chain. This includes targeted upskilling, productivity improvements, and the early adoption of nuclear-grade quality standards ahead of peak demand.

We've enhanced governance and performance frameworks to provide clear visibility of our delivery against our baseline plans. This enables earlier intervention and reduced risk across our critical path activities.

We continued to facilitate land tenure and local infrastructure development through our Land and Estates programme. This programme supports site delivery progress, while improving road and rail networks for the surrounding community. Through our commercial strategies, which are aligned to our delivery milestones, we've ensured that materials, plant, and workforce resources are in place to maintain our excellent programme momentum.



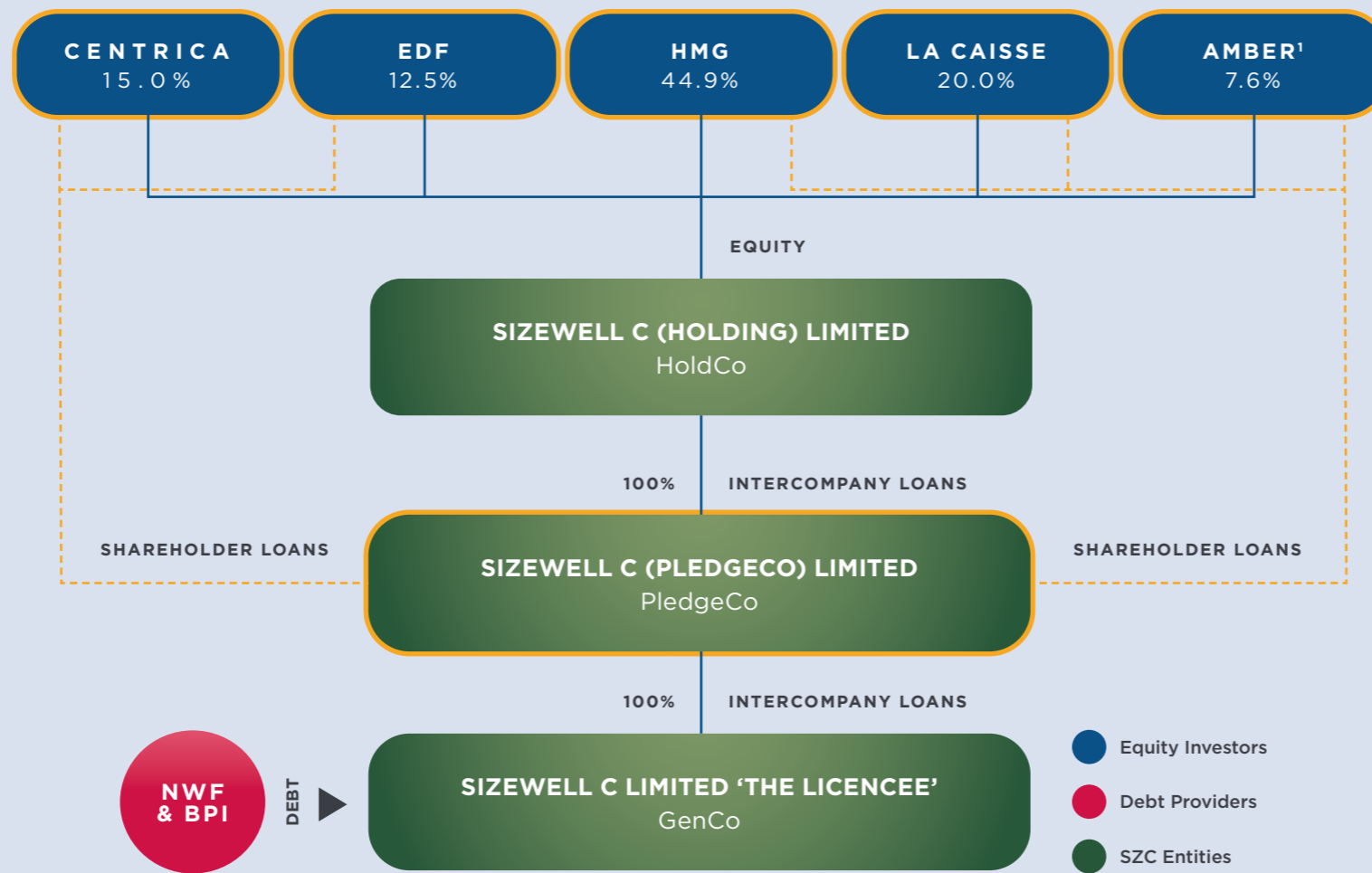
# Stakeholder engagement

## Shareholders

We achieved Financial Close in November 2025, securing **£8.5 billion** in equity commitments, of which **£2.4 billion** was drawn at Financial Close.

The equity raise was structured to attract private sector investors with expertise in nuclear development and the delivery of major infrastructure projects. Intended to enhance value for money, this approach aims to mitigate the risk of cost or schedule overruns by embedding commercial discipline, robust governance, and industry best practice throughout the project lifecycle.

We've established strong engagement with our shareholders via formal communication channels, regular scheduled meetings and governance forums, site visits, and the systematic sharing of project information. These measures are designed to support transparency, maintain alignment across the shareholder group, and ensure effective stewardship of the project.



Our shareholders and their respective holdings as a proportion of total voting rights as of 31 March 2026.

## His Majesty's Government (HMG) and government bodies

We maintain regular engagement with HMG in its capacity as a shareholder, and as GSP provider, alongside the National Wealth Fund (NWF) as our major lender.

We also regularly engage with government departments, non-departmental bodies, local authorities and others, particularly regarding our infrastructure and construction needs.

This includes National Highways for our major road schemes, Network Rail for rail works to support the project's freight movements, as well as Natural England and the local authorities.

## Utilities

We regularly engage with the utility operators who are supporting the development of our project.

This helps ensure we can deliver to our construction and cost schedule. We're also continuing to work with other infrastructure developers in the area and coordinating with utilities to mitigate the cumulative impact of new infrastructure in the region.

We work with:

- ▶ **National Grid** – for connections to the transmission network, and coordination of onshore infrastructure work for the Sea Link high voltage undersea electricity link
- ▶ **Cadent Gas Networks** – for natural gas
- ▶ **UK Power Networks** – for our 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 of the local area to bring to site)
- ▶ **Openreach and Virgin Media** – for telecommunications
- ▶ **ScottishPower Renewables** – for coordination of onshore infrastructure work for the East Anglia TWO offshore windfarm

Representatives from Sizewell C's Shareholders visit Site.



<sup>1</sup> Funds managed by Amber Infrastructure comprising INPP and NLF.



## Lessons learnt from Hinkley Point C – Prefabrication

### We're uniquely positioned amongst large infrastructure projects in the UK.

From the outset, our power station is a deliberate replication of Hinkley Point C (HPC) in Somerset. The advantages this gives us are immense, from greater design maturity and cost certainty to manufacturing continuity and a ready-made supply chain.

By replicating, we have access to hard-won construction experience before a single cubic metre of concrete has been poured. Where projects such as HS2 have encountered well-documented challenges around cost escalation and schedule pressure, we get to see lessons learned from our sister project years before we face the same tasks. That means we can plan with full knowledge of the design, create enhanced solutions, and build a more productive, predictable, and cost-effective plan.

Prefabrication is a great example of how we've seen improvements at HPC – and taken them to the next level.

#### Why prefabrication matters

Historically, large civil construction projects have relied on in-situ methods for concrete reinforcement: it's fixed by hand on site in conditions that are weather-dependent, labour-intensive, and difficult to control.

After working on Unit 1, the HPC team realised that prefabrication – delivering reinforced concrete using prefabricated and preassembled reinforcement – could yield measurable benefits across safety, quality, cost, and schedule.

Manufacturing reinforcement cages in a controlled factory environment reduces exposure to conventional safety risks, takes the workforce off-site, and unlocks access to a wider and more diverse talent pool.

Precision manufacturing using advanced tools and automation improves tolerance and geometry control, reducing non-conformance rates and the volume of re-engineering required during construction.

For schedule, the predictability of factory production – reliably delivering the right resource to the right place at the right time – improves construction efficiency and reduces the risk of delay cascades that have challenged other major programmes.

For cost, the reduction in on-site labour hours and rework directly addresses the drivers of cost escalation and schedule delays that projects like HS2 have experienced.

#### The move to prefabrication at HPC

To enable prefabrication, HPC commissioned a reinforcement factory nearby, the Avonmouth Advanced Reinforcement Manufacturing Facility (ARMF), as well as deploying 'Megalift' stair-core assemblies on Nuclear Island Unit 2 in 2024.

Last year, it was forecast that 40 to 45% of HPC's total installed rebar tonnage will be delivered prefabricated – a level of industrialisation that has led HPC to be described as a 'Large Modular Reactor'.

#### How we're replicating and enhancing the HPC approach

The learning from Unit 1 to Unit 2 were critical for HPC to make gains in prefabrication and enhanced schedule performance.

Our project is essentially Units 3 and 4 in a series – so we're going to benefit massively from the gains HPC are making, and we'd expect to transfer and improve on that upward trend in efficiency.

A stable design baseline, provided well in advance of construction, allows us to plan around known quantities and a mature and stable design. We're not repeating HPC's learning curve – we're starting where Unit 2 left off and going further.

Working closely with colleagues from HPC, we've established a three-part reinforcement delivery strategy, which enhances the HPC approach:

Key examples of logistics-related decisions considered during the year included:

#### 01 An on-site Advanced Reinforcement Manufacturing Facility within our Temporary Construction Area (TCA)

This is our equivalent of HPC's Avonmouth factory – but we'll be targeting enhanced capability through more automation and advanced construction techniques. We'll also make cost gains by having the facility on site.

#### 02 An on-site cut and bend facility within our Ancillary Construction Area (ACA)

Our facility will supply approximately 85% of our main civil works rebar demand and reliably feed our reinforcement facility.

Again, by co-locating this facility on our site, we're addressing one of the logistical cost challenges experienced at HPC by having their facility off site.

#### 03 Staging areas

Building on proof-of-concept work delivered at HPC, we'll be using staging areas for the assembly of prefabricated cages into large 'mega lift' units. This will be supported by heavy lift crane and heavy-duty crane capacity dedicated to each building.

#### Setting targets that improve on HPC

Thanks to this approach, we've set targets that exceed those at HPC – and which will deliver gains in cost and efficiency.

Following a detailed geometry assessment of the entire main civil works superstructure, we have established a combined prefabrication and preassembly target of around 60% of our total reinforcement scope.

Having this early, well-underpinned target gives us a firm basis for planning facilities, logistics, and procurement – and gives us confidence in a predictable main civil works construction schedule.

Our target is ambitious, but the evidence base is robust and the groundwork is in place to deliver on it. And it shows how we're on track to transform how nuclear projects are built in the UK – demonstrating what it looks like when lessons are truly learned, not just noted.

#### The data sharing that helped our prefab approach

- ▶ **85 learning sessions** between HPC and Sizewell C
- ▶ **More than 140 experienced HPC staff** sharing insights and feedback
- ▶ **Over 400 hours** to capture methods, sequence improvements, and quality lessons
- ▶ Learning captured and embedded directly into **Main Method Statements** and Detailed Method Statements for each building – so that HPC's best practice becomes Sizewell C's starting point.

#### Hinkley Point C (HPC)

Replicating the design of HPC is fundamental to the success of our project.

We will replicate:

- 01 the power station design**
- 02 operating documentation and systems**
- 03 the supply chain**

## STRATEGIC REPORT

# Embedding sustainability

Building new nuclear provides clean, reliable power and energy security. Our ambition is to lead the way in how that infrastructure is built, delivering value for our people, communities, and the environment.

This means embedding sustainability in all aspects of our work. We will uphold the highest standards of safety and environmental management, strengthen construction performance through innovation, and minimise local disruption while delivering lasting benefits.

To support our ambition, we have completed our first double materiality assessment to help identify significant impacts, risks, and opportunities.

A total of 10 environmental, social, and governance topics have been identified as material.

See our [Annual Sustainability Report FY25/26](#) for more details.

### Strengthening our sustainability approach

We continued to strengthen our approach this year by improving how sustainability is governed, measured, and used to drive performance. This year, we:

- ▶ Evolved our governance structure by establishing a Senior Leadership Team Sustainability Steering Committee that reports to the full Executive. This approach strengthens oversight of sustainability performance and improves collaboration across functions
- ▶ Achieved a score of 83/100 and a 3-star rating in the GRESB Infrastructure Development Asset Assessment, representing a 10-point improvement from 2024. The star rating decreased due to comparatively stronger performance by peers
- ▶ Achieved PAS 2080:2023 verification in April 2025 and again in March and April 2026, confirming our carbon management approach meets recognised industry leading practice
- ▶ Established the Diesel-Free Working Group to drive coordinated action toward phasing out our diesel consumption on the Sizewell C site
- ▶ Achieved 'Excellent' rating for three Building Research Establishment Environmental Assessment Method (BREEAM) design assessments submitted this year
- ▶ Worked with a third-party consultant to establish our Social Value Framework, enabling us to quantify and report the social value we expect to deliver in future years
- ▶ Embedded processes across the business to ensure sustained alignment with the standards used in our capital raise assessment, including the Equator Principles, the International Finance Corporation (IFC) Performance Standards, and World Association of Nuclear Operators (WANO) criteria

### Our contribution to the United Nations Sustainable Development Goals (UN SDGs)

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.

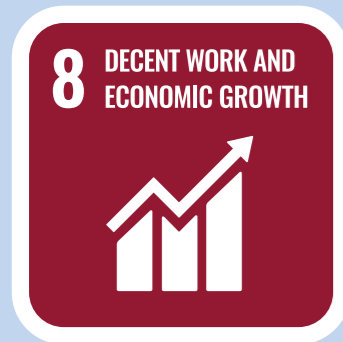


As a Nationally Significant Infrastructure Project (NSIP), Sizewell C creates local and wider impacts.

We support SDG 7 (Affordable and Clean Energy), our primary goal, by delivering reliable, low-carbon electricity at scale for decades, ultimately strengthening energy security and maintaining a stable grid. We also contribute to SDG 8 (Decent Work and Economic Growth) through jobs and apprenticeships, SDG 9 (Industry, Innovation and Infrastructure) through enabling low-carbon innovation, SDG 10 (Reduced Inequalities) through building a more inclusive workforce, and SDG 15 (Life on Land) through delivering a 19% net gain in biodiversity.

We recognise that progress toward one SDG can, at times, place pressure on others. A project of this scale may affect SDG 11 (Sustainable Cities and Communities) through impacts on local areas, including air pollution, traffic, and changes to the historic environment. It may also influence SDG 12 (Responsible Consumption and Production) through resource use and waste generation. These trade-offs are not exhaustive, and our approach is to actively mitigate these risks through stakeholder engagement, governance and transparent reporting.

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



# Sustainability highlights

We want our sustainability progress to be transparent and credible. Building on last year's inaugural [Annual Sustainability Report](#), this year's report continues to focus on the issues that matter most to Sizewell C, our stakeholders, and the communities we serve. Highlights from FY25/26 include:

## Economic growth

- ▶ Welcomed 50 apprentices across the year, bringing our total apprentice number to 120, strengthening pathways into skilled employment and contributing to the region's talent pipeline
- ▶ Spent £1.35 billion in the East of England to date, supporting regional growth and job creation
- ▶ Expanded outreach through the Power Up programme, introducing STEM skills via hands-on activities and providing teachers with resources to spark early interest in future careers
- ▶ Announced plans for our new education campus, including the College on the Coast, Apprenticeship & Trainee Hub, and the Centre of Excellence
- ▶ Signed the Power of Youth Charter, a UK-wide initiative designed to empower young people to take a leading role in decisions affecting them

## People

- ▶ Held our Stand Up for Safety month in September 2025, bringing the workforce together for a site-wide programme focused on wellbeing, preparedness, and safer working practices; 73 people received health checks, which led to 26 GP referrals for high blood pressure, and 400 people received a flu jab
- ▶ Grew our community of mental health first aiders, known as Mental Health Buddies, from just under 100 to 167, ensuring accessible, competent day-to-day support is available across all locations
- ▶ Completed a Human Rights Risk Assessment that confirmed strong community engagement, worker rights and health and safety practices, while identifying opportunities to strengthen policies and supplier and contractor management
- ▶ Established a Women in Construction Community Group, now with 180+ members, providing a supportive network and delivering events and wellbeing initiatives to help drive inclusion and change across the project

## Nature and climate

- ▶ Reused over 15,000 tonnes of recycled concrete from the demolition of Sizewell A's turbine hall, avoiding around 750 vehicle movements and saving approximately 28 tonnes of CO<sub>2</sub>e
- ▶ Completed installation of the Temporary Construction Area borehole, providing an important water supply as we continue to reduce reliance on tankered water
- ▶ Launched the Nature and Environment Improvement Fund (NEIF). The £10 million mitigation fund will support environmental enhancements across the East Coast
- ▶ Continued to manage our nature reserves, with encouraging findings including increased records of rare invertebrates such as the grayling butterfly and Norfolk hawker dragonfly, significant Marsh Harrier foraging activity at Wild Abbey, and continued use of retained habitats by multiple bat species

## Communities

- ▶ Surpassed £3.9 million in funding to community projects through the Community Fund
- ▶ Established the Site Social Benefits Forum, coordinating companies working on the project so their time, equipment, and specialist skills deliver maximum social value impact
- ▶ Expanded Sizewell Creative, delivering 27 events across eight locations, working with 18 partners, and engaging 25 schools and colleges in creative learning
- ▶ Increased our work with key social partners, launching a new programme with ISCRE (Ipswich and Suffolk Centre for Racial Equality) and welcoming a new work-placement participant from Project 21, an organisation supporting people with Down syndrome. These partnerships strengthened our commitment to inclusion and broadened opportunities within our community
- ▶ Published a Net Zero Pathway for Leiston—five years on from the launch of the original project—setting out the priorities and actions required to achieve a carbon-neutral future for the town. This report provides a clear framework for the next phase of Leiston's journey towards net zero

# Taskforce for Climate-related Financial Disclosures

## Introduction

### Compliance note

This document contains Sizewell C’s climate-related financial disclosures for the period between 1 April 2025 and 31 March 2026 (FY25/26).

These disclosures are consistent with His Majesty’s Treasury’s (HM Treasury’s) Taskforce for Climate-related Financial Disclosures (TCFD)-aligned guidance for UK public sector application guidance (TCFD-aligned application guidance), which interprets and adapts the TCFD framework for the UK public sector.

We have voluntarily prepared our climate-related financial disclosures following guidance from the Companies (Strategic Report) (Climate-related Financial Disclosure) Regulations 2022 requirements of section 414CA and 414CB of the Companies Act 2006.

Climate change is robustly considered as part of Sizewell C’s design and development, as required by UK Nationally Significant Infrastructure Projects (NSIPs) and nuclear sector regulations. Although climate change mitigation and adaptation is a material topic for Sizewell C to assess and manage, we do not currently consider climate risk to be a standalone strategic risk<sup>1</sup>.

Climate-related impacts may influence or exacerbate those risks and are therefore considered within our overall approach to strategic risk management.

We have prepared these disclosures in accordance with TCFD recommendations on a comply or explain basis (see Table 1) and recommended disclosures in line with HM Treasury’s TCFD-aligned application guidance disclosure implementation timetable (Phase 3).

**Table 1: TCFD compliance summary**

HM Treasury TCFD Recommendation	Compliance Approach	TCFD Section	Page
<b>Governance</b>			
<b>A</b> Describe the board’s oversight of climate-related issues.	Comply	Governance A	34
<b>B</b> Describe management’s role in assessing and managing climate-related issues.	Comply	Governance B	34
<b>Strategy</b>			
<b>A</b> Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Comply	Strategy A	35
<b>B</b> Describe the impact of climate-related risks and opportunities on the organisation’s operations, strategy, and financial planning.	Comply	Strategy B	36
<b>C</b> Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Comply	Strategy C	39
<b>Risk Management</b>			
<b>A</b> Describe the organisation’s processes for identifying and assessing climate-related risks.	Comply	Risk Management A	40
<b>B</b> Describe the organisation’s processes for managing climate-related risks.	Comply	Risk Management B	40
<b>C</b> Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation’s overall risk management.	Comply	Risk Management C	40
<b>Metrics &amp; Targets</b>			
<b>A</b> Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Explain <sup>2</sup>	Metrics & Targets A	41
<b>B</b> Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks.	Comply	Metrics & Targets B	41
<b>C</b> Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Comply	Metrics & Targets C	42

<sup>1</sup> Sizewell C defines its 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. HM Treasury’s TCFD-aligned disclosure application guidance recommends that 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 <https://www.gov.uk/government/publications/tcf-aligned-disclosure-application-guidance>.

<sup>2</sup> Please see Metrics & Targets section (page 41-42) for details on our intended future priorities to achieve comply status with this TCFD recommendation.

## STRATEGIC REPORT

# Taskforce for Climate-related Financial Disclosures

## Governance

### A Board oversight of climate-related risks and opportunities

The Board is responsible for overseeing the strategic direction of the Company while maintaining robust oversight of performance, culture, and risk. This includes setting a clear risk appetite and control framework to support the delivery of strategic objectives, which may be related to climate change issues or sustainability-related commitments and KPIs. The Board is also mindful of the individual directors' duties under section 172 Companies Act 2006 (the Act), which is supported by an explicit ask for all board papers to consider how directors should consider their duties under the Act.

The Audit & Risk Committee meets quarterly and advises the Board on risk and compliance issues. Company-wide strategic risks, of which some may interact with or be influenced by climate change risks, are formally reported to the Audit & Risk Committee on at least a six-monthly basis.

The Board and Audit & Risk Committee are notified of material changes to our climate-related risks and opportunities through the preparation of our Annual Reports & Accounts, which our Board and Audit & Risk Committee are responsible for overseeing and signing off on an annual basis. Sustainability performance reports are reviewed by the Board on a quarterly basis, which include key sustainability- and climate-related KPIs. Board-level review of Sizewell C's FY25/26 TCFD reporting was obtained via the June 2026 Audit & Risk Committee and Board meetings.

For further details on Sizewell C's governance arrangements, please see the Corporate Governance section on [page 53](#).

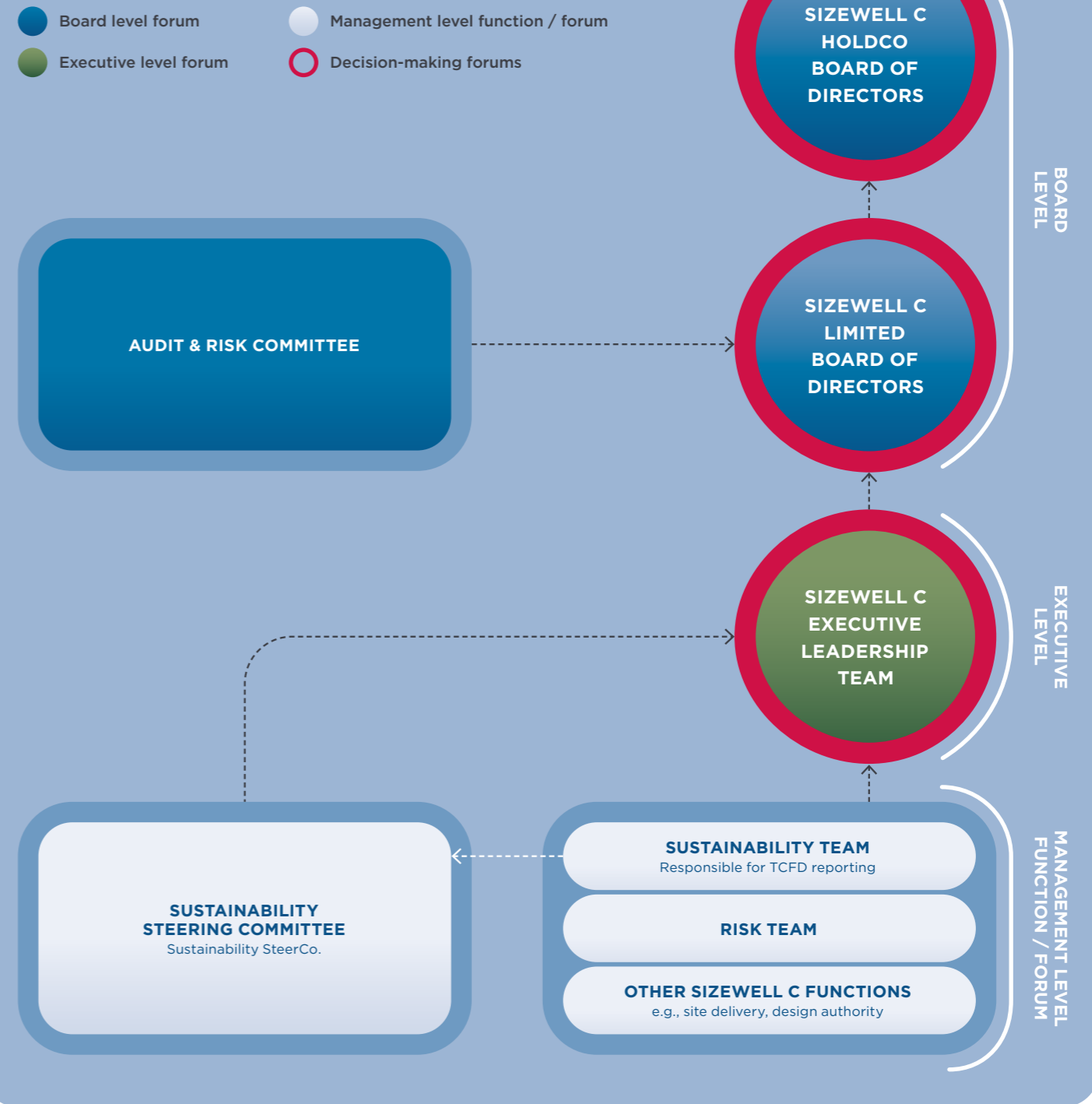
### B Management's role in assessing and managing climate-related risks and opportunities

At the management level, Sizewell C has established a clear organisational structure to effectively assess and manage climate-related risks and opportunities. Across Sizewell C's principal activities, Directors<sup>3</sup> are responsible for overseeing the identification and assessment of specific climate risks that are relevant to their function's remit, supported by individual Risk Mitigation Owners<sup>4</sup>. Sizewell C's Sustainability team is responsible for sustainability and TCFD-aligned reporting and ensuring that climate-related risks and opportunities are periodically reported to the Sizewell C Executive, prior to sharing with the Board and its relevant committees. The Sustainability team is also responsible for collating, calculating, and reporting GHG emissions performance.

Sizewell C's TCFD reporting goes through Executive-level review via Executive Leadership Team meetings, held as an agenda item on at least an annual basis, prior to sharing with the Audit & Risk Committee and the Board. The Sizewell C Executive were informed of the FY25/26 TCFD reporting, including assessed climate-related risks and opportunities, during the monthly Executive Leadership Team meeting held in April 2026.

The Senior Leadership Team's Sustainability Steering Committee (Sustainability SteerCo) oversees Sizewell C's sustainability performance by monitoring risks and opportunities, KPIs and other sustainability-related commitments, providing recommendations to the Executive and to the Board.

Figure 1: Sizewell C's governance arrangements for climate-related financial issues



### Governance: FY25/26 progress update and forward-look priorities

#### FY25/26 progress

This year, we evolved our governance structure by transitioning the previous ESG Committee, comprised of only a subset of the Executive, into a cross-functional Senior Leadership Team Sustainability SteerCo that reports directly to the Executive Leadership Team. This new forum has been developed to strengthen oversight of broader sustainability performance and improve collaboration across Sizewell C corporate and delivery functions. This refinement of our governance arrangements has been developed in parallel with the refresh of Sizewell C's Company Strategy and helps drive sustainability through the business by integrating it into the delivery of the Sizewell C plant.

#### Future priorities

We will continue to embed climate-related risk management into both Board- and Executive-level decision-making forums and processes. Climate-related risks and opportunities will be reviewed by relevant sponsoring Directors, as well as the Board and its relevant committees, on at least an annual basis.

<sup>3</sup> 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.  
<sup>4</sup> Risk Mitigation Owners are individuals who have been assigned responsibility for managing a specific risk(s) and/or identified mitigation measures, which may include climate risks. This includes implementation and monitoring of mitigation activities.

## STRATEGIC REPORT

# Taskforce for Climate-related Financial Disclosures

## Strategy

### A Climate-related risks and opportunities identified over the short, medium, and long term

Sizewell C is required by its regulators to build climate resilience into the design and construction of the operational plant, so that it meets conservatively estimated climate change challenges. We also consider climate risk on an ongoing basis by conducting periodic reviews of the nuclear safety case, which includes assessment of natural hazards and climate change allowances.

We conducted an inaugural qualitative and quantitative climate scenario analysis, for the purposes of identifying and assessing climate-related financial risks, as part of our FY24/25 TCFD-aligned reporting. This year, we performed a refresh of the climate-related financial risk identification and assessment exercise, which included a review of our defined time horizons informed by HM Treasury’s TCFD-aligned application guidance. Further details of this identification exercise are provided in Risk Management (a).

As a result of that review, this report now also considers an additional, fourth, time horizon, which specifically assesses the financial impact of physical risks to the Sizewell C plant over the very long term (i.e. between 2050 and 2100). The long-term time horizon continues to assess both physical and transition risks for the: (i) end of commissioning; and (ii) operational phase, until 2050 (i.e. mid-century) in alignment with HM Treasury’s TCFD-aligned application guidance. See Table 2 for further details.

Following the risk identification exercise, we performed a qualitative refresh of last year’s climate scenario analysis. The assessment built on the findings from last year’s qualitative and quantitative climate scenario analysis, considering latest understanding of Sizewell C’s exposure to risks from engagement with subject matter experts across the business. This assessment also incorporated the latest secondary scenario data and climate variables, where available. The outcomes of the climate scenario analysis undertaken in FY25/26 are detailed in Table 4, pages 37 to 38.

**Table 2: Sizewell C climate time horizons**

Time horizon	Description	Anticipated phase	HMT alignment	Key climate-related risks and opportunities
<b>Short term</b>	<b>0-5 years</b>	<b>Construction</b>	<b>‘Near term analysis’</b>	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-to-mid stages of construction.  Short-term climate-related risks posed to the business are predominantly related to transition risks or opportunities associated with policy and 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 <sup>5</sup> .
<b>Medium term</b>	<b>5-10 years</b>	<b>Construction</b>	<b>‘Near term analysis’</b>	Medium-term climate-related risks include both transition and physical risks. This time horizon has been selected to assess risks during the latter stages of construction, where significant construction activity is anticipated.
<b>Long term</b>	<b>10+ years (to 2050)</b>	<b>End of commissioning and operational plant</b>	<b>‘Common reference period - mid-century’</b>	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. This time horizon may also include transition impacts to the mid-century.
<b>Very long term<sup>6</sup></b>	<b>25+ years (to 2100)</b>	<b>Operational plant</b>	<b>‘Common reference period - end of the century’</b>	Climate-related risks and opportunities that may impact Sizewell C to the end of the century. These risks relate to the frequency and severity of extreme acute and chronic physical events exacerbated by climate change.

<sup>5</sup> See the 2021 TCFD Implementing Guidance for further details on the different classifications of climate-related risks and opportunities <https://www.fsb-tcfd.org/>.

<sup>6</sup> Longer term time horizons are likely to experience higher levels of uncertainty when analysing underlying climate science models and therefore the results of these longer-term assessments should be treated with caution. The current assessment of certain risks over the Very-Long-term time horizon assessments (i.e. end of the century) may be subject to this uncertainty until further detailed (financial) climate scenario analysis is conducted. Any further financial analysis of physical climate risks over the Very-Long term will be supported by the latest technical assessments undertaken by Sizewell C, as they become available. For example, there are ongoing studies into extreme (beyond design basis) coastal flooding events and their potential impacts out to end of decommissioning. Any further development in the understanding of coastal flooding, or any other identified material climate-related risk, will be detailed in future TCFD reporting.

# Taskforce for Climate-related Financial Disclosures

## Strategy

Acute and chronic physical climate-related risks have been considered primarily with reference to the main construction site and long-term operational plant, 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

The climate scenario analysis undertaken enables Sizewell C 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. An outline of the defined climate scenarios used to support our assessment of climate-related risks and issues is detailed in Table 3, including their alignment to Intergovernmental Panel on Climate Change (IPCC) temperature pathways, the scenario sources applied and core features of each scenario pathway.

Our analysis has continued to draw scenario data from leading institutions such as the International Energy Agency (IEA), the Network for Greening the Financial System (NGFS) and the UK Climate Projections (UKCP18). Additional data was drawn from peer-reviewed literature where appropriate, as well as consideration of DESNZ’s traded carbon values for modelling purposes, as per HM Treasury TCFD-aligned application guidance.

**Table 3: Sizewell C climate scenarios**

Scenario	Warming level	HMT alignment	Primary climate scenario sources	Description
<b>Rapid Transition (RT)</b>	1.5°C - 2°C	CCRA3 2°C	<ul style="list-style-type: none"> <li>▶ IPCC RCP2.6 / SSP1-2.6</li> <li>▶ IEA Net Zero Emissions by 2050</li> <li>▶ NGFS Net Zero 2050</li> <li>▶ DESNZ Central Trajectory</li> </ul>	Stringent climate policies and innovation drive decarbonisation across the global economy, reaching global net zero CO2 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.
<b>Delayed Transition (DT)</b>	2°C - 3°C	CCRA3 2°C - CCRA 4°C	<ul style="list-style-type: none"> <li>▶ IPCC RCP4.5 / SSP2-4.5</li> <li>▶ IEA Stated Policies (STEPS)</li> <li>▶ NGFS Delayed Transition</li> <li>▶ DESNZ Market Trajectory</li> </ul>	Climate policies introduced to curb global emissions gradually increase, providing an improved possibility of limiting warming to below 2°C. Both transition and physical risks expected.
<b>Business as Usual (BAU)</b>	> 3.0°C	CCRA3 4°C	<ul style="list-style-type: none"> <li>▶ IPCC RCP8.5 / SSP5.8.5</li> <li>▶ IEA Current Policies</li> <li>▶ NGFS Current Policies</li> <li>▶ DESNZ High Trajectory</li> <li>▶ UKCP18 RCP8.5</li> </ul>	Insufficient global policy ambition where no further progress is made on already implemented policies, leading to growing warming levels and higher physical risks

The risk ratings derived from the scenario analysis reflect a combination of likelihood and impact scores. The analysis considered the effectiveness of identified mitigation measures.

For further details on Sizewell C’s risk scoring criteria and approach, please refer to Risk Management (a) [page 40](#).

# STRATEGIC REPORT

## Taskforce for Climate-related Financial Disclosures

### Strategy

Table 4: Climate-related risks and opportunities and scenario analysis results<sup>7&8</sup>

	<b>Risk 01: Drought</b>	<b>Risk 02: Adverse weather events, including wind and pluvial and coastal flooding</b>	<b>Risk 03: Supply chain disruptions</b>	<b>Risk 04: Seawater temperatures</b>
<b>Risk type</b>	Physical Risk - Chronic	Physical Risk - Acute	Physical Risk - Acute	Physical Risk - Chronic
<b>Phase(s)</b>	<ul style="list-style-type: none"> <li>▶ Construction</li> <li>▶ Operational plant</li> </ul>	<ul style="list-style-type: none"> <li>▶ Construction</li> <li>▶ Operational plant</li> </ul>	<ul style="list-style-type: none"> <li>▶ Construction</li> <li>▶ Operational plant</li> </ul>	<ul style="list-style-type: none"> <li>▶ Operational plant</li> </ul>
<b>Analysis type</b>	Qualitative	Qualitative / Quantitative	Qualitative	Quantitative
<b>Financial impact</b>	<ul style="list-style-type: none"> <li>▶ Increased costs resulting from raised water prices and/or tankering of additional water</li> <li>▶ Reduced revenue if water shortages result in construction and/or operational downtime</li> </ul>	<ul style="list-style-type: none"> <li>▶ Increased costs associated with delayed construction activities</li> <li>▶ Increased operational costs associated with future adaptability measures, if required</li> <li>▶ Decreased revenue resulting from temporary shutdown of operational plant</li> </ul>	<ul style="list-style-type: none"> <li>▶ Increased costs and/or schedule delays associated with stalled construction activities and/or spend on new suppliers</li> <li>▶ Increased pass-through costs and/or schedule delays from suppliers during construction</li> </ul>	<ul style="list-style-type: none"> <li>▶ Reduced revenue associated with reduced thermal efficiency of the cooling water systems, reducing condenser vacuum and output</li> </ul>

<b>How Sizewell C maintains resilience</b>	<b>Risk 01: Drought</b>	<b>Risk 02: Adverse weather events, including wind and pluvial and coastal flooding</b>	<b>Risk 03: Supply chain disruptions</b>	<b>Risk 04: Seawater temperatures</b>
	<p>Sizewell C has a defined water supply strategy in place which ensures both potable and non-potable water supply will serve the construction project. Sizewell C is also continuing to explore options for a desalination plant, which will meet future construction demand associated with activities such as tunnelling. The Temporary Construction Area (TCA) borehole became operational in March 2026, which draws groundwater from a surrounding aquifer which offers a more drought resilient water source, compared to tankering from local water reservoirs. We maintain close communications with our partners to ensure the long-term water supply can be sustained across the entire project, while not impacting local supplies. Planned long-term mains supply to the commissioning phase and operational plant is expected to keep Sizewell C resilient to drought risk over the long- and very-long term.</p>	<p>A permanent 12.6mOD sea defence structure that is designed for adaptation (if required), as well as an elevated platform height, are built into the design basis to protect the operational plant from coastal flooding risk. The construction project actively manages flooding risk and is developing initiatives to help more effectively manage potential delays or disruptions from coastal or pluvial flooding events. For example, investment in flood risk mitigation measures across access roads and a combination of sea defences and drainage systems to protect the main and associated development sites. We are actively monitoring the risk of coastal erosion to the northern end of the site and will consider mitigation measures as necessary. Further capabilities and initiatives are in place to support the monitoring, reporting, and proactive management of weather conditions across the development sites, including systems for tracking high winds that may affect crane operations. The flexibility of work sequencing on site enables progress to continue even when certain activities are temporarily affected.</p>	<p>Sizewell C has care and maintenance plans in place to support early storage of key equipment. We are committed to keeping 70% of our construction spend in the UK, reducing our reliance on extensive, global upstream logistics networks that may be exposed to climate-related disruptions. This year, we rolled out a supplier mapping tool Exiger in January 2026, in partnership with HPC, which enables visibility over location of Tier 1 suppliers and beyond. This tool includes functionality to monitor and provide alerts when there are disruptions in the supply chain, including those caused by climate-related events.</p>	<p>The operational plant 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 plant design, which are conservatively based on seawater temperature at the surface, as opposed to the sea floor, from which cooling water is drawn. Necessary processes, responsibilities, and accountabilities will be established to effectively monitor this risk once the power plant reaches commissioning and operational phases.</p>

<b>Timeframe</b>	<b>Short</b>	<b>Medium</b>	<b>Long</b>	<b>Very long</b>	<b>Short</b>	<b>Medium</b>	<b>Long</b>	<b>Very long</b>	<b>Short</b>	<b>Medium</b>	<b>Long</b>	<b>Very long</b>	<b>Short</b>	<b>Medium</b>	<b>Long</b>	<b>Very long</b>
<b>Business as usual (BAU)</b>	3	2	2	2	3	3	2	2	2	2	1	1	NA	NA	2	3
<b>Delayed transition (DT)</b>	3	2	2	2	3	3	2	2	2	2	1	1	NA	NA	2	2
<b>Rapid transition (RT)</b>	3	2	2	2	3	3	2	2	2	2	1	1	NA	NA	2	2

**Risk and opportunity scoring criteria:** ● 1. Very Low ● 2. Low ● 3. Medium ● 4. High ● 5. Very High ● NA. Not Assessed

<sup>7</sup> 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.

<sup>8</sup> Refer to the key for risk scoring. Further details on Sizewell C's risk scoring criteria are outlined in [Risk Management \(a\)](#).

# STRATEGIC REPORT

## Taskforce for Climate-related Financial Disclosures Strategy

Table 4: Climate-related risks and opportunities and scenario analysis results

	<b>Risk 05: Extreme heat</b>	<b>Risk 06: Carbon pricing</b>	<b>Risk 07: Reputational damage from failing to meet reporting commitments or requirements</b>	<b>Opportunity 01: Low carbon innovation</b>
<b>Risk type</b>	Physical Risk - Acute	Transition Risk - Policy & legacy	Transition Risk - Reputation	Transition Opportunity - Technology
<b>Phase(s)</b>	▶ Operational plant	▶ Construction ▶ Operational plant	▶ Construction ▶ Operational plant	▶ Construction ▶ Operational plant
<b>Analysis type</b>	Quantitative	Quantitative	Qualitative	Qualitative
<b>Financial impact</b>	▶ Decreased revenue resulting from reduced plant capacity and/or shutdown of operational plant	▶ Increased operational cost from carbon taxes applied directly to scope 1 and 2 emissions ▶ Costs incurred from a carbon tax indirectly passed on by our supply chain partners	▶ Increased operational costs due to additional time and resources required to meet reporting internal and external obligations ▶ Reduced access to capital resulting from reputational damage if sustainability and/or climate-related requirements are not met or if performance is not adequately communicated	▶ Reduced exposure to potential introduction of carbon taxes, and associated costs, by offsetting GHG emissions

<p><b>How Sizewell C maintains resilience</b></p>	<p>The operational plant is designed to withstand extreme minimum and maximum air temperatures taking into account climate change allowances over the lifetime of the facility. Heating Ventilation Air Conditioning (HVAC) systems are designed to meet optimal heating and cooling temperatures, replicated from the HPC design. HVAC margin studies have been undertaken in FY25/26 finding that design basis temperatures have been conservatively assessed, reinforcing the safety case of the operational plant. Studies have been undertaken to understand the coastal effect and how it will likely lessen air temperature values than those derived from inland datasets. Additional studies are ongoing to understand moderating coastal effects.</p>	<p>Sizewell C is identifying opportunities to reduce its carbon emissions across the delivery of the power plant, which will in turn reduce our exposure to potential carbon taxes. This year, we developed a carbon emissions reduction target for the construction phase and established a Diesel Free Working Group to identify opportunities to eliminate the use of diesel fuel on site by 2030. We are committed to keeping 70% of our construction spend in the UK, which we anticipate will greatly reduce our direct exposure to potential carbon taxes applied to imported goods.</p>	<p>In FY24/25, we disclosed our inaugural Annual Sustainability Report and TCFD-aligned report, two reports that we intend to publish annually to maintain transparency to our stakeholders of our sustainability-related performance and management. This year, we introduced forward-looking horizon-scanning processes to help monitor existing and emerging sustainability reporting frameworks. During the year, we also established the Sustainability SteerCo to strengthen continued oversight of sustainability performance and improve internal and external reporting processes. We maintain close engagement with our stakeholders, including local communities and investors, to ensure that the wider benefits that civil nuclear infrastructure projects bring to the UK are effectively communicated (see Risk Management <a href="#">page 44</a> for further details on how we manage our enduring strategic risks).</p>	<p>We are exploring significant opportunities to lower our carbon footprint during the construction of the Sizewell C plant. This year, we established a Diesel Free Working Group to identify opportunities to eliminate the use of diesel fuel during the construction phase by 2030, while promoting a responsible culture for achieving our GHG targets. For example, we have developed a strategy to establish a Zero Emission Bus (ZEB) fleet to serve our workforce. We also established the Sizewell C Innovation Hub to embed innovation into the Company's ways of working, providing a digital platform to enable Sizewell C employees, and in the future our supply chain, to contribute ideas and develop targeted innovation campaigns.</p>
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Timeframe	Short	Medium	Long	Very long	Short	Medium	Long	Very long	Short	Medium	Long	Very long	Short	Medium	Long	Very long
<b>Business as usual (BAU)</b>	NA	NA	1	3	3	3	2	NA	2	1	1	NA	1	1	1	NA
<b>Delayed transition (DT)</b>	NA	NA	NA	NA	3	3	2	NA	2	2	2	NA	1	1	1	NA
<b>Rapid transition (RT)</b>	NA	NA	NA	NA	3	3	2	NA	2	2	2	NA	1	1	1	NA

Risk and opportunity scoring criteria: ● 1. Very Low ● 2. Low ● 3. Medium ● 4. High ● 5. Very High ● NA. Not Assessed

## STRATEGIC REPORT

# Taskforce for Climate-related Financial Disclosures

## Strategy

### C The resilience of the organisation's strategy, taking into consideration different climate-related scenarios

Sizewell C has robust processes in place to meet the regulatory requirements for constructing and operating a nuclear 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 consider the latest climate change projections from the UKCP18 across all construction development and design and operational plant from a technical and safety perspective. We carry out periodic reviews of nuclear safety case assessments to monitor and review resilience to natural hazards and climate change across the full station lifetime.

How we maintain resilience to our material climate-related financial risks and opportunities is outlined in Table 4 on the previous pages.

### Strategy: FY25/26 progress update and forward-look priorities

**FY25/26 progress** We have refreshed the climate scenario analysis first performed in FY24/25 to ensure our understanding of our exposure to financially material climate-related risks and opportunities remains up to date.

**Future priorities** We will continue to monitor and assess identified climate-related risks and opportunities on an annual basis at a minimum, which includes the refinement of scenario analysis methodology and applicability of available data sources as appropriate. We will seek opportunities to further refine and integrate the findings from our climate scenario analysis into wider operations, strategy, and financial planning where feasible.

Installing the Bailey Bridge over the SSSI



## STRATEGIC REPORT

# Taskforce for Climate-related Financial Disclosures

## Risk management

### A Processes for identifying and assessing climate-related risks

This year's climate risk identification and assessment refresh was conducted by Sizewell C's Sustainability team and involved engagement with relevant subject matter experts from across the business, as well as internal document reviews, desktop research, and peer gap analysis. Workshops to validate the risks were held with Sizewell C functions, including but not limited to: Finance, Supply Chain, Site Delivery, Risk, and Design Authority<sup>9</sup>. We evaluated industry guidance, such as example public sector climate risks and opportunities proposed within HM Treasury's TCFD application guidance. We also considered risks outlined within the National Audit Office (NAO) good practice guidance, which provides additional guidance on adaptation and mitigation risks, as well as risks relevant to government bodies.

The climate risk identification refresh exercise resulted in the shortlisting of eight potentially material climate-related risks and opportunities validated with relevant subject matter experts. Two physical climate risks identified in the prior year (pluvial and coastal flooding; and storms and wind) have been consolidated into one risk this year (R2 Adverse weather events, including storms, pluvial and coastal flooding), for clearer communication regarding Sizewell C's exposure to wider acute physical risks.

Shortlisted climate-related risks and opportunities identified as potentially material were integrated and assessed against Sizewell C's Risk Scoring Scheme. This assessment is documented within a Climate Risk Register<sup>10</sup>. The Risk Scoring Scheme considers the potential financial impact and likelihood of a given risk, which helps Sizewell C evaluate the relative significance of climate-related risks and opportunities in relation to other Company risks<sup>11</sup>. 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).

From this year's refresh, there have been no material changes in the risk assessment except for R7 (Reputational damage from failing to meet reporting commitments or requirements), which scored lower in FY25/26 compared to FY24/25 given we have matured our internal and external reporting processes to support annual sustainability and climate-related reporting. During FY25/26, we also conducted a formalised double materiality assessment to further support our process for identifying, assessing, managing, and reporting on our material sustainability topics.

In addition to the process outlined above, relevant Directorates, supported by individual Risk Mitigation Owners, undertake bespoke risk assessments periodically across their area of Sizewell C. The nature and timing of each risk assessment is dependent on the needs of each business function. The Sustainability team, in coordination with Sizewell C's Legal team and Policy & Regulations team, also undertake periodic horizon scanning exercises to monitor for any changes to legislation and/or guidance relating to sustainability- and climate-related reporting matters.

### B Processes for managing climate-related risks

Climate-related risks and opportunities are managed across Sizewell C's principal activities, as set out in Governance (b) on [page 34](#). Climate-related risks and opportunities documented within the Climate Risk Register are reported to the Risk Team and updated within our Active Risk Manager database at least annually, for which the Risk Team has overall responsibility. The Risk Team engage with Risk Mitigation Owners throughout the year to assess and document progress against mitigation actions, as well as discuss any decisions to transfer, accept, or further control risks, including climate-related risks and opportunities.

For further details on our broader risk management processes, take a look at the Risk Management section on [page 43](#).

### C Integrating climate-related risks into overall risk management

Climate-related risks and opportunities are integrated into our broader risk management practices, in line with the Company's overarching Risk Management Framework which defines our approach to consistently managing risks across the business.

This framework is built on the ISO:33001 standard and includes a clear risk hierarchy to enable effective mitigation of risk at all levels.

Material climate-related risks and opportunities are documented in our Active Risk Manager system. We also map climate-related risks to relevant Portfolio and Programme Risks, where appropriate.

Climate-related risks and opportunities detailed in Strategy (b) on [pages 37](#) and [38](#) are not currently considered standalone strategic risks. However, identified portfolio, delivery and corporate risks, which include material climate-related risks, are evaluated periodically by the Risk Team as they may exacerbate or may influence our strategic risks. Strategic risks are identified and agreed upon between the Enterprise Risk function in coordination with subject matter experts from across the business and reflect our risk appetite and are reviewed at least six-monthly via the Audit & Risk Committee.

For further details on Sizewell C's Strategic Risks, please see [pages 46 to 49](#).

### Risk Management: FY25/26 progress update and forward-look priorities

**FY25/26 progress** We undertook a maturity exercise to build our management of and resilience to climate-related risks and opportunities. This maturity exercise included a gap assessment against HM Treasury's TCFD-aligned application guidance (Phase 3) and re-engagement with Risk Mitigation Owners and the Risk Team to ensure effective integration of climate-related issues into our broader risk management approach.

**Future priorities** We will continue to integrate climate-related risks into our broader Integrated Risk Management Framework by reviewing climate risk assessments at least annually, as well as undertaking periodic reviews regarding decisions to mitigate, transfer, accept, or control mitigations. Further, climate-related issues will be reviewed by relevant members of the Executive and included as an agenda item within Audit & Risk Committee meetings at least annually.

<sup>9</sup> Sizewell C's Design Authority directorate comprises of external hazards engineers and assessors, responsible for overseeing the safety case of the design of the Sizewell C plant.

<sup>10</sup> The Climate Risk Register sits separately to Sizewell C-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 four different time horizons and with respect to the financial impact on the business specifically.

<sup>11</sup> 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 the assessment of climate-related risks and opportunities.

# Taskforce for Climate-related Financial Disclosures

## Metrics & targets

### A Metrics used to assess climate-related risks and opportunities

Sizewell C's [Annual Sustainability Report FY25/26](#) details our sustainability performance over the financial year 2025/26, highlighting our progress made and performance against key metrics used to monitor, track, and report on our sustainability and climate-related performance.

This year, we made significant progress in translating carbon ambition into delivery. We prioritised our efforts in setting a formalised carbon reduction target, supported by a series of targeted interventions aligned to our highest impact emissions sources (see Metrics and Targets C on [page 42](#)). We continue to collate, monitor, and report on Scope 1, 2, and 3 GHG emissions to effectively assess and manage climate-related performance. We also expanded our coverage of upstream GHG emissions reporting to include Category 3 GHG emissions from fuels and energy-related activities conducted by our contractors onsite.

In April 2025, we achieved a milestone in becoming the first nuclear asset owner to achieve verification to PAS 2080:2023, the leading standard for carbon management in infrastructure.

Since then, we have continued to mature our approach to carbon management, where we have again achieved PAS 2080:2023 verification following the Stage 2 audit process, undertaken in March 2026.

We intend to develop specific KPIs to more effectively monitor material climate-related risks and opportunities detailed in Strategy (b) and will provide further details on this development in future TCFD-aligned reporting.

### B Scope 1, 2 and 3 GHG emissions

We continue to monitor, manage, govern, assure, and report our carbon emissions in line with our Carbon Management Strategy.

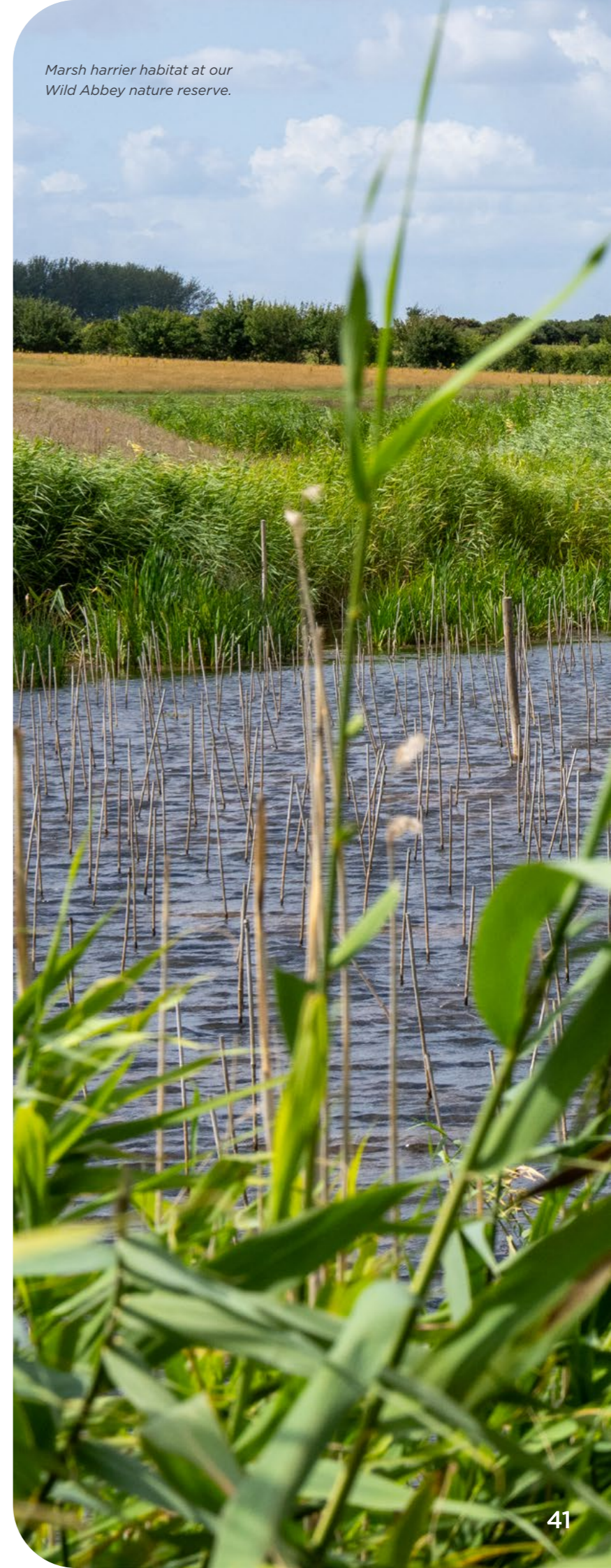
As our project progresses, we expect our absolute annual carbon emissions (tCO<sub>2</sub>e) to rise as construction intensifies, with year-on-year changes largely reflecting changes in construction activity rather than emissions management.

**Table 5: Sizewell C GHG emissions FY25/26<sup>13</sup>**

Variable	Unit	FY24/25	FY25/26
<b>Total Energy Consumption</b>	kWh	Not reported	9,775,806
<b>Scope 1</b>	tCO <sub>2</sub> e	917	465
<b>Scope 2: Location-based</b>	tCO <sub>2</sub> e	148	270
<b>Scope 2: Market-based</b>	tCO <sub>2</sub> e	97	151
<b>Scope 3</b>	tCO <sub>2</sub> e	203,728	270,322
<b>Category 1: Purchased Goods &amp; Services</b>	tCO <sub>2</sub> e	21,934	29,909
<b>Category 2: Capital Goods</b>	tCO <sub>2</sub> e	181,266	239,329
<b>Category 3: Fuel- and Energy-Related Activities not included in scope 1 or 2</b>	tCO <sub>2</sub> e	Not reported	578
<b>Category 6: Business Travel</b>	tCO <sub>2</sub> e	528	506

Our methodology for calculating GHG emissions is consistent with the GHG Protocol Corporate Accounting and Reporting Standard<sup>13</sup>. We have also applied UK Government Conversion Factors for GHG reporting when calculating certain activities across Scope 1, 2 and 3 GHG emissions categories. For further details on our GHG emissions accounting methodology, please see page 53 of our [FY25/26 Annual Sustainability Report](#).

Marsh harrier habitat at our Wild Abbey nature reserve.



<sup>12</sup> Tonnes of carbon dioxide (CO<sub>2</sub>) equivalent emissions ("tCO<sub>2</sub>-e") values provided are for FY25/26.

<sup>13</sup> Greenhouse Gas Protocol, A Corporate Accounting and Reporting Standard <https://ghgprotocol.org/corporate-standard>.

## STRATEGIC REPORT

# Taskforce for Climate-related Financial Disclosures

## Metrics & targets

### C Targets used to manage climate-related risks and opportunities

This year, we have set a commitment to limit construction carbon emissions to below 2.1MtCO<sub>2</sub>e, this is 0.9MtCO<sub>2</sub>e lower than previous Sizewell C lifecycle assessment estimate<sup>14</sup>.

We have formalised our carbon reduction target, supported by a series of targeted interventions aligned to our highest impact emissions sources. Our approach is to reduce emissions where we have the greatest level of control and influence. This includes transforming how we power construction, reducing the carbon intensity of materials, and embedding carbon thinking into design and delivery.

Key initiatives to achieve our construction carbon reduction target include:

- ▶ eliminating diesel use on site by 2030, replacing diesel with HVO and other low-carbon alternatives
- ▶ procuring 100% low-carbon electricity
- ▶ deploying low-carbon rebar

We will continue to research and invest in innovation, to identify additional opportunities and support continuous enhancement of our delivery strategy. This will establish a strong foundation for leadership in low-carbon construction, supporting the wider transition of the UK infrastructure sector.

### Metrics & Targets: FY25/26 progress update and forward-look priorities

<b>FY25/26 progress</b>	We established a Diesel-Free Steering Group to enable the phase out of diesel use on site by 2030. We also formalised our carbon reduction target to limit construction carbon emissions to below 2.1MtCO <sub>2</sub> e, which is equivalent to over 0.9MtCO <sub>2</sub> e lower than previous Sizewell C estimates.
<b>Future priorities</b>	We will build our approach to monitoring and managing climate-related issues by developing new metrics and key performance indicators relevant to our material climate-related risks and opportunities, expanding on existing reporting of GHG emissions. Further details on these metrics and the methodologies to calculate these, as well as performance against our construction carbon target and delivery strategy, will be included in future TCFD reporting.



Image: Sizewell C Board visit to Boccard's factory, which has a manufacturing facility in North Wales.

# Risk management

Risk management is a key component of our corporate strategy and ensures the effective management of our Company. To deliver the highest level of risk management, we've developed an Integrated Risk Management Framework.

We've implemented the framework to analyse and control risks across strategic, corporate portfolio, programme, and work package areas.

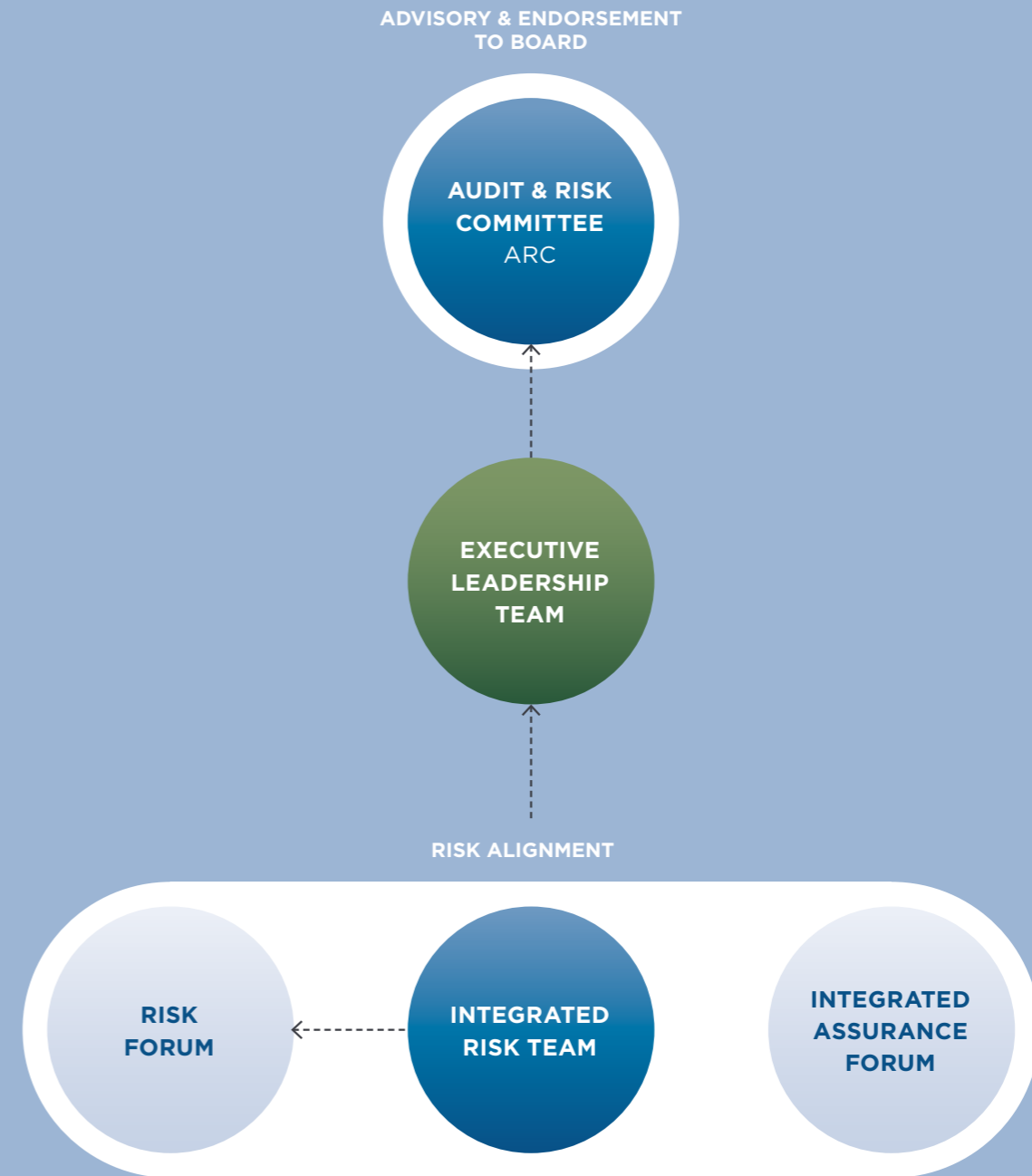
The Sizewell C Risk Hierarchy sets out how these risks are categorised and prioritised below. We monitor and manage all risks through our Active Risk Management (ARM) database, including the quantification and modelling of project risks. The database helps us to challenge the effectiveness of mitigation actions and minimise cost and schedule impacts, keeping them as low as reasonably practicable (ALARP).

## Risk management framework

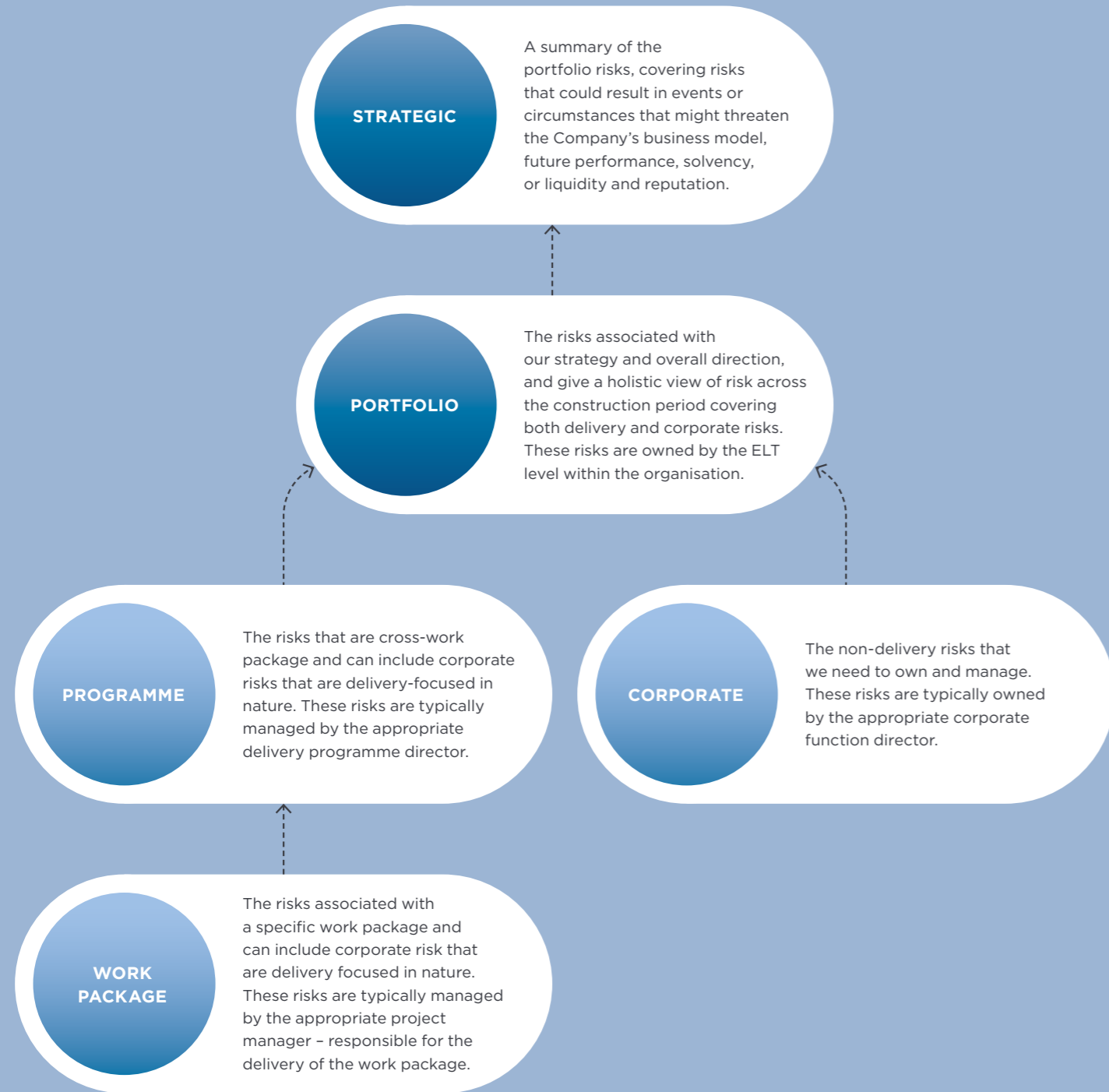
Through our risk management, we can monitor the external environment and respond to emerging uncertainties. It puts us in a strong position to mitigate risks and keep our project on track. We are also developing a dedicated horizon-scanning capability to identify and assess emerging issues that could affect us in both the near and longer term.

Our Audit and Risk Committee (ARC) oversees 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, defined as risks that could negatively affect the Company's ability to achieve its objectives, operate effectively, maintain financial performance and protection reputation
- ▶ programme risks, which impact the physical delivery of the power station and associated works
- ▶ portfolio risks, including the most severe discrete risks associated with our strategy and overall direction. The portfolio risks provide a holistic view of risk across the construction period, typically covering delivery (cross-programme), corporate, and operations risks
- ▶ strategic risks, including those that could result in events or circumstances that threaten the Company's business model, future performance, solvency, or liquidity and reputation



# Risk management



## Strategic risks

We operate in a complex environment. Our strategic risks capture the key risks to the Company that could impact our strategic objectives. This is based on the underpinning risk information captured across the Company and the wider external environment.

The overall purpose of our strategic risks is to provide confidence to the Audit and Risk Committee (ARC) and the Board that robust risk management and reporting arrangements are in place, enabling the Board to discharge its responsibilities for risk oversight.

We've developed the initial position of the strategic risks through engagement with our Executive Leadership Team (ELT), the ARC, and an assessment and mapping 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.

We've also developed an established risk appetite framework. There are 13 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.

We've organised the strategic risks into two distinct categories, Enduring Strategic Risks and Delivery Phase Strategic Risks:

- ▶ Enduring Strategic Risks are strategic level risks that will remain throughout the entire lifecycle of the project
- ▶ Delivery Phase Strategic Risks are the strategic level risks that will remain throughout the entirety of the delivery phase of the project

## 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 definition of risk appetite includes:

- ▶ 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 underpin our risk appetite

The framework includes:

- ▶ definitions for open, cautious, and averse 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 three lines of defence model

**We manage Nuclear Safety and Health & 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 and safety risks, our risk exposure remains within the set appetite thresholds.

# Risk appetite statement

No business or project is free of risk. However, 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 – does have inherent risks. This is due to the nature, scale, and complexity of our activities and the importance of those activities to the health, safety, and wellbeing of our people and the communities we serve. Our risk management process is therefore fully integrated across all our activities and monitored by our Audit and Risk Committee and the Executive Leadership Team.





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 we are willing to take and to which we are exposed, in order to achieve our strategic objectives. In making its assessment, the Board will consider risk appetite and tolerance, ensuring that risk management and decision-making cover all activities over time.

Our Risk Appetite Framework provides a structured analysis of our appetite for risk-taking. Through this framework, we have identified key priorities, including:

- ▶ We will continuously seek to improve nuclear safety margins and maintain alignment with the wider civil global nuclear community. We'll do this through the World Association of Nuclear Operators, the IAEA, the Institute of Nuclear Power Operations, and the EPR Owners Operators Group to share lessons learnt and embrace best industry practices
- ▶ 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 look out for new security threats. We will minimise insider threats and asset security by taking a proportionate approach based on the type of role an individual holds and the criticality of the assets. We use a tiered control method and a proportionate vetting policy to ensure compliance with our Nuclear Site Security Plan. Cyber security risks are recognised as an increasing threat to us and our supply chain, and we will mitigate these through rigorous controls and training
- ▶ We are building a safe and compliant power station with minimum concessions on design, evidenced by comprehensive supply chain assurance. Quality management and establishing a 'right first time' culture is critical to successful delivery. Defects of permanent infrastructure will have significant cost, schedule, and safety implications. We will have strict assurance arrangements 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 that accepts calculated risk only when potential commercial and procurement benefits are clearly defined, proportionate, and subject to clear controls and Sizewell C oversight
- ▶ 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 or consents
- ▶ Replication of the HPC design is critical to our success. The replication strategy enables us to do more modularisation and prefabrication than HPC could do, and build more in off-site factories with more advanced digital tools at our disposal. However, we recognise that the construction methods and sequencing may, in some circumstances, need to adapt to accommodate our site-specific conditions in Suffolk. There may also be potential need to deviate from the HPC replicated design. Before any changes are made, we will very carefully assess the benefits, which must clearly outweigh the risks of any design change
- ▶ Productivity will be a key driver of success in the construction stage, and we'll explore opportunities to achieve the productivity levels required by:
  - leveraging digital, technological, and Modern Methods of Construction to enhance quality and embrace digital innovation to improve quality and timeliness of records
  - ensuring skills availability through apprenticeships and skills growth in Suffolk and the South East
- ▶ In relation to financing, we have an averse appetite for non-compliance with covenants or shortfalls in equity funding. However, we will be resilient enough to 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 Sustainability commitments will be a continuing area of focus. We will maximise 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 adhere to corporate governance requirements, with transparency and robust controls, to protect our reputation and operational integrity. We will have a zero-tolerance approach to unethical business conduct
- ▶ We will avoid any risk related to the management and oversight of governance activities, policies, and processes to ensure strict adherence to established standards and regulatory requirements, as well as those stated in the Shareholders Agreement. We must adhere to regulatory frameworks while also 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

Sizewell C will assess and, where appropriate, adapt its risk appetite in response to the recommendations outlined in the Nuclear Regulatory Taskforce Review. With the continued support of our regulators, supply chain and alliance partners, enhanced cross-sector coordination, and strengthened risk management and decision-making frameworks, Sizewell C will look to deliver safely, responsibly, more efficiently, and with better value for the UK.

# Enduring strategic risks

01 Cyber security	02 Environment	03 Health, safety & wellbeing	04 Nuclear safety
<p><b>Description</b></p> <p>There is a risk that the confidentiality, integrity, or availability of Sizewell C information is compromised as a result of misconfigurations or vulnerabilities within the Sizewell C ICT estate or that of key partners. This could result in denial of service, unintended system behaviour, increased rectification and recovery costs, constraints on ICT scalability, impacts on project delivery, and loss of stakeholder confidence.</p>	<p><b>Description</b></p> <p>There is a risk that we cannot secure and comply with the required environmental permits due to inadequate design terms or cannot secure within required timescales. This could result in delay or stoppage of works, with replanning/resequencing, environmental incidents or non-compliance with fines and knock-on effects, and the resulting reputational damage.</p>	<p><b>Description</b></p> <p>There is a risk that we do not adequately manage health, safety, and wellbeing because the scale, complexity, and duration of construction and operation create inherent hazards to our workforce and local community. This could result in serious injury or fatality to personnel on the project which, notwithstanding the direct impacts of this, could lead to the stoppage of works, legal implications, and serious reputational damage.</p>	<p><b>Description</b></p> <p>There is a risk that we do not demonstrate a safe and compliant nuclear design or safety conscious culture. This could be due to quality standards not being effectively implemented or because the organisation lacks sufficient suitably qualified and experienced capability, supported by robust management controls aligned with the ONR's Nuclear Site Licence Conditions. This could result in unacceptable nuclear safety risk and regulatory non-compliance.</p>
<p><b>Mitigations</b></p> <p>We are building a modern and secure IT infrastructure based on best security practice, to make sure data is shared as required.</p> <p>Our cyber security team monitors and responds to external attempts to breach our cyber defences with firewalls and security policies. These are continuously updated in line with emerging threats and intelligence.</p>	<p><b>Mitigations</b></p> <p>Ensure organisational and programme integration with proactive engagement across design and delivery teams.</p> <p>Detailed ongoing regulatory engagement with horizon scanning for future government legislation.</p> <p>Share a register with our environmental regulators to build a common understanding of the risks to delivery of our permits.</p> <p>Continual monitoring of DCO and permit conditions with feedback from construction teams and contractors.</p>	<p><b>Mitigations</b></p> <p>Maintain and monitor a set of proactive Health Safety and Wellbeing Performance Indicators (HSPIs) that measure and monitor compliance and maturity.</p> <p>Develop and introduce mental health, stress and wellbeing assessments, analysis, and absence tracking.</p> <p>Regularly review industry-leading health, safety and wellbeing standards, and management arrangements. Continue to provide programme-wide leadership and culture programme.</p>	<p><b>Mitigations</b></p> <p>Implementation of a strategy for each stage of the nuclear power station lifecycle, as described in IAEA's International Nuclear Safety Advisory Group.</p> <p>Produce and maintain our safety case to demonstrate that nuclear safety risks are reduced to ALARP.</p> <p>Procurement and management of quality through manufacture, construction, and installation - through specification, supply chain certification, quality processes and monitoring for Systems, Structures and Components, and CFSI (Counterfeit, Fraudulent and Suspect Items) Management.</p>
<p><b>Risk appetite</b></p> <p>Averse</p>	<p><b>Risk appetite</b></p> <p>Cautious</p>	<p><b>Risk appetite</b></p> <p>Risk noted as being managed as per the ALARP principle with no possible flexibility of risk appetite.</p>	<p><b>Risk appetite</b></p> <p>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.</p>
<p>Relevant strategic aims</p> 	<p>Relevant strategic aims</p> 	<p>Relevant strategic aims</p> 	<p>Relevant strategic aims</p> 

# Enduring strategic risks

## 05 Organisational capability

### Description

There is a risk that we fail to comply with our new corporate and regulatory requirements, which came into effect at Financial Close, because of a failure to design and embed an appropriate target operating model. This could result in failure to deliver on our strategic priorities, disallowed costs, and – at its extreme – an inability to access funding.

### Mitigations

We will review the target operating model of the Company through a comprehensive business transformation and readiness plan, which will include a dedicated programme on requirements, compliance, and training.

We will mobilise a Powering Delivery Portfolio Office to support management and oversight of transformation, including cost control and realisation of projected benefits.

### Risk appetite

Cautious

Relevant strategic aims



## 06 Operational readiness

### Description

There is a risk that we do not achieve operational readiness by Commercial Operation Date (COD) because the organisation does not complete a phased transition to a fully capable, independent operating entity. This could result in a failure to gain organisational or regulatory approval to receive fuel on site, commence commissioning, and initial start-up, with resulting loss of public trust and significant financial penalties.

### Mitigations

Define and provide oversight of the Sizewell C Roadmap to Operational Readiness with Milestone Approach.

Robust Implementation plan for Operational Readiness.

Define and embed collaboration with HPC and the broader nuclear industry with a fleet approach being developed and Strategic Spares & Obsolescence Working Group in place.

### Risk appetite

Cautious

Relevant strategic aims



## 07 Reputation & social licence

### Description

There is a risk that our reputation and social licence to operate is eroded due to political, media, or stakeholder expectations not being effectively managed. This could result in reputational damage and reduced confidence among investors, suppliers, and the local community.

### Mitigations

Coordinated engagement strategy that includes proactive stakeholder management across government, trade bodies and advisory groups.

Our community relations strategy looks to build trust and maintain transparent communication with residents, business and stakeholders by providing timely information, gathering feedback, addressing concerns and involving the community throughout the project lifecycle.

### Risk appetite

Cautious

Relevant strategic aims



# Delivery strategic risks

01 Achieving replication	02 Funding compliance and resilience	03 People and skills	04 Productivity
<p><b>Description</b></p> <p>There is a risk of additional design changes because we are unable to replicate the HPC design and supporting supply chain. This could result in increased risk to the design sequence and schedule with the additional design work leading to potential cost and schedule increases.</p>	<p><b>Description</b></p> <p>There is a risk that we fail to comply with debt covenants or other financing conditions. This could result in a lack of access to funding and impact our ability to construct the power station within the agreed cost and schedule baseline.</p>	<p><b>Description</b></p> <p>There is a risk that we are not able to provide the right skills at the right time because we cannot attract, develop, and retain sufficient people. This could result in reduced delivery capability and adverse impacts on schedule, cost, safety, and performance.</p>	<p><b>Description</b></p> <p>There is a risk that we do not achieve target productivity because of underperformance across off-site construction activities and on-site programme delivery. This could result in schedule delay and significant cost escalation.</p>
<p><b>Mitigations</b></p> <p>Discussions ongoing between senior members of Sizewell C, EDF SA, EDF Energy, and HPC to unlock data challenges.</p> <p>Continuous monitoring of changes to codes and standards and legislation, and associated impacts to the project.</p> <p>Development of RCO risk workstream which support six-monthly replication and design maturity reviews.</p>	<p><b>Mitigations</b></p> <p>Financial covenant reviews and forecasting and monitoring of equity drawdowns as part of the process to update our Construction Plan and Budget and Financial model on a regular basis.</p> <p>Processes in place for debt covenant monitoring, screening and monitoring for non-financial covenants.</p> <p>We will undertake annual horizon-scanning to ensure we remain up to date with current and future risks.</p> <p>Financial and regulatory reporting controls, with cashflow forecasting that underpins resilience.</p>	<p><b>Mitigations</b></p> <p>We are creating an accessible and attractive workplace with an attractive value proposition for employees and contractors.</p> <p>Developing and maintaining a pipeline of skills and talent to meet programme needs at the right time through workforce and succession planning and targeted development interventions.</p> <p>Maintaining strong industrial and employee relations through effective trade union recognition arrangements.</p>	<p><b>Mitigations</b></p> <p>Strengthen arrangements for benchmarking to HPC delivery performance and strengthen relationships within delivery teams across HPC and Sizewell C.</p> <p>Deliver the Civils and Mechanical Electrical HVAC (Heating Ventilation &amp; Air Conditioning) programme productivity plans which set out how construction activities will be sequenced, resourced, monitored and optimised to achieve planned productivity rates and programme milestones</p> <p>Permits: ensure organisational and programme integration with proactive engagement across design and delivery teams.</p> <p>Detailed ongoing regulatory engagement with horizon-scanning for future government legislation.</p>
<p><b>Risk appetite</b></p> <p>Cautious</p>	<p><b>Risk appetite</b></p> <p>Cautious</p>	<p><b>Risk appetite</b></p> <p>Cautious</p>	<p><b>Risk appetite</b></p> <p>Cautious</p>
<p>Relevant strategic aims</p>  	<p>Relevant strategic aims</p>   	<p>Relevant strategic aims</p>    	<p>Relevant strategic aims</p>   

# S01: STRATEGIC REPORT

The first engineering trains arrive on site at our Ancillary Construction Area (ACA).



Strategic aims:  Attract  Build & Operate  Invest  Promote

## Delivery strategic risks

<p><b>05</b> <b>Quality</b></p>	<p><b>06</b> <b>Supply chain</b></p>
<p><b>Description</b></p> <p>There is a risk that we do not deliver work to the required quality standards because of CFSI, ineffective off-site or on-site quality arrangements, and/or an ineffective Quality Management Plan. This could result in rework, commissioning delays, and adverse impacts on cost and schedule.</p>	<p><b>Description</b></p> <p>There is a risk to programme delivery confidence arising from our supply chain and Alliance partners failing to perform to the required levels of time, cost, quality, safety, and commercial discipline, resulting in increased cost exposure, potential delays, and reputational impacts.</p>
<p><b>Mitigations</b></p> <p>Replicate the supply chain and the sub-tiers to reduce the risk of non-compliant activities.</p> <p>Setting up a Supplier Quality Delivery team as part of the EPR Fleet Collaboration Quality, aligned with the EDF SA organisation to centrally manage CFSI for both Sizewell C and HPC.</p> <p>Bulk Inspection Service performing targeted capability assessments for off-site manufacturing and a welding Centre of Excellence for permanent on-site project works.</p> <p>Establish an unannounced inspection and independent verification regime within our supply chain. We completed this in 2025, with 2026 activities ongoing.</p>	<p><b>Mitigations</b></p> <p>Increased focus on robust cross-functional contract management and cost control through improved systems, processes, and training.</p> <p>Use standard commercial metrics to measure performance and drive continuous improvement.</p> <p>Increase focus on supplier performance measurement. We will also focus on the development of general capabilities of our suppliers, as well as focused production system thinking to improve supplier performance delivery requirements.</p> <p>Deploy the 'EXIGER' supply base mapping tool to understand the supply base to Tier 2+ levels to allow proactive review of potential reputational, ownership, financial, and geographic risks.</p>
<p><b>Risk appetite</b></p> <p>Averse</p>	<p><b>Risk appetite</b></p> <p>Cautious</p>
<p>Relevant strategic aims</p> <p> </p>	<p>Relevant strategic aims</p> <p>  </p>

# 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 significant de-risking of our financing plan was achieved through completion of the Financial Close 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 Board approved annual Budget and the regulatory process which confirms our Allowed Revenue under the RAB. Sizewell C received its Financial Investment Decision as announced by the Energy Secretary on 22 July 2025. This committed full funding for the entire construction of the power station. The Economic Licence was awarded in November 2025, and provides 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. Financial Close was achieved in November 2025 and secured equity and debt finance for the additional capital expenditure funding needed during the construction stage.

## Potential impact of principal risks

On behalf of the Board, the Audit and Risk Committee regularly assess 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, headroom under financial covenants, 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 conduct quantification and risk modelling of individual portfolio risks, to challenge the effectiveness of our mitigating actions to ensure that cost and impact to the schedule are minimised. Scenario modelling is also used to help inform the potential impact of the portfolio risks, with risks assessed in combination and 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 financial covenant ratios are forecast to be robust and more than the minimum requirements under our future financing covenants, and consistent with an investment grade credit rating.

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 even if costs and schedule have severe overruns.

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 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.

Two key scenarios based on probabilistic outcomes are monitored and subject to verification by the Independent Technical Assessor (ITA) pursuant to the terms of the Investment Agreement and the ITA Deed of Appointment. These scenarios are a P50 Predicted Outcome Cost and a P90 Severe Outcome Cost. Scenarios are stress tested for various sensitivity cases, of which low inflation is the most impactful because low inflation gives a lower nominal RAB, meaning lower nominal debt capacity and RAB allowed revenues, increasing the likelihood of requiring contingent equity funding.

# Long-term viability statement

Programme Delivery	<p><b>Programme Delivery</b> (includes Third Party interfaces, Social Licence, Quality, Productivity, Nuclear Safety, Environment, Replication and Health &amp; Safety Risks)</p>	
Scenario	<p><b>Scenario 1 Predicted Outcome Cost (“POC”)</b> A P50 scenario being the capital expenditure incurred and the future capital expenditure required to achieve COD on a P50 likelihood case</p>	<p><b>Severe outturn Cost (“SOC”)</b> A P90 scenario being the capital expenditure incurred and the future capital expenditure required to achieve COD on a P90 case</p>
Assessment and mitigation	<ul style="list-style-type: none"> <li>Under the Predicted Outcome Case sensitivity, RAB revenue and debt finance would be able to meet the funding need with no additional equity commitment. Gearing and interest cover ratios would be consistent with an investment grade rating, and compliant with our financing covenants</li> </ul>	<ul style="list-style-type: none"> <li>Under the Severe Outcome Case sensitivity, RAB revenue and debt finance would be able to meet the funding need with no additional equity commitment. Gearing and interest cover ratios would be consistent with an investment grade rating, and compliant with our financing covenants</li> </ul>
Portfolio risk modelling outcomes	<ul style="list-style-type: none"> <li>The programme risk is most significant during the remaining years of construction, but some risk will exist post construction as the project completes commissioning</li> <li>The programme risk is managed through Sizewell C’s risk management framework, which is explained in the previous risk management section</li> <li>Portfolio risks have been assessed in combination to produce multiple consistent scenarios based on previous nuclear builds and wider infrastructure projects</li> <li>The POC is consistent with moderate outcomes of these scenarios</li> <li>The SOC is consistent with severe outcomes of these scenarios</li> </ul>	

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 Regulated Asset Base Economic Licence will remain 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 continue to access capital markets 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 RAB Economic Licence
- ▶ The Company regularly forecasts the POC and SOC scenarios, and in cases below the Higher Regulatory Threshold where additional shareholder funding is required, the Company is able to retain cash by reducing shareholder distributions in order to meet covenants in current and future periods. Alternatively, the Government could step in with Class C contingent equity (unilateral funding)
- ▶ Above the Higher Regulatory Threshold, the Contingent Financing Arrangement with HMG would provide financing from the SoS to provide contingent debt or equity funding where investors choose not to invest further capital and SZC cannot otherwise raise debt or equity funding in the market. The Directors have assumed that Sizewell C would not be discontinued at this point, consistent with the existing Government policy, as the Company believes the cost of discontinuation to the government, customers and investors would exceed any assumed benefits
- ▶ As part of the Government Support Package, the Government Liquidity Facility will provide up to two years of refinancing support to SZC, if required for any existing Principal or Class A senior debt authorised facilities that are maturing

**Governance, assurance, and conclusions**

We have in place an established process to assess the Company’s prospects, which is performed annually by senior management.

The results of the assessment are considered by the Audit, Risk and Reporting Committee, which reviews and recommends the Long-Term Viability Statement to the Board, where it is then in turn reviewed by the Directors for approval.

In reaching its conclusion, the Board has considered Ofgem’s statutory duty to secure 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 remain 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 due 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 92](#).

## STRATEGIC REPORT

# 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	<b>Climate-related financial disclosures</b>	Our TCFD disclosures.	<b>33</b>
1.A	<b>Environment</b>	Our metrics to reflect our environmental impact, including carbon emissions, water usage and waste.	<b>41*</b>
1.B	<b>Employees</b>	Our employee engagement policies and practices.	<b>22*</b>
1.C	<b>Society</b>	Sizewell C is proud of the contributions it is able to make to the communities in which it operates.	<b>31*</b>
1.D	<b>Human rights</b>	Sizewell C complies with all internationally recognised human rights; this is set out in our Code of Conduct.	<b>30*</b>
1.E	<b>Anti-corruption and anti-bribery</b>	Sizewell C has zero tolerance for corruption or bribery and this is set out in our Code of Conduct.	<b>62</b>
2.A	<b>Business model</b>	Our Business Model.	<b>6</b>
2.D	<b>Principal risks</b>	Our Strategic Risks.	<b>48</b>
		Our approach to risk management.	<b>43</b>
2.E	<b>Non-financial key performance indicators</b>	Our non-financial key performance indicators currently in development as Sizewell C matures as a company.	<b>58</b>

\* FY25/26 Annual Sustainability Report.



# CORPORATE GOVERNANCE

Contents



## CORPORATE GOVERNANCE

# Chair's introduction

I am pleased to present this year's Directors' and Corporate Governance Reports.

### Board Governance

This year there has been significant change in our governance arrangements as we have moved from being a project initially set up by EDF, then taken on by HM Government to now being an independent company, majority owned by private shareholders.

The Board ensures that governance, oversight, and reporting arrangements are robust, transparent, and aligned with the enhanced governance standards and disclosure requirements that now apply to the Company.

Our asset value will soon be at a scale that is equivalent to a FTSE100 company, and we are putting in place governance structures and processes that are consistent with that, but also reflect the requirements of our economic and nuclear licences, the Enduring Shareholders' Agreement that came into effect on Financial Close, the requirements of our lenders and our responsibilities in managing public money.

We have carried out an independent review of our governance, assessed the skills we have and will need at the Board and looked at best practice among regulated utilities, in particular Thames Tideway, which has a similar structure and is widely regarded as best in class for delivering complex infrastructure safely, on time and on budget.

Following this review, we have moved to a single CEO model from 1 January 2026, and refreshed our Board and Executive leadership. The Independent Non-Executive Directors play an important role in bringing a wide range of experience, challenge to the management team as well as ensuring that the company meets its licensing obligations to the Office for Nuclear Regulation. We have more Independent Non-Executive Directors than Shareholder Non-Executive Directors on the Board. We have established a new Project Infrastructure Committee to provide Board oversight of the construction process.

We also established our Designated Non-Executive Director for the workforce to support direct engagement between the Board and the workforce.

### Non-Executive Director Changes

Richard Noble stepped down from the Board in October 2025, having played an important role in supporting the Company through Financial Investment Decision (FID) and its preparations for Financial Close.

At the same time, Sir Andrew Mathews joined the Board as an Independent Non-Executive Director, bringing extensive nuclear and major infrastructure experience, including from his involvement in Hinkley Point C.

In November 2025, new shareholder-appointed Non-Executive Directors joined the Board: David Kirwan, representing Centrica, and Alejandro Lopez Delgado, representing La Caisse.

In February 2026, Jonathan Loveday stepped down as His Majesty's Government's representative Non-Executive Director, with Caroline Botwood appointed to the Board in his place.

### Executive Director Changes

In October 2025, David Gregg stepped down as Chief Financial Officer and Executive Director, after successfully steering the Company through FID and our first Annual Reporting cycle. Dr Laura Barbrook was appointed as Acting Chief Financial Officer and Executive Director, while the Nominations Committee, together with Nigel Cann, undertook a search for a permanent Chief Financial Officer.

In November 2025, as part of the new arrangements following Financial Close, Bertrand Michoud stepped down from his Board role while remaining as Delivery Director on the Executive Leadership Team. In the same month, the Board announced the appointment of Nigel Cann as Chief Executive Officer, effective from 1 January 2026. Nigel had jointly led the Company with Julia Pyke since 2023, with both serving as Managing Directors. Julia stepped down from the Board in December 2025 but stayed on as an advisor to the Chief Executive Officer until the end of March 2026. We are deeply grateful for her pivotal contribution in establishing Sizewell C as a project and leading it through to Financial Close.

### Compliance with the UK Corporate Governance Code

The Company is committed to the principles and provisions of the UK Corporate Governance Code, with a continued focus on clear accountability, effective risk oversight, and meaningful engagement with stakeholders.

By setting strong governance foundations, the Board is confident that the Company is well positioned not only to deliver the Sizewell C power station safely and effectively, but also to leave a lasting legacy for future generations.

John Holland-Kaye  
Chair



## CORPORATE GOVERNANCE

# Governance standards

The Company is the steward of a nationally significant nuclear infrastructure project and has received substantial investment from the UK Government.

The Board has adopted the latest best practice on corporate governance for companies listed on the London Stock Exchange as set out in the UK Corporate Governance Code 2024 (the 2024 Code) to the extent reasonably practicable.

The information included in this Annual Report and Accounts reflects the Company's continued evolution as an independent entity following the Government's Initial Investment Decision in November 2022.

The 2024 Code has been applied for the first time for the financial year ended 31 March 2026, whereas the prior year was reported against the UK Corporate Governance Code 2018.

Guided by the principles of the 2024 Code, the Board continues to develop and embed a governance framework that supports long-term sustainable success across the full lifecycle of the project, encompassing preconstruction, construction, operation, and eventual decommissioning. This includes promoting the right behaviours, maintaining effective oversight, and ensuring that governance arrangements remain proportionate and robust as the Company transitions through different stages of development.

The Company has continued to strengthen its corporate governance arrangements in support of its obligations as a nuclear site licensee and, following Financial Close, as an economic licensee (together, the Licences). The Licences require the Company to operate within a complex regulatory environment, with extensive reporting and compliance obligations.

The Board confirms that throughout FY25/26, and at the date of approval of this Annual Report and Accounts, the Company has applied the principles of the 2024 Code. The Company has not fully complied with certain provisions of the Code, and these instances of non-compliance are explained below.

## Compliance with the UK Corporate Governance Code 2024

## PROVISION 11

## Board Independence

Provision 11 of the 2024 Code recommends that at least half the Board, excluding the Chair, should comprise Independent Non-Executive Directors.

The composition of the Board changed significantly during the year, primarily as a result of the Financial Close process, as described in the Chair's Introduction and the Directors' Report. In particular, Richard Noble stepped down as an Independent Non-Executive Director shortly before Financial Close, with Alison Henwood appointed later in the year.

During the year, the number of shareholder appointed Non-Executive Directors increased from two to four following Financial Close. As a result, the Company did not fully comply with Provision 11 during FY25/26.

Notwithstanding this, Independent Non-Executive Directors remained the largest single group on the Board, and the Board is satisfied that it continued to benefit from effective independent challenge, judgment, and oversight during a period of significant transition.

## PROVISION 5

## Workforce Engagement

Provision 5 of the 2024 Code recommends engagement with the workforce through one of three specified mechanisms.

Following consideration by the Nominations and Remuneration Committee prior to Financial Close, Julie Thornton, Independent Non-Executive Director, was appointed as the Designated Non Executive Director for workforce engagement, reporting directly to the Board.

Since Julie's appointment, the Company has been compliant with Provision 5, and the Board is satisfied that appropriate arrangements are in place to ensure workforce perspectives are considered in Board discussions. Further details on the engagement activities will be reported on in next year's Annual Report.

## PROVISION 18

## Director Re-election

Provision 18 of the 2024 Code recommends that all directors should be subject to annual re election.

The Company does not currently provide for annual re-election of Directors. This reflects its ownership structure and governance arrangements, including those set out in the Enduring Shareholders Agreement. Director performance is kept under regular review by the Chair and the Board, with shareholder concerns, where relevant, addressed through established governance channels. This position remains under review as the Company's governance arrangements continue to evolve and through our annual Board effectiveness review process.

## PROVISION 28

## Risk Management

Provision 28 of the 2024 Code recommends that the Board carry out a robust assessment of the Company's principal and emerging risks and describe these in the Annual Report and Accounts.

During FY25/26, the Audit and Risk Committee undertook detailed oversight of the Company's risk management framework on behalf of the Board, including regular risk reporting, review of principal and emerging risks, and targeted deep dive sessions. Enhancements were also made to horizon scanning arrangements to strengthen the identification and management of longer term risks.

Following year end, the Board received and reviewed an update on the Company's principal and emerging risks, based on the work undertaken by the Audit and Risk Committee during the year. The Board is therefore satisfied that appropriate procedures are in place to identify, monitor, and mitigate risks and considers Provision 28 to have been complied with. The Board will continue to focus on assessing its decision against the risk management framework and risk appetite (see the strategic report for more information) and assess these remain appropriate for the Company regularly.

## PROVISION 29

## Internal Controls

Provision 29 of the revised 2024 Code requires the Board to make a declaration on the effectiveness of the Company's material controls. This provision applies to accounting periods beginning on or after 1 January 2026.

During FY25/26, the Audit and Risk Committee received updates on the Company's risk management framework and internal controls (please refer to the Audit and Risk Committee Report for further details). The Company has continued its preparations to meet the new requirements of Provision 29 under the revised 2024 Code.

**The Audit and Risk Committee is working with Management to develop a clear roadmap to support future compliance, including further strengthening of internal control and assurance frameworks. Significant progress was achieved during FY26/27, and a further update will be provided in future reporting.**

## APPROVAL

This Corporate Governance Statement was approved by the Board of Directors on 1 July 2026.

**John Holland-Kaye**  
Chair

# Governance standards

Aerial view of our  
marsh harrier habitat.

## Application of UK Corporate Governance Code 2024

The following table highlights key content within the report that demonstrates the application of the principles of the UK Corporate Governance Code 2024.

Code Provisions	Page
<b>Board leadership and Company Purpose</b>	
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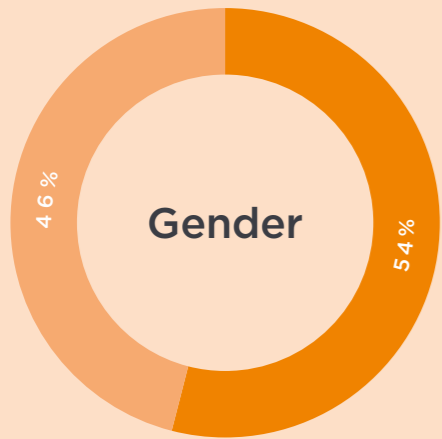
\* FY25/26 Annual Sustainability Report.

CORPORATE GOVERNANCE

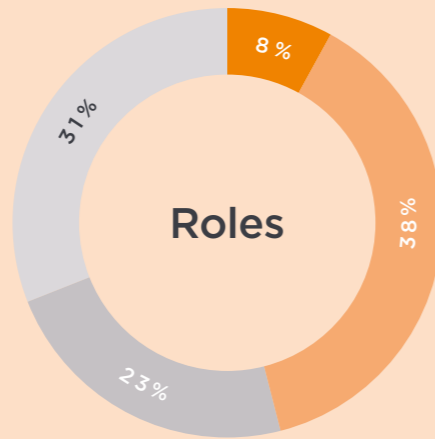
# Governance at a glance

Data as at 31 March 2026\*

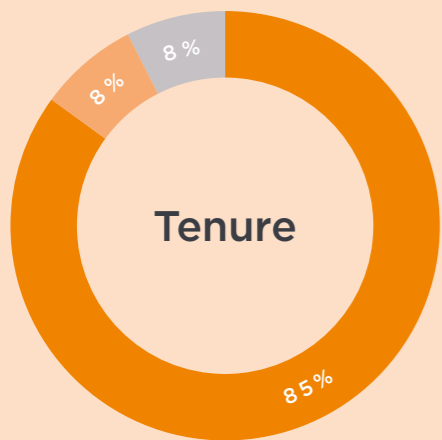
## GenCo Board Composition



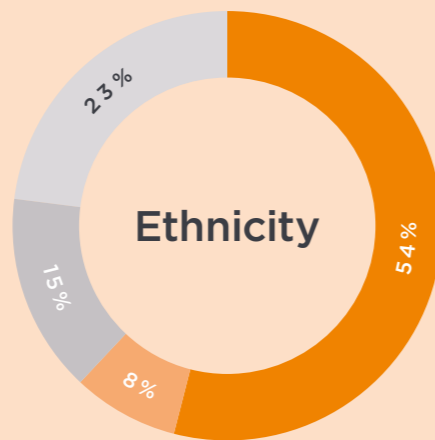
- Male
- Female



- Chair
- Independent Non-Executive Director
- Executive Director
- Shareholder Non-Executive Director



- 0 - 3 Years
- 3 - 6 Years
- 6+ Years

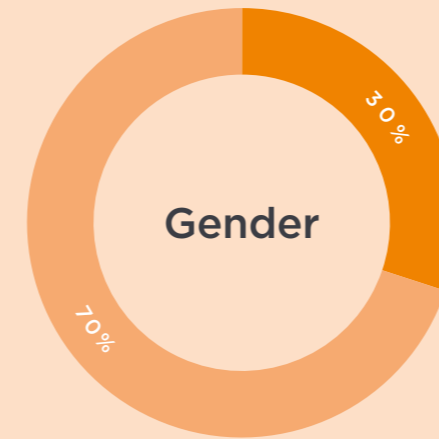


- White
- Ethnic minority
- Prefer not to say
- Unknown

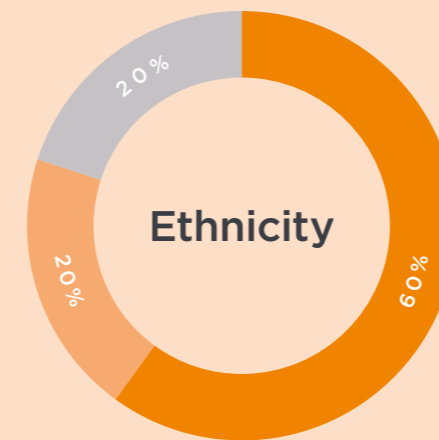
\*Figures have been rounded to the nearest percentage point; as a result, totals may not sum to 100%.

Data as at 31 March 2026\*

## Executive Leadership Team Composition



- Male
- Female



- White
- Ethnic minority
- Prefer not to say

CORPORATE GOVERNANCE

# Directors' biographies

## Chair and Independent Non-Executive Directors



**John Holland-Kaye**  
**Chair, and Nominations Committee Chair**

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 Chief Executive Officer 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 Manager 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 Cadent Gas Ltd, Chair of Governors at Bedford School, and an Advisor to the Stonehaven Group Board. His previous appointments include Thames Water, Mace Construction, and Thames Tideway, and advisory roles with HM The King's Sustainable Markets Initiative, the Jet Zero Council, and the Energy Transitions Commission. He was also a member of DEFRA's Council for Sustainable Business.

**Other key external appointments:** *Chair, Cadent Gas Limited.*



**Elizabeth Barber**  
**Senior Independent Director,  
 and Audit and Risk Committee Chair**

Elizabeth is a Chartered Accountant with wide-ranging experience across finance, risk, Environmental Social Governance (ESG), regulation, and governance.

She has held senior roles including Audit Partner at Ernst & Young, Chief Financial Officer and Chief Executive Officer 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 and Non-Executive Director of Renew Holdings plc, HICL plc, ICAEW. Chair, Encyclis Limited*



**Sir Andrew Mathews KCB FREng**  
**Project Infrastructure Committee Chair**

Andrew has a wealth of nuclear and mega project experience that spans more than 45 years, with 20 years at board level. His career started in the Royal Navy as a nuclear submarine engineer officer and he has considerable practical plant operational experience.

He was Naval Base Commander Devonport providing support for surface ships, submarines, and Royal Marines. As Rear Admiral, he was Director General Submarines responsible for the RN's nuclear submarine procurement and support, including the Dreadnought future deterrent programme and the atomic weapon programme.

This was followed by 5 years at the rank of Vice Admiral as Chief of Materiel Fleet, responsible for all the RN's procurement and support; a portfolio of projects such as the Astute nuclear submarine and the Queen Elizabeth Class Aircraft Carriers. The role included membership of the Navy Board, Admiralty Board and Defence Equipment and Support Board.

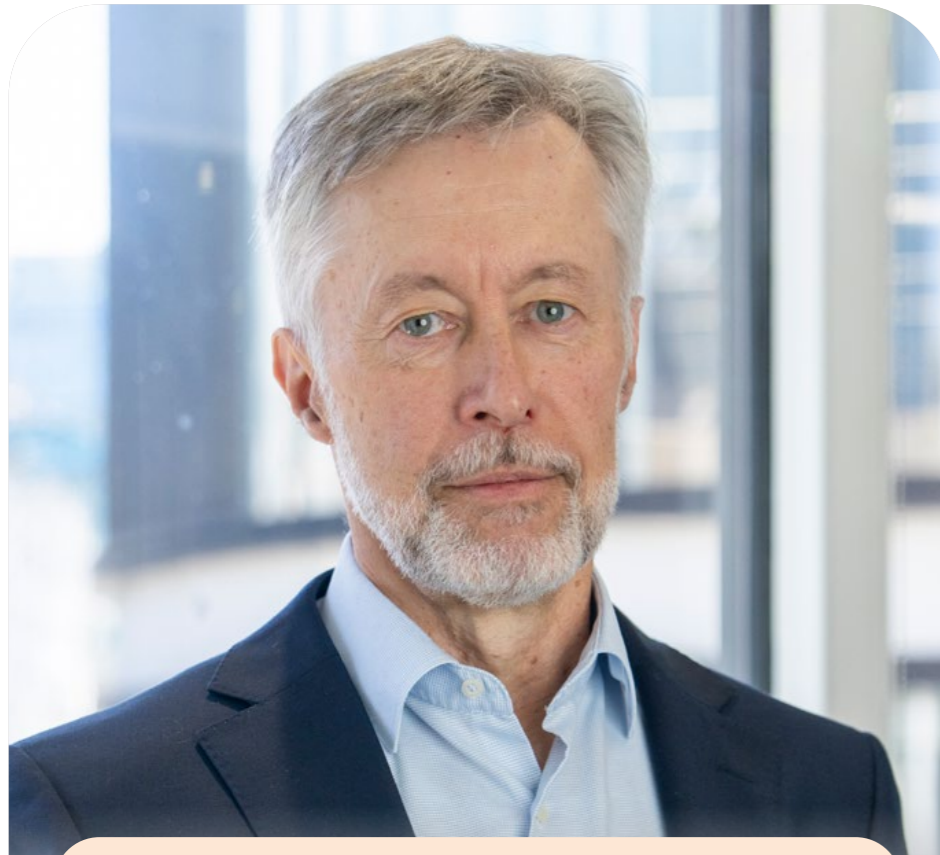
Andrew has spent his post Navy career at board level. This includes over 9 years on the Hinkley Point C board as an Independent Non-Executive Director, 9 years on the Devonport Royal Dockyard Board, responsible for Babcock's nuclear submarine programme both as INED and Chair, and 8 years at National Nuclear Laboratory as chair where he oversaw a major transformation of the Board and company.

**Other key external appointments:** *Chair of the High Speed 2 Rail Systems Alliance.*

CORPORATE GOVERNANCE

# Directors' biographies

## Independent Non-Executive Directors



**Jouni Silvennoinen**  
**Safety, Health, and Environment Committee Chair**

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 in the Olkiluoto 3 European Pressurized Reactor (EPR) project and has a deep expertise in EPR design and technology.

He has been involved in the Olkiluoto 3 EPR project from the outset of construction 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).*



**Julie Thornton**  
**Remuneration Committee Chair**

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

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

Julie began her career at IBM, becoming Head of HR for Global Services UK, before moving to Citibank as Vice President for Human Resources 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:** *None.*



**Alison Henwood**

Alison is an experienced finance leader with extensive expertise in risk management, treasury, internal control and audit, developed through senior regional, divisional, and global roles during an international executive career. She brings broad experience across sectors including supply chain, infrastructure, shipping and B2B, with exposure to both developed and emerging markets.

Until June 2022, Alison was Executive Vice President of Finance, Trading & Supply at Shell plc, where she led the finance function for the world's largest energy trading business. During her executive tenure, she held a range of senior leadership roles and played a key role in finance transformation and cultural change.

Alison currently serves as a member of the Supervisory Board of Umicore, a Belgium-based global materials technology and recycling group, where she is Chair of the Audit Committee. In January 2026, she was appointed to the Board of Endeavour Plc, a global gold producer. From January 2017 to July 2023, she served as Non-Executive Director and Chair of the Audit and Risk Committee at the UK Hydrographic Office, a world leading centre for hydrography specialising in marine geospatial data.

**Other key external appointments:** *None.*

## CORPORATE GOVERNANCE

# Directors' biographies

## Shareholder Non-Executive Directors



### Stuart Crooks CBE FREng

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 Chief Executive Officer since July 2025.

He began his career as an apprentice and progressed through technical and engineering roles at Dungeness B, Heysham 2, and Hartlepool, where he served as Station Director. After a short time as Safety and Technical Director, he served as Chief Technical Officer for five years before being appointed as Managing Director of EDF's Generation business (Nuclear, Coal, Gas and Renewables) in 2014. Stuart will be stepping down as CEO of HPC at the end of June 2026.

Stuart is a strong advocate for skills, diversity, and inclusion, championing apprenticeships, women in nuclear, and working parents across the sector. In 2018, he was awarded the Chevalier de L'Ordre National du Mérite in France and awarded a CBE in 2019 for services to nuclear.

**Other key external appointments:**  
CEO, Hinkley Point C and other EDF Group directorships.



### Alejandro López Delgado

Alejandro has over 20 years' experience as a global investor in large-scale infrastructure projects and companies. He has completed transactions with a combined enterprise value exceeding US\$50 billion and brings extensive board experience, including as a non-executive director of regulated energy companies such as SGN, Caruna, Exolum, and as Chair of MapleCo.

Alejandro is Managing Director, Infrastructure at La Caisse, where he leads the origination, execution, and management of infrastructure investments in Europe across energy, transport, and digital sectors. Before joining La Caisse in 2020, he spent eight years at OMERS Infrastructure, contributing to the development of its European portfolio. Earlier in his career, he held roles at Mubadala Infrastructure Partners, Goldman Sachs' Infrastructure Investment Group, Ferrovial, and Boston Consulting Group.

Alejandro holds an MBA from The Wharton School of the University of Pennsylvania and a master's degree in civil engineering from Universidad Politécnica de Madrid. He is also a UK Chartered Director.

**Other key external appointments:**  
Managing Director - Infrastructure, La Caisse;  
Non-Executive Director, ATC Europe.



### David Kirwan

Dave Kirwan is Managing Director of Centrica Power and Country Chair of Bord Gáis Energy, Centrica's Irish business. Dave has been a member of the Centrica Executive Leadership team since 2020 and has previously been MD of Bord Gáis Energy and British Gas Commercial Divisions.

Dave was responsible for leading the Bord Gáis Energy business through the successful sale to Centrica in 2014. Prior to that Dave worked in Bord Gáis Éireann for 15 years and was responsible for the launch of its Northern Ireland business, Firmus Energy, the development of the Whitegate power station and the acquisition and subsequent merger of the SWS wind business. Before joining Bord Gáis Energy, Dave worked in the power generation sector for ESB/ESBI in Ireland, US and Vietnam.

Dave holds a BE in Electronics from University College Dublin and is a Fellow of the Institute of Engineers of Ireland. He also holds an MBA from University College Cork (UCC) and a doctorate in business economics (DBA) from UCC.

**Other key external appointments:**  
Managing Director of Bord Gáis Energy and serves on the Centrica Group Executive Committee.



### Caroline Botwood CBE

Caroline has held several senior roles within UK government departments. She has been Director for Nuclear Projects Delivery since 2023, leading the Sizewell C project as Senior Responsible Officer through to its successful equity raise and Revenue Commencement in November 2025.

Prior to joining the Department for Energy Security and Net Zero (DESNZ), Caroline spent 14 years at the Department for Transport, undertaking numerous roles. These include Chief Portfolio Officer (2020 – 2023) with oversight of the Department's £170 billion capital portfolio and the HS2 Phase 1 Director (2017-2020).

Before joining government, Caroline had a successful career in banking, specialising in corporate and then project finance. She was a Director, Project Infrastructure & Finance at Investec and served as Director for Project Finance at European Capital Company Limited.

**Other key external appointments:**  
Non-Executive Director on East West Railway Company Limited, a UK Government-owned company.

CORPORATE GOVERNANCE

# Directors' biographies

## Executive Directors and Company Secretary



**Nigel Cann FNucl**  
Chief Executive Officer

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 an 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 Hinkley Point C (HPC) Site Construction Director and HPC Delivery Director.

Nigel joined Sizewell C as Joint Managing Director in April 2023. He jointly led the transition from a development project to a multibillion-pound delivery project that achieved Financial Investment Decision in July 2025 and Revenue Commencement in November 2025. Nigel became Chief Executive Officer on 1 January 2026.

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



**Dr Laura Barbrook**  
Acting Chief Financial Officer

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

Laura has held senior finance roles in international FTSE 50 groups as well as private equity-backed businesses. She brings a strong track record in complex strategic transactions, large scale transformation programmes, controllership, and corporate governance. Laura served as Group Financial Controller of National Grid plc from 2020 to 2024.

**Other key external appointments:** *None.*



**Dr Mina Golshan CBE**  
HonFNucl Safety, Security & Assurance Director

Mina has over 20 years' experience in the nuclear high-hazards sectors, spanning research and development, construction, regulation and change leadership.

She has deep expertise in the Nuclear, Safety, security and environment regulatory frameworks.

Prior to joining the Company, Mina was Deputy Chief Inspector and Director at the Office for Nuclear Regulation (ONR), where she led and transformed the regulation of Nuclear Decommissioning Authority (NDA) sites, and established the UK Safeguards Office post-Brexit. She is an experienced committee Chair and 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.*

### Alternate Director representation

During FY25/26, and as permitted under the Enduring Shareholders Agreement (ESHA) and the former Interim Shareholders Agreement, Directors appointed alternate representatives on a limited basis to attend meetings on their behalf.

The use of alternate directors provided important continuity and support during a period of significant organisational transition, including the completion of Financial Close. Each alternate was selected by the appointing Director based on their relevant knowledge, skills, and experience.

The Chair keeps the use of alternate director representation under review as part of the ongoing maturation of the Company's governance arrangements and in order to maintain alignment with evolving best practice. Details of alternates who acted during the year are set out in the relevant Committee Reports.

### Company Secretary



**Asha Magnus**

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.

**Appointed on 25 June 2024.**

## CORPORATE GOVERNANCE

# Board responsibilities

### The Board's Role

As set out on [page 5](#) of this Annual Report and Accounts, the Company's purpose is aligned to its mission which is to build and operate a nuclear power station that delivers long-term value for UK consumers, the economy and the environment.

The Board is responsible for providing leadership and oversight to ensure that this purpose is achieved safely, securely, and in accordance with applicable legal, regulatory, and funding obligations.

In fulfilling its role, the Board is responsible for:

- ▶ setting the Company's:
  - **purpose** (aligned to the [Company's Mission](#))
  - **values**
  - **long-term strategy**
- ▶ overseeing the Company throughout the distinct phases of **preconstruction, construction, operation, and eventual decommissioning**.

In discharging these responsibilities, the Board also has regard to the Company's broader contribution to the UK's long-term energy security and decarbonisation objectives.

The Board provides strategic leadership while maintaining robust oversight of performance, culture, and risk.

It supports and constructively challenges the Executive Leadership Team, setting a clear risk appetite and control framework to support the delivery of strategic objectives.

Regular reporting on performance, safety, and risk enables the Board to monitor progress against key milestones and the management of principal and emerging risks.

As the Company continued its transition to an independent entity following investment from His Majesty's Government (HMG), the Board played a central role in shaping its strategic direction. During FY25/26, the Board held its second Strategy Day and considered a refreshed Company strategy and strategic KPIs, positioning the Company for success as it enters the main construction phase and prepares for future engagement with private capital.

Up to Financial Close, the Company was governed by the terms of the Interim Shareholders Agreement between the Company, its ultimate parent, Sizewell C (Holding) Limited, and its shareholders: the Secretary of State for Energy Security and Net Zero (DESNZ) and EDF Energy Holdings Limited.

Following Financial Close on 4 November 2025, the Company has been governed by the Enduring Shareholders Agreement (ESHA) between the Company, its immediate parent, Sizewell C (PledgeCo) Limited, its ultimate parent, Sizewell C (Holding) Limited, and the ultimate parent's shareholders. The ESHA sets out certain matters that are reserved for approval by the holding company and its shareholders.

Notwithstanding these reserved matters, the Company retains full responsibility for the operational management and strategic direction of its activities. In particular, where necessary to maintain nuclear safety in emergency situations or to ensure compliance with nuclear site licence obligations, the Company is able to act independently of reserved matter provisions.

### The roles and responsibilities of The Board

Role	Responsibilities
<b>Chair</b>	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 Chief Executive Officer 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.
<b>Chief Executive Officer</b>	Carries out day-to-day operation of the Company and reporting up to the Board accordingly. Ensures effective communication with all stakeholders. Promotes the strategy, values, and purpose of the Company. Embeds positive cultural behaviours. Ensures workforce compliance with business code of conduct and policies. Implements the various processes and controls required to support strategy and risk appetite. Delivers the Sizewell C programme safely, on schedule and within budget, and to required environmental standards. Develops, leads, and motivates a suitably qualified and skilled team that embraces and demonstrates the values necessary for success. These include the financing, sustainability, safety, and security for construction, commissioning, and operation.
<b>Senior Independent Director</b>	A sounding board for the Chair. Acts as intermediary between the Chief Executive Officer and other directors as necessary. Available to shareholders and other stakeholders for matters that cannot be resolved through normal channels.
<b>Non-Executive Director</b>	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 Executive Leadership Team Review and oversee the delivery of the Company's strategy and risk controls.
<b>Company Secretary</b>	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.

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.

## CORPORATE GOVERNANCE

# Board composition, succession, and evaluation

### Board Composition Overview

The Board comprises a mix of Independent Non-Executive Directors, Shareholder-appointed Non-Executive Directors, and Executive Directors. They provide an appropriate balance of skills, experience, independence, and knowledge to support the Company's objectives.

The Chair was independent on appointment and also chairs the boards of the Company's immediate parent, Sizewell C (PledgeCo) Limited, and ultimate parent, Sizewell C (Holding) Limited. Independent Non-Executive Directors and key Executive Directors together form the largest groups on the Board, with a minority of Shareholder appointed Non-Executive Directors.

**This composition reflects the Company's current priorities, including:**

- ▶ building strong and resilient governance foundations
- ▶ supporting preconstruction priorities with safety, security, and assurance at the forefront
- ▶ ensuring effective alignment with the Enduring Shareholders Agreement (ESHA)

The most significant leadership development during FY25/26 was the transition from joint Managing Directors to a sole Chief Executive Officer, with Nigel Cann assuming the role on 1 January 2026. This change has provided clearer executive accountability and reflects the Company's progression into its next phase of development.

**The Board is satisfied that during FY25/26 it has continued to demonstrate:**

- ▶ Board capability aligned with the requirements of Nuclear Site Licence Condition 36 (Organisational Capability)
- ▶ diverse and balanced Board discussions, supported by clearer executive leadership following the transition to a sole Chief Executive Officer
- ▶ strong non executive oversight, providing effective challenge, strategic guidance, specialist advice and scrutiny during a period of significant organisational transition

Directors appointed towards the end of the financial year have either commenced or will undertake the relevant induction and development programmes to ensure the Board continues to meet the organisational capability requirements of a nuclear site licensee. Director knowledge and collective capability will continue to build over the coming months.

### Board Succession

The Nominations Committee, working together with the Remuneration Committee, oversees succession planning for the Board and the Executive Leadership Team. Succession planning is considered in the context of the Company's long lifecycle and ensures that the Board maintains an appropriate mix of skills, experience, and leadership capability across all phases of the project.

### Board Performance Review

As part of the Company's continued growth and transition to an independent organisation, the Board commenced the next cycle of its performance evaluation during FY25/26.

The review built on the findings and actions from the previous year's evaluation and supported the Board's commitment to maintaining the conditions necessary for informed, high-quality decision-making as the Company prepares for future project phases of delivery.

The review also assessed the Board's effectiveness in meeting evolving stakeholder expectations, supporting compliance with regulatory obligations, and aligning governance practices with the revised UK Corporate Governance Code 2024.

The FY25/26 Board evaluation was again facilitated by an independent external adviser, Seamus Gillen of Value Alpha Ltd. Given the governance and Board changes since the FY24/25 review, the Board determined that a further externally-facilitated evaluation would provide continuity and enable a meaningful assessment of progress.

**The evaluation process comprised:**

- 01 Board and Committee Observations (January 2026)**  
Observation of two Board meetings, together with a review of associated Board papers.
- 02 Director Interviews (January-March 2026)**  
In-depth, confidential interviews with each Director, informed by an updated questionnaire reflecting the outcomes of the FY24/25 review. Feedback was gathered using both quantitative and qualitative measures.
- 03 Stakeholder and Chair Performance Discussions**  
The evaluation ran alongside the Chair's annual performance discussions with individual Directors (excluding newly-appointed Directors, who will be included in the next cycle). The Senior Independent Director led the Chair's performance review and oversaw the overall evaluation process.
- 04 Update to the Board (April 2026)**  
The Board received an update on progress, with the final report expected to be presented at the May 2026 meeting.

*Image: Sizewell C Board visit to Framatome factory, St Marcel, France.*



## CORPORATE GOVERNANCE

# Board development, conflicts, and information

## Development and training

Following the completion of the preconstruction phase and the Financial Close process, the composition of the Board has continued to evolve.

These changes reflect the specific skills, experience, and perspectives required for effective oversight at this stage of the Company's lifecycle, with the support of the Company's ultimate shareholders.

The Board recognises the finite and highly-regulated lifecycle of a nuclear power station - spanning preconstruction, construction, operation, and eventual decommissioning - as well as the complexity of the Company's funding and regulatory arrangements. The Board therefore keeps its collective capability under regular review to ensure it remains appropriately aligned to the demands of each phase.

A structured onboarding process is in place to ensure that all new Directors receive an induction, including mandatory training and role-specific development tailored to their responsibilities.

All Directors are assigned a Nuclear and Environmental Baseline Role and Training Profile, setting out the core competency areas required to discharge their duties effectively. Independent Non-Executive Directors have undertaken briefings from internal subject matter experts in alignment with the requirements applicable to Nuclear Licensed Board Members. These briefings cover:

- ▶ Project overview and delivery context
- ▶ Nuclear safety, security, environmental compliance, and assurance
- ▶ People systems and organisational development
- ▶ Board intelligent customer

This structured development framework ensures that the Board maintains the knowledge, insight, and capability required to fulfil its responsibilities effectively, with a clear and sustained focus on nuclear safety, regulatory compliance, and robust governance throughout all stages of the Company's lifecycle.

## Conflicts of Interest

Directors are required to disclose any actual or potential conflicts of interest as they arise, in accordance with company practice, their duties under the Companies Act, and the requirements of the Economic Licence. Conflicts are reviewed and a Directors Conflicts of Interest Register is tabled at each Board meeting, and Directors are required to complete and sign an annual declaration of interests.

Any related party matters are managed in accordance with the terms of the Enduring Shareholders Agreement (ESHA) and are subject to shareholder approval where they constitute reserved matters.

## Information to the Board

The flow of information to the Board continued to evolve during the year to reflect the increasing scale and complexity of the business and the maturity of the Company's governance arrangements.

These developments support the Board's oversight role as the Company progresses towards key corporate milestones and operates within its funding and regulatory framework.

Information flows from subject matter experts through the organisation to the Board in a structured manner. For procurement and contractual matters, relevant proposals are first reviewed through the Commercial Management Decision Meeting, where they are assessed against sourcing strategies, tender procedures, and the Company's replicated supply chain model. Recommendations are then shared with the Executive Committee for consideration before submission to the Board, where appropriate.

All papers submitted to the Board are reviewed by the relevant Executive sponsor and/or the Executive Leadership Team to ensure that they are complete, accurate, and suitable for decision-making.

A core component of the Board's information pack is the Monthly Company Performance Report. This report provides updates on delivery progress, performance metrics, and key schedule milestones. It is subject to assurance by the Company's Project Management and Programme Controls teams and is reviewed by the Executive Leadership Team through the formal Project Performance Review process. Final sign off of the report rests with the Chief Executive Officer prior to submission to the Board.

## Board Committees

The Board has established five standing committees, each operating under their respective Terms of Reference approved by the Board. Through these committees, the Board delegates certain responsibilities while retaining overall accountability. Each Committee Chair provides regular updates to the Board on matters considered and recommendations made.

All Board committees are chaired by an Independent Non-Executive Director. Executive Directors are not generally members of the committees, except where their expertise is essential to the committee's remit, including the Safety, Health and Environment Committee, and the Project Infrastructure Committee. The Board has further established two Executive lead committees, the Executive Leadership Team to manage the day-to-day operational matters and the Nuclear Safety Committee to provide advisory support to the Company and in accordance with the Nuclear Site License.

### Audit and Risk Committee

- ▶ Reviews the integrity of accounting and financial controls
- ▶ Oversees the effectiveness of internal controls and risk management
- ▶ Reviews corporate governance arrangements
- ▶ Receives and considers reports from Internal Audit (IA) and Independent Nuclear Assurance (INA)

### Safety, Health and Environment Committee

- ▶ Reviews the Company's safety, health, and environmental performance

### Nominations Committee

- ▶ Makes recommendations to the Board regarding appointments to the Board and the Executive Leadership Team
- ▶ Keeps the composition of the Board and its committees under review to ensure skills and experience remain appropriate to the Company's lifecycle stage

### Remuneration Committee

- ▶ Reviews and makes recommendations on the remuneration of the Board and the Executive Leadership Team, including other key leadership roles
- ▶ Reviews and recommends the remuneration strategy and long-term incentive arrangements for the Executive Leadership Team


### Project Infrastructure Committee

- ▶ Reviews key aspects of the Sizewell C asset build project
- ▶ Analyses performance trends and significant construction and infrastructure risks or opportunities
- ▶ Benchmarks delivery performance and evaluates outputs from the Independent Technical Advisor

## CORPORATE GOVERNANCE

# Executive Leadership Team

The Board has established an Executive Leadership team (ELT)<sup>1</sup>, chaired by the Chief Executive Officer, to oversee the day-to-day operational management of the Company within the delegated authority framework approved by the Board.




**Nigel Cann FNucl**  
**Chief Executive Officer**

*Joined the Company and ELT in April 2023.*



**Dr Laura Barbrook**  
**Acting Chief Financial Officer**

*Joined the Company in June 2025 as Deputy CFO.  
Promoted to Acting CFO and ELT in October 2025.*



**Jonathan Loveday**  
**Chief Commercial Officer**

*Joined the Company and ELT in July 2026.*



**Dr Mina Golshan CBE**  
**HonFNucl Safety, Security & Assurance Director**

*Joined the Company and ELT in July 2021.*



**Sarah Hancock**  
**Chief People Officer**

*Joined the Company and ELT in January 2021.*




**Bertrand Michoud**  
**Chief Operating Officer**

*Joined the Company and ELT in November 2019.*



**Tilly Spencer**  
**Chief Technical Officer**

*Joined the Company and ELT in March 2024.*



**Sharmila Sylvester**  
**General Counsel**

*Joined the Company and ELT in February 2025.*

<sup>1</sup> ELT as at July 2026

## CORPORATE GOVERNANCE

# Executive Leadership Team and Nuclear Safety Committee

The Board has delegated authority for the day-to-day operational management of the Company to the Chief Executive Officer, supported by the Executive Leadership Team (ELT).

Certain members of the ELT serve as Directors on the Board to reflect key executive responsibilities that directly inform the Board’s decision-making processes.

The Chief Executive Officer is responsible for providing executive leadership, setting strategic direction, and ensuring that timely, accurate, and relevant information is reported to the Board from across the business. This includes the provision of regular progress updates on performance, delivery, and risk.

The ELT reports to the Board primarily through the Monthly Company Performance Report, which provides structured oversight of operational delivery and progress against key milestones.

**The ELT is responsible for:**

- ▶ managing the day-to-day operations of the organisation, including oversight of construction of the project to ensure it is delivered safely, to schedule and on budget
- ▶ ensuring that Board approved policies are implemented consistently across the organisation and reporting on their effective application
- ▶ scrutinising contracts and, where appropriate and in accordance with the delegated authority framework, recommending matters for Board approval
- ▶ contributing to strategic decision-making, including through the operation of executive management and governance forums

To support the effective discharge of its responsibilities, the ELT has established appropriate functional and management arrangements, ensuring clear accountability, coordination across the business and effective escalation of matters to the Board where required.

**The Nuclear Safety Committee<sup>1</sup>**

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

The NSC comprises five independent advisers alongside the Head of Independent Nuclear Assurance and the Head of Pre-Operations. It is Chaired by the Safety, Security & Assurance Director, who is also an Executive Director on the Board and provides a dotted reporting line to the Board on any safety matters at an early stage.

In accordance with NSL conditions, NSC membership is based strictly on expertise of the nuclear industry and similar high safety industries, 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 Chief Executive Officer 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.



<sup>1</sup> 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 FY25/26, the Board formally met 12 times.

An additional five ad hoc Board meetings and several briefing sessions were held to update the Board on key matters, including the process towards FID and Financial Close, approval of key transaction documentation, major supplier contracts, and cost disclosures.

### Independent Chair

Board Member	Attendance <sup>1</sup>
John Holland-Kaye <sup>2</sup>	11 / 12

### Independent Non-Executive Directors

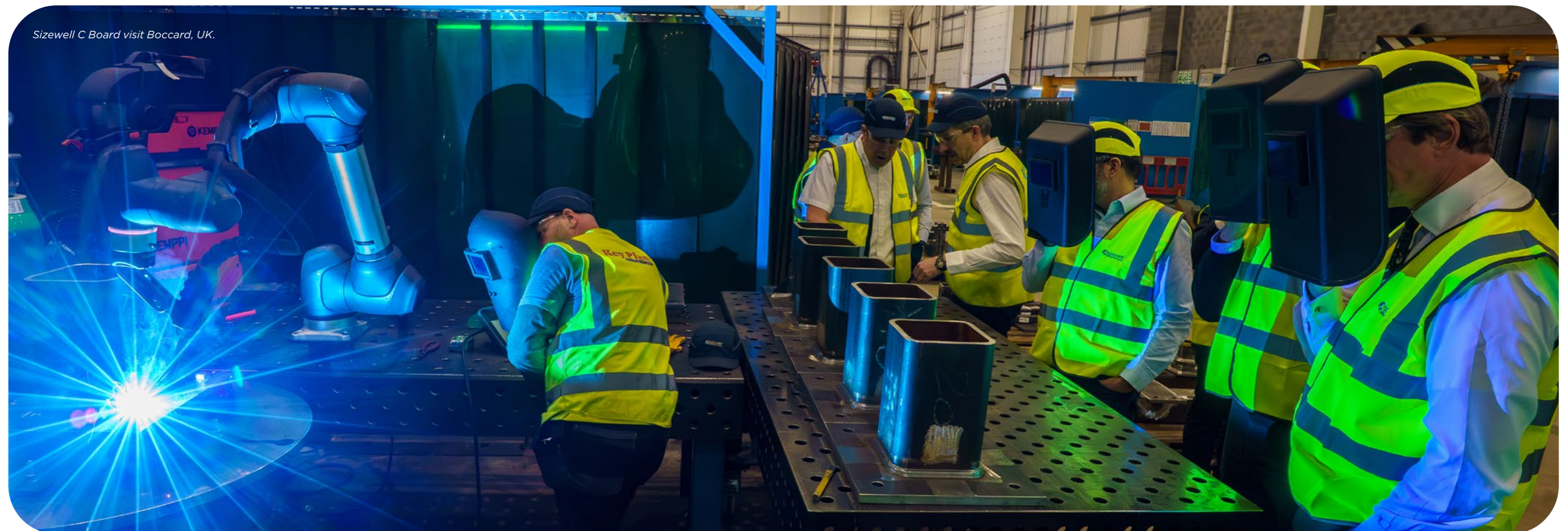
Board Member	Attendance <sup>1</sup>
Elizabeth Barber <sup>3</sup>	11 / 12
Jouni Silvennoinen	12 / 12
Julie Thornton	12 / 12
Sir Andrew Mathews KCB FREng <i>Appointed 1 October 2025</i>	6 / 6
Alison Henwood <i>Appointed 23 March 2026</i>	1 / 1
Richard Noble <i>Resigned 31 October 2025</i>	7 / 7

### Executive Directors

Board Member	Attendance <sup>1</sup>
Nigel Cann	12 / 12
Julia Pyke CBE <i>Resigned 31 December 2025</i>	8 / 9
Dr Laura Barbrook <i>Appointed 17 October 2025</i>	6 / 6
Bertrand Michoud <i>Resigned 4 November 2025</i>	7 / 7
Dr Mina Golshan CBE	12 / 12
David Gregg <i>Resigned 16 October 2025</i>	6 / 6

### Shareholder Non-Executive Directors

Board Member	Attendance <sup>1</sup>
Stuart Crooks <sup>4</sup>	12 / 12
Jonathan Loveday <i>Resigned 16 February 2026</i>	10 / 10
David Kirwan <i>Appointed 4 November 2025</i>	5 / 5
Alejandro López Delgado <i>Appointed 4 November 2025</i>	5 / 5
Caroline Botwood <i>Appointed 16 February 2026</i>	2 / 2



Sizewell C Board visit Boccard, UK.

<sup>1</sup> 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.  
<sup>2</sup> John Holland-Kaye was unable to join one meeting due to an existing conflict. Elizabeth Barber acted as Chair in his place.

<sup>3</sup> Elizabeth was unable to join one meeting due to existing conflicts.  
<sup>4</sup> Gavin Edwards and Rob Guylar acted as alternates for the two meetings Stuart Crooks could not attend.

## CORPORATE GOVERNANCE

# Board activity and principal matters considered

During the reporting period, the Board focused on a broad range of strategic, safety, governance, and delivery-related matters.

In particular, the Board supported His Majesty's Government's investment case by providing oversight and assurance to enable transparent and accurate disclosure of the Company's activities and progress.

Recognising the importance of governance maturity as the Company transitions into construction, the Board devoted significant time to reviewing and strengthening governance, regulatory, and contractual frameworks. In its decision-making, the Board remained mindful of its key stakeholders and the long-term sustainable success of the Company.

The Board and the Executive Leadership Team also held the annual Board Strategy Day in January 2026, during which the Executive presented the Company's strategic priorities, delivery priorities (including safety and supply chain), and key insights impacting Sizewell C's operating environment (e.g. AI and the Nuclear Regulatory Taskforce Review 2025).

A summary of the Board's principal discussions, key decisions, and the stakeholders considered during the year is set out in the table on the following page.

### Matters Reserved to the Board

Certain matters are reserved for the Board, ensuring appropriate oversight and accountability. **These include, but are not limited to, the following areas:**

#### Management and Organisational Structure

- ▶ Establishment or dissolution of Board committees
- ▶ Delegation of authority to such committees
- ▶ Approval of committee terms of reference, membership, and quorum
- ▶ Amendments to any of the above (excluding pre agreed arrangements)

#### Reporting

- ▶ Approval of the detailed content, form, and scope of reports to the Company's ultimate parent company, Sizewell C (Holding) Limited, and shareholders

### 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 adequacy, compliance, or assurance policies
- ▶ Approval or amendment of Company policies relating to employee remuneration or terms (excluding matters reserved to the Nominations and Remuneration Committee)

### Decommissioning

- ▶ Approval of decisions relating to project decommissioning, as required by law or under the Nuclear Site Licence

### Budget

- ▶ Approval of the Company's budget, including amendments subject to immediate and ultimate shareholder approval and Reserved Matters

### Delegations of Authority

- ▶ Approval or amendment of the Company's primary delegations of authority (excluding those delegated to the Chief Executive Officer or Chief Operating Officer (formerly Delivery Director), or matters already approved under the Initial Delegation of Authority Manual)



Sizewell C Board visit Boccard, UK.

## CORPORATE GOVERNANCE

# Board activity and principal matters considered

List of board discussions:

**Category:**  
**Strategy**

**Discussion topic**

Strategic direction and ambition to make Sizewell C the benchmark for major project delivery and key focus areas in 2026/2027

Reviewed critical path risks and supply chain development

Culture and delivering the People Programme

Approach to performance management, including Strategic KPIs

Nuclear Regulatory Taskforce Review (2025) and the role of Artificial Intelligence (AI) in successful delivery

Approved Energy Strategy

Reviewed corporate maturity

Approved Quarterly Project Update Report and Lender Project Update Report

Approved Diesel and Fuel Strategy

Approved logistics provider and strategy update

Discussed outcomes from the Strategy Day held in January 2026

**Category:**  
**Mechanical, Electrical and HVAC Contracts**

**Discussion topic**

Contractual & Commercial Principles

**Category:**  
**Civil Works Alliance Contracts**

**Discussion topic**

Target Outturn Costs (TOCs) – TOC 1A Services Management

TOC (1A) SSSI Crossing & NW Corner Drain Diversion & Environmental Barrier

TOC (1B) Desalination M&T, CDO, TSD North

TOC11A Avonmouth Hub Site Set Up

TOC 2A (GeoTechnical)

TOC 1C (Part A) - Marine Bulk Import Facility

AtkinsRealis Framework Contract for delivery of CWP and Site Delivery design

Balfour Beatty early contractor involvement (Professional Services provision as the Civils Works Alliance pre-PAA) contract uplift

Material handling conveyors and permanent aggregate store

**Category:**  
**Transport**

**Discussion topic**

Approved Passenger Operations Programme

Approved Zero Emission Bus Refuelling Strategy

**Category:**  
**Land Acquisition**

**Discussion topic**

Associated British Ports Lowestoft Port - Direct Air Capture pilot- lease extension

Off-Site Infrastructure (OSI): Highways legal agreements

OSI Minor Roads

Upper Abbey Farm licence

Port Land and Storage Avonmouth Dock - five lease agreements

Muster Port Space in Vlissingen, NL

MDS Roads - additional V5 allocation

Orwell Logistics Park

**Category:**  
**Finance**

**Discussion topic**

Approved capital raising and funding

Approved FY25/26 to FY2027/28 "Initial Company Budget" under the Enduring Shareholder Agreement

Approved currency hedging

Approved Annual Report and Accounts

Approved Tax Strategy

Approved budget for FY26/27 to FY2028/29

**Category:**  
**Governance**

**Discussion topic**

Reviewed Board composition

Approved risk appetite

Undertook a Board Effectiveness Review and Evaluation

Approved Modern Slavery Statement

Approved Delegation of Authority and terms of reference review

Approved Sustainability Report

Approved the Enduring Shareholders Agreement and embedded requirements

**Category:**  
**Regulatory Matters**

**Discussion topic**

Received updates on judicial reviews.

Approved Regulatory Framework for Replication

**Category:**  
**Other Contracts**

**Discussion topic**

22 other major contracts were approved by the Board during the year

CORPORATE GOVERNANCE

# Safety, Health, and Environment Committee report

I'm pleased to present this report on behalf of the Safety, Health, and Environment Committee, outlining the Committee's role and key activities in FY25/26, its fourth year of operation.

During FY25/26, the members of the Committee have collectively brought the necessary expertise and experience to fulfil its remit. The Committee had the competence relevant to the construction and nuclear industries and a majority of the members were Non-Executive Directors in FY25/26. Attendance was restricted to members, unless invited by the Chair. Sir Andrew Mathews continued to observe the meeting in place of David Waboso from November 2024, before becoming a Committee member in October 2025.

Following Revenue Commencement, Committee membership was recalibrated to include Independent Non-Executive Directors and Shareholder Non-Executive Directors. The Board Chair attends by invitation but is not a member. The Chief Executive Officer, Chief Operating Officer (Delivery Director), Safety, Security and Assurance Director amongst other key operational functions regularly attend meetings.

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 year has continued to be a time 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.

During the year, the Committee saw the maturity of reporting increase, 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.

## Committee key activities during FY25/26

The Committee considered and discussed the following during FY25/26:

- ▶ Implementation of the Construction, Design and Management (CDM) Regulations, including an independent review and the implementation of recommendations from the review
- ▶ Health, safety and wellbeing performance review and the associated key risks including detailed presentations on investigations into high-potential events
- ▶ 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 Plant Vehicle Person Interfaces (PVPI), water abstraction, assurance activities, and sustainability. Updates were also given by senior leadership and executive-level committees, such as the Health, Environment, Safety and Wellbeing Advisory Committee and the Construction (Design Management) Steering Group

▶ The Committee received regular reports from Independent Nuclear Assurance

## The Committee's focus for FY26/27 is:

- ▶ Deep dives into specific health and safety, occupational health and environmental management risks in advance of key activities on the site to ensure adequacy of arrangements and risk control measures
- ▶ Reviewing design change and residual design risks
- ▶ Occupational health (including physical and mental health) strategy implementation
- ▶ Report from independent assurance reviews commissioned by the Executive
- ▶ Reviewing construction sustainability

Jouni Silvennoinen  
Committee Chair



## Current members and attendance

Committee Member	Role	Appointed	Attendance
Jouni Silvennoinen <sup>1</sup>	Committee Chair and Independent Non-Executive	July 2023	4 / 4
Elizabeth Barber	Senior Independent Director	November 2025 as Chair	2 / 2
Sir Andrew Mathews	Independent Non-Executive	October 2025	2 / 2
Stuart Crooks <sup>2</sup>	Shareholder Non-Executive	January 2024	4 / 4
Caroline Botwood	Shareholder Non-Executive	February 2026	1 / 1

## Past members and attendance

Committee Member	Role	Stepped down	Attendance
Jonathan Loveday	Shareholder Non-Executive	February 2026	3 / 3
Dr Mina Golshan	Executive Director	November 2025	2 / 2
Bertrand Michoud	Executive Director	November 2025	1 / 2
Julie Thornton	Independent Non-Executive	November 2025	1 / 2
John Holland-Kaye <sup>1</sup>	Board Chair	November 2025	2 / 2

## 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.	<ul style="list-style-type: none"> <li>Reviewing and monitoring the implementation of the Company's Health and Safety, Wellbeing, Environmental Management, and Radiological Protection policies.</li> <li>Reviewing a range of leading and lagging accepted industry metrics with a view to improving performance.</li> <li>Viewing key risks and controls relating to areas within its remit.</li> <li>Overseeing the implementation of the Company's Construction (Design and Management) (CDM) strategy.</li> <li>Advising the Board where appropriate.</li> </ul>

<sup>1</sup> Jouni assumed the SHEC Chair on 4 November 2025. John Holland-Kaye chaired from March 2025 to November 2025.  
<sup>2</sup> Stuart Crooks was unable to attend two meetings during the year (due to unavoidable conflicts), and he discussed matters with the Committee Chair in respect of the topics relevant to the meetings missed. Simon Parsons attended as delegate at two meetings.

## CORPORATE GOVERNANCE

# Audit and Risk Committee report

### Committee Role and Membership

The Audit & Risk Committee (ARC) supports the Board in overseeing the integrity of financial reporting, the effectiveness of risk management and internal control, and the independence and effectiveness of internal and external assurance. The Committee operates under delegated authority from the Board in accordance with its Terms of Reference.

The Committee comprises Directors with appropriate and relevant financial, risk, governance and sector expertise. The Board Chair attends by invitation but is not a member. The Chief Executive Officer, Chief Financial Officer, Safety, Security & Assurance Director, Head of Internal Audit, Head of Independent Nuclear Assurance and the external auditor regularly attend meetings. The Committee Chair meets privately with Internal Audit, the Independent Nuclear Assurance and the external auditor during the year.

### Chair's Overview

FY25/26 was a year of significant transition for the Company, marked by the achievement of Final Investment Decision and Financial Close.

The Committee's primary focus was to ensure the Company was ready to operate under its new ownership, financing arrangements and Economic Licence (also referred to as the Regulated Asset Base Licence); and to comply with covenant and other obligations arising under the Company's funding arrangements following entry into the Enduring Shareholders Agreement (ESHA), the debt documents including the Common Terms Agreement, the Government Support Package, and other related agreements.

Alongside this, the Committee monitored the continued development of the Company's risk management and assurance framework to support delivery of a large, regulated infrastructure project. I would like to thank the Committee members and management for their constructive engagement and challenge during the year.

### Key Activities During FY25/26

During the year, the Committee focused on the following principal matters:

- ▶ Oversight of readiness for Financial Close, including compliance with financing arrangements, the Enduring Shareholders Agreement and Economic Licence obligations
- ▶ Review and recommendation of the Annual Report and Accounts for FY24/25
- ▶ Oversight of the Company's risk management framework, including risk appetite, principal and emerging risks, and targeted deep dives
- ▶ Monitoring the integrated assurance framework (including recommended mitigations) and the effectiveness and independence of Internal Audit and Independent Nuclear Assurance
- ▶ Oversight of external audit, including audit scope, fees, independence and effectiveness.
- ▶ Review of key financial and governance policies triggered by Financial Close
- ▶ Oversight of corporate compliance, including IR35 arrangements, fraud and error controls, and tax strategy

### Risk Management and Internal Control

The Board has overall responsibility for risk management and internal control and has delegated oversight to the Committee. During the year, the Committee supported management in strengthening the maturity of the risk framework, with particular focus on:

- ▶ clearer articulation and application of risk appetite
- ▶ enhanced insight through targeted risk deep dives
- ▶ improved risk mapping and reporting, aligned to strategic objectives

The Committee also oversaw the development of controls and reporting required under the Economic Licence and new funding arrangements.

Elizabeth Barber  
Committee Chair



### Current members and attendance

Committee Member	Role	Appointed	Attendance
Elizabeth Barber	Committee Chair & Senior Independent Director	January 2025	4 / 4
Alison Henwood	Independent Non-Executive Director	March 2026	1 / 1
Julie Thornton	Independent Non-Executive Director	November 2025	2 / 2
Dave Kirwan	Shareholder Non-Executive Director	November 2025	2 / 2
Caroline Botwood	Shareholder Non-Executive Director	February 2026	1 / 1

### Past members and attendance

Committee Member	Role	Stepped down	Attendance
Richard Noble	Independent Non-Executive Director	October 2025	2 / 2
Stuart Crooks <sup>1</sup>	Shareholder Non-Executive Director	November 2025	2 / 2
Jouni Silvennoinen	Independent Non-Executive Director	November 2025	2 / 2
Jonathan Loveday	Shareholder Non-Executive Director	February 2026	2 / 2

### Committee role and key responsibilities

Role	Responsibilities
<p>The Committee's primary role is to support the Board in fulfilling its responsibilities in relation to corporate governance and reporting obligations. This includes oversight of the effectiveness of the Company's systems of risk management and internal control, together with the integrity of financial reporting. The Committee operates under delegated authority from the Board in accordance with its Terms of Reference in respect of matters within its remit.</p>	Review and challenge the integrity of the Company's annual report and financial statements, together with its financial performance reporting obligations, including key accounting policies, judgements, and estimates.
	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 (through approving the internal audit plan and other items listed in the internal audit charter), and its alignment with the Independent Nuclear Assurance function.
	Consider reports from the external auditor and the Executive Leadership Team's (ELT) 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).

<sup>1</sup> Marc Lotz acted as delegate in two meetings.

## CORPORATE GOVERNANCE

# Audit and Risk Committee report

### Assurance

The Company operates an integrated assurance model including Internal Audit (IA) and Independent Nuclear Assurance (INA).

Both functions operate independently of management and report regularly to the Committee.

- ▶ Internal Audit provides risk based assurance across governance, risk management, and internal control. During the year, IA delivered assurance across key corporate and operational areas and continued to strengthen its methodology in line with the Global Internal Audit Standards
- ▶ Independent Nuclear Assurance provides assurance over nuclear, environmental, safety, security, and quality matters

The Committee concluded that both assurance functions operated independently and effectively throughout the year.

### External Audit

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 reappointment and removal. The Committee also oversees and recommends to the Board for approval the external auditor's annual audit plan and its fee for the year, as well as the assessment of its independence as the external auditor.

KPMG was appointed as the Company's external auditor in August 2023 following a competitive tender process. Under listed corporate governance rules, the Company is required to re-tender the external audit no later than for the 2033 financial year.

During the reporting period, KPMG's audit partner provided their findings to the Committee for the Annual Report and Accounts for FY24/25, 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 FY25/26. Further detail can be found in the external Auditor's Report for FY25/26.

To assess the independence and effectiveness of the external auditor, the Committee received an assessment from various stakeholders, including Human Resources, Finance, and Company Secretary. This assessment was facilitated through a questionnaire, which sought feedback on areas of engagement with the auditor.

The Committee acknowledged and considered the feedback (without the external auditor present) and concluded that, for the work carried out for FY24/25, which included an enhanced scope related to 2018 Code requirements, the scope of work was appropriate, it captured the key matters, and was effective.

Non-audit services were closely monitored in accordance with the Committee's non-audit services policy, which was approved during the year and came into effect on 1 April 2026. Total non-audit services for FY25/26 was £625k. The Committee was satisfied that appropriate safeguards were in place to protect auditor independence.

### 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.

### Accounting policies

New accounting policies were brought to the Committee for approval. These were triggered by Financial Close and were related to income that would be received under the Regulated Asset Base (RAB) arrangements with the Low Carbon Contracts Company, as well as accounting for new debt and hedging arrangements. The Committee reviewed and approved these accounting policies.

### Going concern and viability statement

The Committee reviewed the Company's going concern assumption and long-term 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 underpinning key assumptions for the Company budget
- ▶ The risks and opportunities that may impact delivery under the Company budget
- ▶ Long-term viability assumptions, including downward scenario assessments against two scenarios versus 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 recommended 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 long-term 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 layout of the report is clear and cross referenced clearly and efficiently

### Reporting and Regulatory Maturity

The Committee remains mindful of the changes to financial and economic regulatory reporting, primarily driven by the requirements of the Company's RAB Licence and ESHA, which came into effect at Financial Close. This includes a view on the work of the Independent Technical Advisor (ITA) and the Compliance Officer, both of whom have been appointed and are discharging their obligations. The Committee reviewed new debt covenant requirements and verified the processes being put in place to monitor compliance and generate reporting. ARC may also be called on to ratify the statements required from the Chief Executive Officer of the regulated business to ensure licence compliance.

Provision 29 of the revised Corporate Governance Code 2024, which requires the Directors to provide a declaration on the effectiveness of material controls, comes into effect for accounting periods beginning on or after the 1 January 2026. The Committee will continue to work with Management to set out a clear roadmap to meet the requirements of Provision 29.

### Looking Ahead

The Committee's key priorities for FY26/27 include:

- ▶ enhanced oversight of strategic and emerging risks
- ▶ continued strengthening of assurance and reporting frameworks, including in preparation for Provision 29 of the UK Corporate Governance Code (2024)
- ▶ ongoing oversight of regulatory and covenant compliance under the Economic Licence and funding arrangements

I would like to thank my fellow Committee members and the Executive Leadership Team for their support and contribution throughout the year. Their commitment has been instrumental in supporting the Committee's work and the progress achieved during a period of significant transition for the Company.

As I step down as Chair of the Committee on 1 August 2026, Alison Henwood and I will undertake a planned and orderly transition of the Chair role during the early part of FY26/27. I am confident that Alison will continue to build on the strong foundations established following Financial Close.

## CORPORATE GOVERNANCE

# Nominations and Remuneration Committee reports

### Membership and attendance: Nominations and Remuneration Committee

up to 4th November 2025

Committee Member	Role	Appointed	Attendance
Julie Thornton	Committee Chair and Independent Non-Executive	January 2024 till November 2025	6/6
Elizabeth Barber	Senior Independent Director	March 2024 till November 2025	6/6
John Holland-Kaye	Board Chair	March 2025 till November 2025	6/6
Stuart Crooks <sup>2</sup>	Shareholder Non-Executive	January 2024 till November 2025	6/6
Jonathan Loveday <sup>1</sup>	Shareholder Non-Executive	March 2025 till November 2025	6/6

### Membership and attendance: Remuneration Committee

from 4th November 2025

Committee Member	Role	Appointed	Attendance
Julie Thornton	Committee Chair and Independent Non-Executive	November 2025	4/4
Elizabeth Barber	Senior Independent Director	November 2025	4/4
John Holland-Kaye	Board Chair	November 2025	4/4
Dave Kirwan	Independent Non-Executive	November 2025	4/4
Caroline Botwood <sup>1</sup>	Independent Non-Executive	February 2026	1/1
Alejandro Lopez Delgado <sup>3</sup>	Independent Non-Executive	November 2025	4/4

### Past members and attendance

Committee Member	Role	Stepped down	Attendance
Jonathan Loveday <sup>1</sup>	Independent Non-Executive	November 2025 to February 2026	3/3

### Membership and attendance: Nominations Committee<sup>4</sup>

from 4th November 2025

Committee Member	Role	Appointed	Attendance
John Holland-Kaye	Committee Chair and Board Chair	November 2025	7/7
Elizabeth Barber	Senior Independent Director	November 2025	7/7
Julie Thornton	Independent Non-Executive	November 2025	6/7
Alejandro Lopez Delgado <sup>3</sup>	Independent Non-Executive	November 2025	7/7
Caroline Botwood <sup>1</sup>	Independent Non-Executive	February 2026	1/3

### Past members and attendance

Committee Member	Role	Stepped down	Attendance
Jonathan Loveday <sup>1</sup>	Independent Non-Executive	November 2025 to February 2026	3/4



Julie Thornton  
Remuneration  
Committee Chair



John Holland-Kaye  
Nominations  
Committee Chair

### Regular attendees and Secretary to Committees

Regular attendees during the year to the Nominations and Remuneration Committee, the Nominations Committee and the Remuneration Committee included the Joint Managing Directors, the CEO (following the change from Joint Managing Director to CEO) and the Chief People Officer (formerly HR Director). Other Board directors of the Company and ultimate parent company (Sizewell C (Holdings) Limited) were invited to observe meetings during the year.

The Company Secretary acted as Secretary to the Nominations and Remuneration Committee from July 2025, transitioning from the Chief People Officer (formerly HR Director) during the year. The Company Secretary also acted as Secretary to the Nominations Committee and Remuneration Committee from 4th November 2025.

### Committee role and key responsibilities

Role	Nominations Committee key responsibilities
The primary function of the Remuneration Committee and the Nominations Committee are to support the Board in overseeing governance in the following key areas of responsibilities and as governed by its Terms of Reference	<b>Board composition, appointments (including service continuation/termination) and succession approach:</b> Regularly review Board structure and skills; oversee appointments; and lead succession planning aligned with the Company's Strategy.
	<b>Executive Leadership team:</b> Regularly review Executive Leadership Team composition, role charters and succession approach.
	<b>Board evaluation:</b> Review outputs of the annual Board evaluation process.
	<b>Remuneration Committee key responsibilities<sup>5</sup></b>
	<b>Remuneration Policy:</b> Regularly review remuneration policy and practices (including with alignment to the wider workforce).
	<b>CEO and Executive Directors remuneration and termination arrangements:</b> Oversee fair, transparent, and performance-linked pay arrangements for the CEO and Executive Directors and determine their contract terms and exit arrangements to ensure fairness, policy compliance, and avoidance of rewarding underperformance.
	<b>Executive Leadership Team remuneration and termination arrangements:</b> Determine the Executive Leadership Team remuneration arrangements and their contract terms and exit arrangements to ensure fairness, policy compliance, and avoidance of rewarding underperformance.
	<b>Remuneration advisors:</b> Engage and consult with external remuneration advisors on any remuneration matters.
	<b>Guidelines, market comparison and disclosures:</b> Consider relevant governance codes, investor guidelines, and market pay benchmarks and trends in all aspects of the Committee's duties and the Company's regulatory frameworks (including relevant disclosures required).

<sup>1</sup> Henry Lloyd acted as alternate director.  
<sup>2</sup> Carol McArthur acted as alternate director.  
<sup>3</sup> Olivier Fortin acted as alternate director.

<sup>4</sup> A number of Nominations Committee meetings were scheduled to support the leadership changes. Where directors were unable to attend, the Chair discussed matters with the Nomination Committee members, or where relevant their alternates, outside of the meetings to ensure information and views were shared.  
<sup>5</sup> The Company has the ability to set up share schemes; however the Company does not operate a share scheme and is therefore not considered a key responsibility at this time.

## CORPORATE GOVERNANCE

# Nominations and Remuneration Committee reports

John and I are pleased to present a combined and collective report of the remuneration and nominations activities during the year.

This report sets out the key focus areas when activities were delegated by the Board to the Nominations and Remuneration Committee in its combined form, and then in their respective focus areas following separation of activities at financial close (4th November 2025) to the Nominations Committee and the Remuneration Committee. This included matters of recommendation to the Board and the ultimate parent company Sizewell C (Holdings) Limited (Group Parent) as set out in the Reserved Matters under the Enduring Shareholders Agreement. John and I would like to take this opportunity to thank the Executive Leadership Team, Directors and Shareholders for their support during the year.

### Nominations and Remuneration key activities

As a combined committee, the key focus was on financial completion readiness and creating a firm foundation of governance for nominations and remuneration activities at Board level. The emphasis was also on approving the company's first Remuneration Policy and Long-Term Incentive Plan (LTIP) scheme.

The key matters considered by the joint Nominations and Remuneration Committee, as well as the individual committees in the financial year, included:

- ▶ Reviewed and recommended the Chief Executive Officer (CEO) selection process to the Board and Group Parent, formalising recommendations following the Board's decision to transition to a CEO model post-financial close
- ▶ Oversaw the transition of the Chief Financial Officer (CFO) role, including the acting CFO appointment and managed all associated remuneration matters

- ▶ Oversaw structural changes to the Executive Leadership Team, including succession planning and the recruitment of new positions and approving exit packages
- ▶ Evaluated the appointment of the Managing Director for Nuclear Services (Technical) Company Limited and recommended the appointment to the Board
- ▶ Developed the Company's first LTIP scheme to be awarded in FY26/27, along with the annual bonus (also known as the Short Term Incentive Plan) scorecard for FY26/27
- ▶ Reviewed the formulaic outturn of the FY25/26 annual bonus in line with broader company performance and approved the final outturn
- ▶ Developed and recommended to the Board and Group Parent the Company's first Remuneration Policy which was subsequently updated following the change in leadership structure
- ▶ Appointed Willis Towers Watson (WTW) as the Remuneration Committee's remuneration advisers following a competitive tender process at the beginning of the calendar year
- ▶ Oversaw the recruitment, appointment, and remuneration of two additional Independent Non-Executive Directors. The search focused on financial expertise within a regulatory framework, with a view toward future succession for the Audit and Risk Committee Chair and nuclear industry expertise to enhance the broader skill and balance on the Board
- ▶ Reviewed and approved fee increases for Independent Non-Executive Directors (INEDs). These adjustments reflected market benchmarking against comparably sized peer organisations and reflects the higher commitment levels required following Financial Close
- ▶ Reviewed the remuneration of the wider workforce, including evaluating the proportion and total cost of embedded contractors within the workforce, and reviewed the adequacy of the Company's workforce insurance coverage

Key priorities in focus for the Nominations Committee and the Remuneration Committees for FY26/27 are as follows:

### Nominations in focus for FY26/27:

- ▶ Oversee and finalise the recruitment of the CFO, including the transition from the acting CFO to ensure a careful and smooth transition is supported following the Company's restructured financial arrangements and operating under the Regulated Asset Base framework
- ▶ Review the Executive Leadership Team succession approach
- ▶ Review and update the Board and Committee composition to reflect the next phase and focus of the Company into construction following the successful completion of Financial Close. Key consideration to be given to ensure the Board maintains the right balance of skills for delivery, safety regulation, and complex financial arrangements
- ▶ Monitor the organisational structure changes and leadership capacity required to manage large-scale contractor relationships such as alliances, civil works, and workforce expansion

### Remuneration in focus for FY26/27

- ▶ Recommend to the Board the Company's FY26/29 LTIP
- ▶ Review and set the annual scorecard performance for FY26/27 and set the relevant stretch
- ▶ Review the annual bonus pay against scorecard performance for FY25/26
- ▶ Consider the Company's approach to remuneration of expatriates
- ▶ Review the gender pay gap and associated activities for the wider workforce

The following sets out certain matters that were key nominations and remuneration activities recommended to the Board and the ultimate group parent, Sizewell C Holding Limited (Group Parent).

### These changes were:

- ▶ Sir Andrew Mathews' appointment as an Independent Non-Executive Director to the Board in October 2025 and subsequently as Chair of the Project Infrastructure Committee on its establishment in October 2025
- ▶ Alison Henwood's appointment as an Independent Non-Executive Director in March 2026, as well as designated Chair of the Audit and Risk Committee
- ▶ Nigel Cann's appointment as sole CEO following the change in leadership structure from Joint Managing Directors, including the careful consideration in changes to the overall remuneration package for the new CEO role
- ▶ Executive Director changes, including as part of the transition to sole CEO, Julia Pyke stepping down from the Board in December 2025. Bertrand Michoud stepping down from the Board in November 2025 as envisaged under the Enduring Shareholders Agreement and David Gregg stepping down from the Board in October 2025 with Laura Barbrook stepping up as acting CFO and Executive Director

### Change to CEO

The Chair commissioned a review of the external market as part of leadership succession for the Joint Managing Directors (prior to the decision taken to move to the CEO leadership structure). The external market review contributed to and formed part of the recommendations for the shift to the CEO structure and the CEO appointment process.

### Change to Executives

Following the carefully considered transition to the sole CEO, a full review of the Executive Leadership Team structure was undertaken including a review of accountabilities and capabilities required to support the Company through the next phase of construction. This review led to new appointments and a realignment of roles. See changes to the Executive Leadership Team on [page 65](#).

## CORPORATE GOVERNANCE

# Nominations and Remuneration Committee reports

### Succession Planning

The Board proactively reviewed Board and Executive succession during the year. Key initiatives included developing a long-term pipeline of high-potential talent for the Executive and identifying future CEO succession candidates.

### Board evaluation process

The Committee considered the detailed external evaluator's report following the thorough Board Effectiveness Review FY24/25 conducted in the prior year. Given recent changes to the Board's composition and the successful conclusion of Financial Close, the Senior Independent Director was delegated to revisit the FY24/25 Board Effectiveness Review work and continue with the external evaluator to conduct a further review for FY25/26 (Board Effectiveness Review FY25/26). The FY25/26 review will take into consideration the results from FY24/25 and ensure alignment with the newly established Board. At the time of this report, the FY25/26 review process has concluded and the Board will review the results alongside the Chair's annual performance of directors. The Senior Independent Director will undertake the Chair performance review.

### CEO Remuneration

Following the decision to transition from joint Managing Directors to a single CEO, the Committee undertook a benchmarking exercise to review and recommend an appropriate compensation package. This review carefully accounted for the greater responsibilities required of a single CEO leading a major infrastructure company with external financing.

The exercise concluded that the overall remuneration package should be positioned in line with the general industry median for roles of comparable size and strategic importance. This placed the CEO's remuneration above purely public-sector-funded roles but it remained below the total remuneration levels typical of peer utility companies where there is a notable pay premium for established CEO candidates.

Furthermore, the Remuneration Committee recognised the need to align short- and long-term incentives more closely with commercial norms for both the CEO and the wider Executive. This approach ensured that business performance targets were robustly incentivised while remaining meaningful enough to support recruitment and retention. Maintaining consistency and stability within the Executive remains critical to delivering a large-scale infrastructure project of high complexity.

As a result of this review and on appointment to the CEO position on 1st January 2026, Nigel Cann's salary increased to £570,000. Nigel's target annual bonus was increased to 80% of salary and a target LTIP was awarded at 100% of salary. The LTIP will be effective from the beginning of FY26/27.

### Executive Remuneration for leavers

The Remuneration Committee reviewed and approved the contractual arrangements for David Gregg and Julia Pyke on stepping down from the Board and leaving the Company.

### FY25/26 Annual Bonus

At the beginning of the year the Nominations and Remuneration Committee set stretching performance targets for the FY25/26 annual bonus which were aligned to Sizewell C's priorities and which applied to all employees of the Company including those who transferred from EDF. At the year end the Remuneration Committee assessed overall performance against these objectives for the Executive and other senior roles.

The full details of the end of year outcome are presented in the Directors' Remuneration Report on [page 76](#).

### Long Term Incentive Plan

To initiate the design of the new Long Term Incentive Plan (LTIP) our remuneration advisors, WTW, conducted two workshops in the first quarter of the year to establish the scheme's underpinning principles. Consequently, the Remuneration Committee has agreed the quantum for the Executive Directors under the new LTIP, effective 1 April 2026.

The framework is structurally designed to align the Executive Leadership Team's rewards with long-term value creation, project milestones, financial discipline, and transformation outcomes. The details of the LTIP will be reported in next year's annual report.

### Remuneration Policy

In the prior year (FY24/25) the Company operated an interim Remuneration Policy, largely inherited from EDF Energy Limited, to ensure continuity while the Nominations and Remuneration Committee, and subsequently as the Remuneration Committee, developed an Executive reward framework applicable for the Company as a standalone independent Company. The Executive remuneration approach was thoroughly reviewed during the year as part of the development of the Company's first Remuneration Policy, this was supported by the engagement of WTW in its development. WTW also provided additional advice on an ad hoc basis on other remuneration matters prior to formal appointment as advisors.

In formulating this policy, the Remuneration Committee comprehensively reviewed best practice in executive compensation, considering the principles of the UK Corporate Governance Code, the views of our stakeholders which included the Shareholder Directors who sit on the Remuneration Committee and regularly set out shareholder expectations, and the Company's specific strategic objectives and risk profile. The Remuneration 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).

Following the subsequent changes to the Executive structure, the Remuneration Committee commenced a review to ensure the policy remains appropriate, which included re-evaluating the incentive opportunity levels. The resulting policy reflects the Remuneration Committee's commitment to transparency, fairness, and responsible governance in executive compensation. The Remuneration Policy is presented in the Directors Remuneration Report on [page 76](#).

### 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 based on individual and company performance, with some schemes offered on a departmental-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 benefits. On 1st November 2025 the employees previously employed by EDF Energy Limited transferred to employment terms with the Company directly.

The employee annual bonus (as described above) was linked to performance targets aligned to Sizewell C's milestones and is the same scheme as the executive scheme with target opportunities ranging from 5% to 26% 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, apprenticeships and students on industrial placement.

#### Gender Pay Gap reporting

In 2025 the Company continued to make progress in reducing its gender pay gap, with both mean and median gaps decreasing compared to the previous year. The mean gender pay gap reduced to 20.2% from 24.4% in 2024, and the median gap reduced to 22.2% from 24.4% in 2024. This improvement reflects changes in workforce composition, including increased female representation in higher pay quartiles, equitable external recruitment practices, and impact of leaver and joiner dynamics during the reporting period. The Company remains committed to closing this gap through fair and transparent pay practices, regular role and pay reviews, and initiatives focused on attracting, developing and retaining female talent across the organisation.

## CORPORATE GOVERNANCE

## Directors' Remuneration report

The total remuneration earned by each individual is shown in the table below.\*

## Remuneration for the financial year ended 31 March 2026 (audited)

Committee Member	Base salary/fees (£, '000)		Taxable benefits (£, '000)		Annual bonus (£, '000) <sup>1</sup>			Long Term incentive (£, '000)		Pension (£, '000)		Total (£, '000)		Total fixed remuneration (£, '000)		Total variable remuneration (£, '000)	
	25/26	24/25	25/26	24/25	25/26	2025**	24/25	25/26	24/25	25/26	24/25	25/26	24/25	25/26	24/25	25/26	24/25
<b>Executive Directors</b>																	
Nigel Cann <sup>2</sup>	482	440	39	38	295	46	185	-	11	58	53	874	727	579	531	295	196
Dr Mina Golshan CBE <sup>3</sup>	196	190	14	13	55	12	54	73	77	29	29	367	363	239	232	128	131
Dr Laura Barbrook <sup>4</sup>	136	-	6	-	47	-	-	-	-	13	-	202	-	155	-	47	-
<b>Former Executive Directors</b>																	
Julia Pyke <sup>5</sup>	453	440	16	16	190	41	185	460	26	54	53	1,173	720	-	509	-	211
David Gregg <sup>6</sup>	162	140	8	7	-	25	31	-	-	16	14	186	192	186	161	-	31
Bertrand Michoud <sup>7</sup>	91	150	120	228	29	6	48	-	53	30	49	270	528	-	427	29	101
<b>Non-Executive Directors<sup>8 &amp; 15</sup></b>																	
John Holland-Kaye	235	24	-	-	-	-	-	-	-	-	-	235	24	235	24	-	-
Elizabeth Barber <sup>9</sup>	84	69	-	-	-	-	-	-	-	-	-	84	69	84	69	-	-
Julie Thornton <sup>10</sup>	72	60	-	-	-	-	-	-	-	-	-	72	60	72	60	-	-
Jouni Silvennoinen <sup>11</sup>	73	50	-	-	-	-	-	-	-	-	-	62	50	62	50	-	-
Sir Andrew Mathews <sup>12</sup>	37	-	-	-	-	-	-	-	-	-	-	37	-	37	-	-	-
Alison Henwood <sup>13</sup>	1	-	-	-	-	-	-	-	-	-	-	1	-	1	-	-	-
<b>Former Non-Executive Directors</b>																	
Richard Noble CBE <sup>14</sup>	35	60	-	-	-	-	-	-	-	-	-	35	60	35	60	-	-

\* Figures are rounded to the nearest thousand.

\*\* An exceptional 3 month period applied to the annual bonus cycle for the period between 1 January 2025 to 31 March 2025 following the annual bonus cycle changing from the calendar year to the financial year.

- The annual bonus performance period has moved from calendar year (January 1st to December 31st) to April 1st to March 31st to align with the company's financial year end. FY25/26 bonus payment reflects bonus earned in accordance with the new FY period (April 1st 2025 to March 31st 2026) paid in June 2026. In July 2025, to reflect the change in reporting year, an additional bonus was paid to cover the three-month period of January 1st 2025 - March 31st 2025 inclusive. This exceptional year payment is presented in the table separately in the '2025' column. As it does not constitute remuneration received for FY25/26 the exceptional payment is not included in the total fixed and variable columns of the single figure table.
- Nigel Cann was promoted to Chief Executive Officer on 1st January 2026. Nigel's annual salary was increased from £440,000 to £570,000 effective from this date. Nigel's taxable benefits include car allowance, living allowance and flex allowance. Nigel Cann receives cash in lieu of pension contributions. In accordance with Nigel's promotion and remuneration restructure as Chief Executive Officer the Remuneration Committee disapplied bonus deferral in the FY25/26 bonus and the bonus was paid entirely in cash.
- Dr Mina Golshan's CBE's LTIP payment reflects payments under a legacy EDF long-term incentive arrangement. The vesting conditions and payout quantum are determined under EDF's policies.
- Dr Laura Barbrook was appointed as acting Chief Financial Officer and Executive Director to the Board on 17th October 2025.
- Julia Pyke stepped down from the Board on 31st December 2025. The LTIP represents a personal bonus of £460,000 for successfully achieving Final Investment Decision granted in 2020. In addition to the taxable benefits amount presented above, Julia received a contractual payment of £365,043 and a statutory redundancy payment of £8,628 in connection with her loss of office.
- David Gregg stepped down on 16th October 2025. In addition to the taxable benefits amount presented above, David agreed a gross settlement of £299,711, which comprised £172,442 in contractual payments (including payment in lieu of notice) and £127,269 in non-contractual payments by the Company. An additional £5,000 in legal fees was paid directly by the Company to David's legal advisor; consequently, the total cost incurred by the Company in relation to David's departure was £304,711.
- Bertrand Michoud stepped down on 4th November 2025. Bertrand Michoud's pension contributions relate to the French EDF pension scheme. As part of Bertrand Michoud's secondment his benefits include housing support, utility allowance, council tax, school fees, travel allowance and UK tax support.
- Effective 1st October 2025, Independent Non-Executive Director base fees were increased from £50,000 to £61,000 per annum. Committee Chair fees were increased from £10,000 to £12,000 per annum. Senior Independent Director fee increased from £10,000 to £25,000 per annum.
- Elizabeth Barber received an additional £15,000 for the increase in Senior Independent Director (SID) fee following her re-appointment as SID from 4th November 2025.
- Julie Thornton received an additional fee of £10,000 per annum following her appointment as the Designated Workforce Independent Non-Executive Director on 1st October 2025.
- Jouni Silvennoinen received an additional fee of £12,000 per annum following his appointment as the Chair to the Safety, Health and Environment Committee on 21st October 2025.
- Sir Andrew Mathews was appointed Independent Non-Executive Director on 1st October 2025 and as Chair to the Project Infrastructure Committee on its establishment 29th October 2025.
- Alison Henwood was appointed Independent Non-Executive Director on 23rd March 2026.
- Richard Noble stepped down from the Board on 31st October 2025. His fee for one month was aligned to the revised base fee of £61,000 per annum.
- Shareholder Non-Executive Directors are excluded as they do not receive remuneration or benefits from the Company.

## CORPORATE GOVERNANCE

# Directors' Remuneration report

### FY25/26 Annual Bonus

Following the decision to align the bonus performance period to the financial year, the FY25/26 annual bonus represents the first full year operating with a bonus performance period of 1 April to 31 March.

#### Company performance

Performance against the FY25/26 annual bonus scorecard is set out below. The business performance scorecard is used in the determination of the bonus for all eligible annual bonus participants, including the Executive Directors. Each performance measure in the scorecard is assessed on a standalone basis and has a defined payout range. If maximum or above is achieved then 150% of target is payable, a threshold level of performance must be achieved for any bonus under that element to be payable which is set at 50% of target. There is no payout under any element for below threshold performance.

70% of each Executive Director's bonus opportunity is assessed against the company performance scorecard with the remaining 30% based on individual performance.

Measure	Weighting	Threshold (50% of payout)	Target (100% of payout)	Maximum (150% of payout)	Outcome	Formulaic outcome (% of target bonus)
<b>Attract</b>						
Building an engaged workforce. Measured by the Engagement Index.	10%	80%	87%	90%	82%	6%
Proportion of workforce employed from the local area.	5%	32%	36%	40%	32%	2.5%
<b>Build &amp; Operate</b>						
Building a safe workforce, showing a 5% reduction on 2024	10%	0.14%	0.10%	0.07%	0.07%	14.7%
Sizewell 25 in 25 Management Objectives (6 Critical Objectives)	25%	3	4	6	5	31.3%
Sizewell 25 in 25 Management Objectives (remaining 23 Key Objectives)	25%	16	19	23	22	34.4%
<b>Invest</b>						
Critical processes and products have been defined, implemented and assured	10%	560	1120	1680	1408	12.6%
Forecast accuracy based on outcome of performance against 2025/26 budget.	10%	10%	5%	2%	2%	15.0%
Cumulative contract prices for equipment packages (including those to be let in 2025/26) against Project Baseline.	5%	4	2	0	0	7.5%
<b>Total</b>	<b>100%</b>					<b>124%<sup>1</sup></b>

To reflect critical priority outcomes in the financial year and to reflect the change and alignment in performance period to the financial year, four additional objectives were incorporated into the Sizewell 25 in 25 performance scorecard referenced above. These included:

- ▶ Commence delivery of construction material by rail direct to the construction site
- ▶ Enter into four key contracts related to mechanical, electrical and heating, ventilation and air conditioning
- ▶ Complete detailed design for the outfall building
- ▶ Deliver the Digital strategy to Board

The formulaic outturn of the FY25/26 annual bonus company performance scorecard yielded a result of 124% of target. While the Remuneration Committee noted the strong progress made against key objectives, it also reviewed lessons learned regarding the initial setting of specific target ranges, and the slight downward trend on the workforce engagement index versus the year prior. To ensure the final payout accurately reflects the overall performance of the Company and remains aligned with stakeholder expectations, the Remuneration Committee exercised downward discretion on the company performance score from 124% to 111%.

<sup>1</sup> The Remuneration Committee exercised downward discretion from 124% to 111% (rounded to the nearest %).

## CORPORATE GOVERNANCE

# Directors' Remuneration report

### FY25/26 Annual Bonus Continued

#### Individual performance

30% of each executive director's bonus opportunity was assessed against individual performance.

The Remuneration Committee noted that Nigel performed exceptionally well in his role as Managing Director and subsequently as CEO in FY25/26, successfully establishing a solid operational and governance foundation for the next phase of construction. Nigel's performance highlights are summarised as follows:

- ▶ Successfully maintained project delivery on schedule and within budget, while upholding exemplary standards of health and safety alongside strict regulatory compliance
- ▶ Played a pivotal role in steering the project through to Final Investment Decision and the successful conclusion of Financial Close
- ▶ Successfully implemented a robust management system to cascade Board-agreed objectives throughout the Executive Leadership Team and initiated the development of a long-term succession pipeline
- ▶ Established strong, collaborative relationships with the newly appointed Board members and advanced the development of the Target Operating Model and corporate governance frameworks, recognising that this remains an ongoing area of focus
- ▶ Demonstrated sound strategic judgment and decisiveness, while showing a strong commitment to continuous improvement and stakeholder feedback, notably supporting the establishment (following Board's decision) of the Board's Project Infrastructure Committee and the additional creation of the Project Review Panel<sup>1</sup>.

Based on the Remuneration Committee's assessment of Nigel's performance, an individual performance rating multiplier of 125% was approved. Dr Mina Golshan CBE and Dr Laura Barbrook received an individual performance rating multiplier of 100% of target.

#### Overall FY25/26 annual bonus outturn

Measure	Company performance (% target) <sup>2</sup>	Individual performance (% target)	Total (% target) <sup>3</sup>	Total payment (£)
<b>Executive Directors</b>				
<b>Nigel Cann<sup>2</sup></b>	111%	125%	115%	£295,067
<b>Dr Mina Golshan CBE</b>	111%	100%	107%	£54,699
<b>Laura Barbrook</b>	111%	100%	107%	£47,487

#### Annual bonus for the period January 2025 – March 2025 inclusive

Following the decision to realign the annual bonus period with the financial year end of the Company, an additional annual bonus payment was made in June 2025 to cover the period 1st January 2025 to 31st March 2025. This is presented in the annual bonus section of the single figure table on [page 76](#).

#### Long-term incentive

The LTIP payment for Dr Mina Golshan CBE relates to a legacy EDF long-term incentive arrangement. The relevant vesting conditions and final payout quantum were determined entirely in accordance with EDF's remuneration policies.

The LTIP payment for Julia Pyke represents the vesting of a long-term incentive award granted in 2020. This award was designed to incentivise and reward her strategic leadership in driving the project towards Final Investment Decision. Under the terms of the award, £460,000 was payable.

### CEO pay ratio

The table below sets out the pay ratio of the CEO to the FTE-equivalent remuneration of the Company's employees at the 25th percentile (lower quartile), 50th percentile (median), and 75th percentile (upper quartile).

#### Overall FY25/26 annual bonus outturn

Reporting year	Methodology	25th Percentile Ratio (Lower Quartile)	50th Percentile Ratio (Median)	75th Percentile Ratio (Upper Quartile)
<b>FY25/26</b>	Option B	15:1	12:1	8:1

The total remuneration and the base salary component for the employees identified at each percentile for FY25/26 are set out below:

Pay element	CEO	25th Percentile Ratio (Lower Quartile)	50th Percentile Ratio (Median)	75th Percentile Ratio (Upper Quartile)
<b>Base salary</b>	£482,400	£49,730	£67,527	£90,089
<b>Total remuneration</b>	£874,089	£56,993	£75,765	£104,886

The median, lower and upper quartile figures used to determine the above ratios were calculated by reference to the full-time equivalent, annualised remuneration of the Company's employees (comprising salary, benefits, pension, annual bonus) based on the Company's gender pay gap data as at April 2025, to determine 'best equivalents' in accordance with Option B in the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended). This methodology was considered to be the most efficient method of calculating the pay ratio given it utilises pre-existing data available to the Company.

The CEO's remuneration package is more heavily weighted to variable than is the case for the general employee population which is consistent with market practice. This reflects the Group's reward strategy for the wider workforce, which focuses on providing stable, competitive base salaries, comprehensive core benefits, and competitive retirement provision. While variable pay and performance-related incentives are utilised across various levels of the organisation to reward contribution, the proportion of total remuneration linked to variable increases with seniority to align leadership directly with strategic delivery. The Remuneration Committee considers that the median pay ratio for FY25/26 disclosed in the above table is consistent with the pay, reward and the progression opportunities available to employees across the organisation.

<sup>1</sup> Two Project Review Panels were set up in FY25/26 and FY26/27 and is comprised of external specialists. Both panels will meet as specified in their terms of reference and report up to the CEO and provide regular reports to the Project Infrastructure Committee.  
<sup>2</sup> Following the change in salary during the year, the outturn has been calculated based on Nigel's salary received in the financial year (£482,420).  
<sup>3</sup> Rounded to the nearest %.

## CORPORATE GOVERNANCE

# Directors' Remuneration report

### 2025 Percentage change in remuneration of Directors

The table below sets out the percentage changes in each Director's base salary/fee, benefits and annual bonus for the year ended 31 March 2026 versus the prior year ended 31 March 2025 alongside the average change in gross earnings for all UK employees across the Company.

Name	Salary / fees %	Benefits %	Annual Bonus % <sup>1</sup>
<b>Executive Directors</b>			
<b>Nigel Cann<sup>3</sup></b>	10%	3%	59%
<b>Dr Mina Golshan CBE</b>	3%	8%	2%
<b>Dr Laura Barbrook</b>	-	-	-
<b>Former Executive Directors</b>			
<b>Julie Pyke</b>	3%	0% <sup>2</sup>	3%
<b>David Gregg<sup>3</sup></b>	16%	14% <sup>2</sup>	-
<b>Bertrand Michoud<sup>3</sup></b>	-39%	-47%	-40%
<b>Non-Executive Directors</b>			
<b>John Holland-Kaye<sup>3</sup></b>	879%	-	-
<b>Elizabeth Barber<sup>3</sup></b>	22%	-	-
<b>Julie Thornton<sup>3</sup></b>	20%	-	-
<b>Jouni Silvennoinen<sup>3</sup></b>	46%	-	-
<b>Sir Andrew Mathews</b>	-	-	-
<b>Alison Henwood</b>	-	-	-
<b>Former Non-Executive Directors</b>			
<b>Richard Noble<sup>3</sup></b>	-42%	-	-
<b>Wider Workforce<sup>4</sup></b>			
<b>Average employees</b>	6.3% <sup>5</sup>	-	-

### Malus and Clawback

Malus and clawback provisions apply to incentive plans as set out on in the Remuneration Policy. The malus and clawback provisions were not enacted during FY25/26. Please see the notes to the policy table for more information on the malus and clawback policy.

### Remuneration Policy

## The Committee adopted the Company's first Remuneration Policy during FY25/26.

Following the subsequent changes to the Executive Leadership structure, the Committee commenced a review to ensure the policy remains appropriate, which included re-evaluating the incentive opportunity levels. Following this review, the target annual bonus was increased to 80% of salary and the target LTIP was increased to 100% of salary effective 1st January 2026 to reflect the increases in CEO remuneration package. The Remuneration Policy is presented in full below and is intended to operate in this form during FY26/27, subject to the Committee's discretion to amend the policy as required.

### Base salary

#### Objectives and link to strategy

Element of fixed pay that reflects the individual's role, position, experience and contribution to the Company.

#### Operation

Salaries are reviewed annually with any increases typically accounting for:

- ▶ Increases awarded across the Company 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

None

### Pension

#### Objectives and link to strategy

Assists participants' plans for retirement.

#### Operation

Pension provision is in the form of a defined contribution (DC) pension.

#### Maximum potential value

Employer contribution for the Executives are aligned with those made available to the UK workforce.

#### Performance metrics

None

### Annual benefits

#### Objectives and link to strategy

Provide market competitive benefits where it is cost-effective and tax-effective to do so.

#### Operation

Benefits currently provided include:

- ▶ Life assurance premium
- ▶ Flexible benefits (currently delivered through Flexfund)
- ▶ Income protection premium.

There is also a relocation policy which provides for reasonable expenses to be paid subject to the Committee's approval.

Executives may become eligible for other benefits in the future where the Committee deems it appropriate. Where additional benefits are introduced for the wider workforce, the Executives may participate on broadly similar terms.

Approved business-related expenses incurred by executives are eligible for reimbursement. Within the expectations of normal tax practice, the Company, may in exceptional circumstances, settle any personal tax obligations that may arise from these reimbursements.

#### Maximum potential value

There is no defined maximum.

Benefits are set at what are in the Committee's opinion reasonable considering wider company policy, market practice and individual circumstances.

The Committee regularly reviews benefit costs to ensure they are appropriate and affordable.

#### Performance metrics

None.

<sup>1</sup> Does not include the exceptional 3 month bonus period.

<sup>2</sup> Benefits does not include one-off exceptional items.

<sup>3</sup> Increases reflects incumbents serving partial years and role changes in FY24/25 and FY25/26. See more information in the remuneration table on page 76.

<sup>4</sup> Due to the significant shifting composition and scaling of the workforce between FY24/25 and FY25/26 only salary increase can be provided in respect of the wider workforce.

<sup>5</sup> Reflects increases made as a result of the merit increase budget of 3% (effective April 1, 2025), alongside mid-year adjustments, including off cycle increases and promotions.

## CORPORATE GOVERNANCE

# Directors' Remuneration report

### Remuneration Policy Continued

#### Annual bonus

##### Objectives and link to strategy

To incentivise delivery of annual performance targets most critical for the Company.

##### Operation

Annual bonuses are normally paid entirely in cash post year end, however the Committee has the authority to apply deferral.

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 the Company or the contribution of management. Any adjustment made using this discretion will be explained.

Awards are subjected to malus and clawback provisions – see the notes in the policy table.

##### Maximum potential range

5-100% of base salary for target performance.

##### Performance metrics

The specific measures, targets and weighting may vary from year to year in order to align with the Company'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.

#### Long-term incentive

##### Objectives and link to strategy

Reward and motivate towards achievement of long-term performance.

Designed to attract, retain, and motivate key talents needed for the long-term success of the Company.

##### Operation

Awards are granted under, and governed by, the rules of the LTIP as approved by the Committee from time to time.

Awards are made at the discretion of the Committee. Awards are limited to the Executive Team and any other roles the CEO deems should participate.

Awards normally vest after a three-year period subject to the achievement of performance conditions.

Awards are generally subject to continued employment; however, awards may vest to leavers in certain scenarios.

Awards are subjected to malus and clawback provisions – see the notes to the policy table.

##### Maximum potential range

30-100% of base salary for target performance.

##### Performance metrics

The performance conditions for awards are set to align with the long-term objectives of the Company.

The Committee reviews the targets prior to each grant to ensure that they remain appropriate.

Discretion is available to the Committee in assessing achievement of the performance targets.

Where the Committee considers it appropriate to do so, under the plan rules the Committee can modify performance criteria for outstanding awards on the occurrence of certain events.

#### Non-executive director remuneration

##### General Approach

##### Chair

The Chair receives an all-inclusive fee in respect of the role. The remuneration of the Chair is determined by the Committee (excluding the Chair).

##### Non-executive directors

Non-Executive Directors receive an annual fee in respect of their Board and Committee appointments together with additional compensation for further duties (for example, committee chairmanship, subsidiary boards, Senior Independent Director fee and designated Independent Non-Executive Director for the workforce fee).

The fees for the Non-Executive Directors (excluding the Chair) are determined by the Committee.

### Notes to the Remuneration Policy

#### Performance measures, target setting and assessment of performance

The performance targets for the annual bonus and LTIP awards are closely aligned with the Company's short- and long-term strategic objectives. The intention is to provide a direct link between reward levels and performance.

The company operates a performance scorecard-based approach for the annual bonus. This ensures that both individual bonus levels and overall spend are commensurate with the performance of the Company across several key metrics. The Committee considers performance metrics and targets prior to the start of each financial year to ensure that these remain suitable and relevant. It is the intention of the Committee that the bonus payments should normally reflect the outcome of the performance measures set, although the Committee can apply independent judgement to ensure that the outcome is a fair reflection of the performance of the Company and individual over the performance period. When making this judgement, the Committee has scope to consider any such factors as it deems relevant.

LTIP performance measures are intended to motivate and reward delivery of long-term Company success. The Committee considers performance metrics and targets prior to the grant of each award to ensure that these remain suitable and relevant. It is the intention of the Committee that the vesting of LTIP awards should normally reflect the outcome of the performance measures set, although the Committee can apply independent judgement to ensure that the outcome is a fair reflection of the performance of the Company and individual over the performance period. When making this judgement, the Committee has scope to consider any such factors as it deems relevant.

#### Malus and Clawback

Annual bonus and LTIP awards granted are subject to malus and clawback provisions as set out below and in more detail in the LTIP Scheme Rules. The Committee may, in its absolute discretion, determine at any time prior to the vesting of an award to reduce, defer, cancel or impose further conditions in the following circumstances:

- ▶ a retrospective material restatement of the audited financial results of the Company
- ▶ an error in assessing a performance condition applicable to the award or in the information or assumptions on which the award was granted, or vests
- ▶ actions of gross misconduct or material error, including fraud, by the participant or their team
- ▶ significant reputational or financial damage to the Company as a result of the participant's conduct
- ▶ a failure of adequate risk management and/or controls by the participant or their team, resulting in a material impact to the Group
- ▶ a material failure impacting health and safety or environmental sustainability
- ▶ a material corporate failure in the Group
- ▶ a regulatory or law enforcement investigation which results in significant censure

Annual bonus and LTIP awards granted to Executives shall also be subject to clawback provisions for up to 2 years from the date of payment or vesting in the above circumstances

## CORPORATE GOVERNANCE

# Directors' Remuneration report

### Notes to the Remuneration Policy

Continued

#### Recruitment practice

A new hire will ordinarily be remunerated in accordance with the policy described in the table on the previous pages. To define the remuneration for an incoming Executive, the Committee will take 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 Remuneration Committee in respect of an individual.

Ordinarily, it would be expected that the package on recruitment would be consistent with the usual ongoing 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 policy

Where an individual is required to relocate from their home location to take up their role, the Company may provide reasonable relocation assistance and other allowances. Relocation support and any associated costs or benefits (including but not limited to temporary living expenses, housing cost and transportation to new location) may also be provided if business needs require. This will be up to a maximum of £8,000.

#### Expatriate Assignments

Expatriate assignments give rise to cost elements that differ from standard UK remuneration arrangements. These costs may include, but are not limited to: Base salary and employer on costs payable to the home employer; assignment related allowances and benefits provided in accordance with the EDF Group International Mobility Policy; social security, tax equalisation, and statutory costs applicable in the home and host countries; relocation, housing and mobility related support.

These costs reflect the international nature of the assignments and are designed to ensure continuity, regulatory compliance, and workforce stability while assignees are deployed to the Company.

#### Employment Agreements

It is the Company's policy that Executives should have employment contracts with an indefinite term which can be terminated by the Company or the Executives 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. Independent Non-Executive Directors are appointed for three-year term and reviewed annually thereafter<sup>1</sup>, with 3 months' notice on either side, no contractual termination payments being due and subject to re-election as approved by the Board and the Group Parent (Sizewell C (Holding) Limited). The contract for the Chair is subject to a 3 months' notice provision on either side.

### Policy on payment for loss of office

#### Notice period of up to 12-months

In the event of a termination where the Company requests that the Executive 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 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.

#### Bonus payment for the financial year of exit

Bonuses will normally only be paid to Executives who are granted 'good leaver' e.g. retirement, redundancy or restructure. If the Executive resigns during the year or is a 'bad leaver' e.g. dismissed for gross misconduct then they would forfeit the bonus. In respect of a 'good leaver', the bonus amount would normally 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.

### Unvested LTIP awards

Treatment would be in accordance with the plan rules and relevant grant documentation. The intended approach is summarised below.

Awards will vest in line with the normal plan vesting date (unless the Committee determines otherwise). Awards vest to the extent that the relevant performance targets are considered to have been met.

Awards will normally be paid to Executives who are granted 'good leavers' e.g. retirement, redundancy or restructure and would be in proportion to the financial year which has been completed at the time of exit. If the Executive resigns during the year or is a 'bad leaver' e.g. dismissed for gross misconduct, they would forfeit all payments.

#### Change of control

In the event of a change of control, outstanding incentive awards will normally vest early to the extent that the performance condition, as determined by the Committee in its discretion, has been satisfied and, unless the Committee determines otherwise, would be pro-rated to reflect the period which has elapsed from the commencement of the award to the date of the relevant corporate event.

<sup>1</sup> On Financial Close, INED Service Letters ran for an initial period of 12 months (Provisional INED Appointment) and reviewed annually thereafter.

## CORPORATE GOVERNANCE

# Project Infrastructure Committee report

I'm pleased to present this report on behalf of the Project Infrastructure Committee.

This report outlines the Committee's key activities in FY25/26, its first year of operation. The Committee's primary function is to support the Board in the oversight of key risks for complex contracts and design strategies within Sizewell C.

The Committee has operated in its full form since January 2026. Prior to this, two meetings were held testing the Terms of Reference prior to implementation at the first meeting in February 2026. The Committee comprises Directors with appropriate expertise.

The Board Chair attends by invitation but is not a member. The Chief Operating Officer (Delivery Director) and Safety, Security and Assurance Director amongst other key operational functions regularly attend meetings.

The Committee focused its work on detailed reviews of high-risk, technically complex contracts, providing the Board with clear advice on the appropriate course of action. The merits of the Civil Works Alliance (CWA) and the Mechanical Electrical HVAC (Heating Ventilation & Air Conditioning) (MEH) Alliance were discussed at the Committee meetings, as well as a fleet approach strategy which would mean working closely with other EPRs (European Pressurised Reactors). Advice was provided to the Board on the correct application of these scenarios and strategies.

As the Committee enters its second year of operation, focus will remain on material technical contracts and deep dives into key schedule items or particular risk areas that may be requested by the Board.

The Committee considered and discussed the following during FY25/26:

- ▶ Material technical contracts that required further detailed insight and advice to the Board for approval of these contracts
- ▶ Alliance and fleet approach strategies and opportunities
- ▶ Project Review Panel recommendations
- ▶ Independent oversight of target outturn costs
- ▶ Construction sequencing and scope

The Committee's focus for FY26/27 is:

- ▶ Construction sequence plan to J0<sup>2</sup>
- ▶ Spare parts strategies
- ▶ Water strategy
- ▶ Hinkley Point C Collaboration Agreement performance
- ▶ Civils and MEH performance and resilience updates
- ▶ Early manufacturing strategy
- ▶ Deep dives into key schedule projects or other key topics or risks

Sir Andrew Mathews  
Committee Chair



### Current members and attendance

Committee Member	Role	Appointed	Attendance
Sir Andrew Mathews	Committee Chair and Independent Non-Executive	January 2026	2 / 2
Elizabeth Barber	Senior Independent Director	January 2026	2 / 2
Jouni Silvennoinen	Independent Non-Executive	January 2026	2 / 2
Nigel Cann	Chief Executive Officer	January 2026	2 / 2
Stuart Crooks <sup>1</sup>	Shareholder Non-Executive	January 2026	1 / 2
Alejandro López Delgado	Shareholder Non-Executive	January 2026	2 / 2
Caroline Botwood	Shareholder Non-Executive	February 2026	1 / 1

### Past members and attendance

Committee Member	Role	Stepped down	Attendance
Jonathan Loveday	Shareholder Non-Executive Director	February 2026	1 / 1

### 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 responsibility and as governed by its Terms of Reference:	To advise, review, and make recommendations to the Sizewell C Limited Board in relation to the construction and build of the nuclear power station in Suffolk. This includes deep analysis or studies of scope, schedule, sequence or matters of underperformance, and matters in relation to quality and supply chain risks and impact to deliverables.
	Receive and analyse feedback from the Project Review Panel; review and consider the project review panel reports and any recommendations being made; and monitor recommended actions that arise.
	Analysis of performance trends, including potential analysis of negative trends in performance.
	Benchmarking against best practice, promoting the identification and implementation of best practices.
	Analysis of key project construction and infrastructure risks or opportunities
	Evaluation and review of the outputs from the Independent Technical Advisor

<sup>1</sup> Stuart Crooks 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.

<sup>2</sup> J0 is Completion of the 'Common Raft' foundation.

## CORPORATE GOVERNANCE

# Directors' report

### Directors

The Directors who served during the year under review:

#### Chair

**John Holland-Kaye**

#### Independent Non-Executive Directors

**Richard Noble** – resigned 31 October 2025

**Elizabeth Barber**

**Julie Thornton**

**Jouni Silvennoinen**

**Sir Andrew Mathews KCB FREng** – appointed 1 October 2025

**Alison Henwood** – appointed 23 March 2026

#### Shareholder Non-Executive Directors

**Jonathan Loveday** – resigned 16 February 2026

**Stuart Crooks CBE FREng**

**Caroline Botwood** – appointed 16 February 2026

**David Kirwan** – appointed 4 November 2025

**Alejandro López Delgado** – appointed 4 November 2025

#### Executive Directors

**Dr Mina Golshan CBE**

**Bertrand Michoud** – resigned 4 November 2025

**Nigel Cann**

**Julia Pyke CBE** – resigned 31 December 2025

**David Gregg** – resigned 16 October 2025

**Dr Laura Barbrook** – appointed 17 October 2025

#### Company Secretary

**Asha Magnus**

### Share Capital

On 17 September 2025, as part of the Financial Close preparedness and of associated group companies restructuring, Sizewell C (Holding) Limited, the immediate parent company, transferred all its shares in the Company to Sizewell C (PledgeCo) Limited.

As at 31 March 2026 and the date of this report, the share capital of the Company is comprised of:

Class of shares	<b>£1.00</b> Ordinary	<b>£1.00</b> Special Rights Redeemable Preference Share
	<b>16,300,002</b> (fully paid-up)	<b>1</b> (fully paid-up)
Owner	Sizewell C (PledgeCo) Limited	Secretary of State for Energy Security and Net Zero (DESNZ)
Rights	Voting, rights to distributions and capital	Non-Voting, no rights to capital, held only by DESNZ, has certain rights in relation to the transfer of shares in the company if it reasonably concludes that such transfer would be contrary to the interests of National Security or Public Policy

### Beneficial Shareholders

The Secretary of State for Energy Security and Net Zero is the Ultimate Beneficial Owner of the Sizewell C group of companies through ownership of Class A Shares in Sizewell C (Holding) Limited and beneficial shareholders of Sizewell C (Holding) Limited are comprised as at 31 March 2026:

The Secretary of State for Energy Security and Net Zero	<b>44.9%</b>
CDP Troy BidCo Limited (part of the La Caisse Group)	<b>20.0%</b>
Centrica River Limited (part of the Centrica Group)	<b>15.0%</b>
EDF Energy Holdings Limited (part of the EDF Group)	<b>12.5%</b>
Troy BidCo Limited (part of Amber Infrastructure Group)	<b>7.6%</b>

Please refer to [page 29](#) for further details on our group structure.

### Incorporation and registered office

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

### 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 FY25/26 (FY24/25: £nil).

### Financial instruments

Full disclosure on the Company's use of financial instruments is set out in the financial statements, see note S3 on [page 104](#).

### Dividends

The Directors did not recommend payment of dividends (FY24/25: £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 from [page 7](#).

The Directors' Report should be read in conjunction with the Strategic Report and the Corporate Governance section within this Annual Report and Accounts.

**CORPORATE GOVERNANCE**

# Statement of directors' responsibilities in respect of the Annual Report and Accounts

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 apply Best Corporate Governance Standards as defined within the Enduring Shareholders Agreement (ESHA). They have also decided to voluntarily prepare 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 its profit or loss 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. These records must be sufficient to show and explain the Company's transactions and to disclose with reasonable accuracy at any time the financial position of the Company. They must also enable the directors to ensure that the financial statements comply with the Companies Act 2006.

The directors are also 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. They also 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.

Under applicable law and regulations, the directors are also responsible for preparing a Strategic Report, Directors' Report, and Corporate Governance Statement that complies with that law and those regulations.

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

Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Responsibility statement of the directors in respect of the annual financial report.**

**We confirm that to the best of our knowledge:**

- ▶ the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position, and profit or loss of the Company
- ▶ the Strategic Report includes a fair review of the development and performance of the business and the position of the issuer, together with a description of the principal risks and uncertainties that they face

We consider the Annual Report and Accounts, 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.

**For and on behalf of the Board**

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**Nigel Cann**  
**Chief Executive Officer**  
 2 July 2026

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**Dr. Laura Barbrook**  
**Acting Chief Financial Officer**  
 2 July 2026



## CORPORATE GOVERNANCE

# Accounting officers' responsibilities

The Principal Accounting Officer for the Department for Energy Security and Net Zero appointed me as the Accounting Officer for the Company with effect from 28 September 2023. This was subsequently updated following Julia Pyke's departure and the change in leadership structure from 1 January 2026.

As the Accounting Officer, I'm personally responsible and accountable to Parliament for the use of public money and stewardship of public assets. I must be able to assure Parliament and the public of high standards of probity in the management of public funds and assets. I 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. As part of my duties, I have ensured that I have reviewed any activities that may be novel, contentious, or repercussive in the context of the company delivering a nuclear generating station.

As part of my duties, I have ensured that I have reviewed any activities that may be novel, contentious, or repercussive in the context of the company delivering a nuclear generating station.

In preparing the Financial Statements as the Accounting Officer and on behalf of the Board, I've ensured that the Company's auditors are aware of all relevant audit information that would have a material impact on the Financial Statements. I'm not aware of any material information that the auditors are unaware of.

As a member of the Board, I also confirm that the Annual Report and Accounts as a whole are fair, balanced, and understandable, and that we've 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 1 July 2026 and signed on 2 July 2026.

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**Nigel Cann**  
Chief Executive Officer  
2 July 2026





Contents

# FINANCIAL REPORT

## Independent auditor’s report to the members of Sizewell C Limited

### 01 Our opinion is unmodified

We have audited the financial statements of Sizewell C Limited (“the Company”) for the year ended 31 March 2026 which comprise the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cashflows and the related notes, including the accounting policies in notes 1 and S2.

#### In our opinion:

- ▶ the financial statements give a true and fair view of the state of the Company’s affairs as at 31 March 2026 and of the Company’s profit for the year then ended
- ▶ the financial statements have been properly prepared in accordance with UK-adopted international accounting standards
- ▶ the financial statements 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**

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Materiality: £213m (2025: £90m)  
2.32% (2025: 2.48%) of total assets

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Key audit matters vs 2025

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**New:** Derivative financial instruments ▲

### 02 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. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matter was as follows:

	The risk	Our response
<p><b>Derivative financial instruments</b></p> <p>(Current assets: £4.9m; 2025: £nil, Current liabilities: £7.7; 2025 £nil, Non-current assets: £6.1m; 2025 £nil, Non-current liabilities: £3.1m; 2025 £nil)</p> <p><i>Refer to page 71-72 (Audit Committee Report), page 20 (accounting policy) and page 96 (Derivative Financial Instruments, Note 11).</i></p>	<p><b>Accounting treatment</b></p> <p>The Company uses derivative financial instruments to manage risks arising from changes in foreign currency exchange rates, in respect of forecast purchases to be made in Euros.</p> <p>The Company designates the spot element of foreign exchange forwards as hedges of risk associated with highly probable forecast transactions, applying cash flow hedge accounting.</p> <p><b>Subjective valuation</b></p> <p>The valuation of the derivative portfolio involves assumptions and judgements, in particular in relation to valuation methodologies applied.</p> <p>Given the complexity of hedge accounting, the criteria for hedge effectiveness documentation and valuation of associated derivative instruments – and considering that these instruments have been entered into for the first time in the current year – we identify the accounting treatment for and valuation of derivative financial instruments as an area of heightened risk and audit significance for the year ended 31 March 2026.</p>	<p>We performed the tests below rather than seeking to rely on any of the Company’s controls because the nature of the accounting treatment risk, and the small number of open derivative positions as at the year end date, meant that detailed testing is inherently the most effective means of obtaining audit evidence.</p> <p><b>Our procedures included:</b></p> <ul style="list-style-type: none"> <li>▶ Accounting analysis: Using our own treasury specialists to assist us in assessing eligibility for hedge accounting and appropriateness of the hedge documentation in place at inception and whether the accounting treatment applied is in line with the requirements of IFRS 9. In addition, in respect of the entries posted during the year, inspecting accounting adjustments recorded during the year in respect of effective hedge relationships, including movements in the cash flow hedge reserve</li> <li>▶ Testing application: Using our own treasury specialists to assist us in assessing the method of effectiveness testing and inspecting effectiveness testing performed during the year (in line with the Company’s hedging strategy and associated policies), and in assessing whether future cash flows designated as hedged items represent highly probable forecast transactions</li> <li>▶ Comparing valuations: Requesting direct confirmations from external counterparties in respect of the nominal and mark-to-market (‘MTM’) values of derivative instruments as at 31 March 2026</li> <li>▶ Independent reperformance: Using our own valuations specialists to assist us in evaluating the assumptions and valuation methodology applied in respect of derivative instruments</li> <li>▶ Assessing transparency: Assessing whether the financial statement disclosures were made in accordance with the requirements of IFRS 7</li> </ul>

We continue to perform procedures over going concern. However, following the achievement of Financial Close on the project in November 2025, we have not assessed this as one of the most significant risks in our current year audit due to the certainty it has provided around the future funding of the project and, therefore, it is not separately identified in our report this year.

### 03 Our application of materiality and an overview of the scope of our audit

#### Our application of materiality

Materiality for the financial statements as a whole was set at £213m (2025: £90m), determined with reference to a benchmark of total assets, of which it represents 2.32% (2025: 2.48%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to 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% (2025: 65%) of materiality for the financial statements as a whole, which equates to £138.0m (2025: £58.5m).

We agreed to report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £10.6m (2025: £4.5m), 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 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 continue to remain 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.

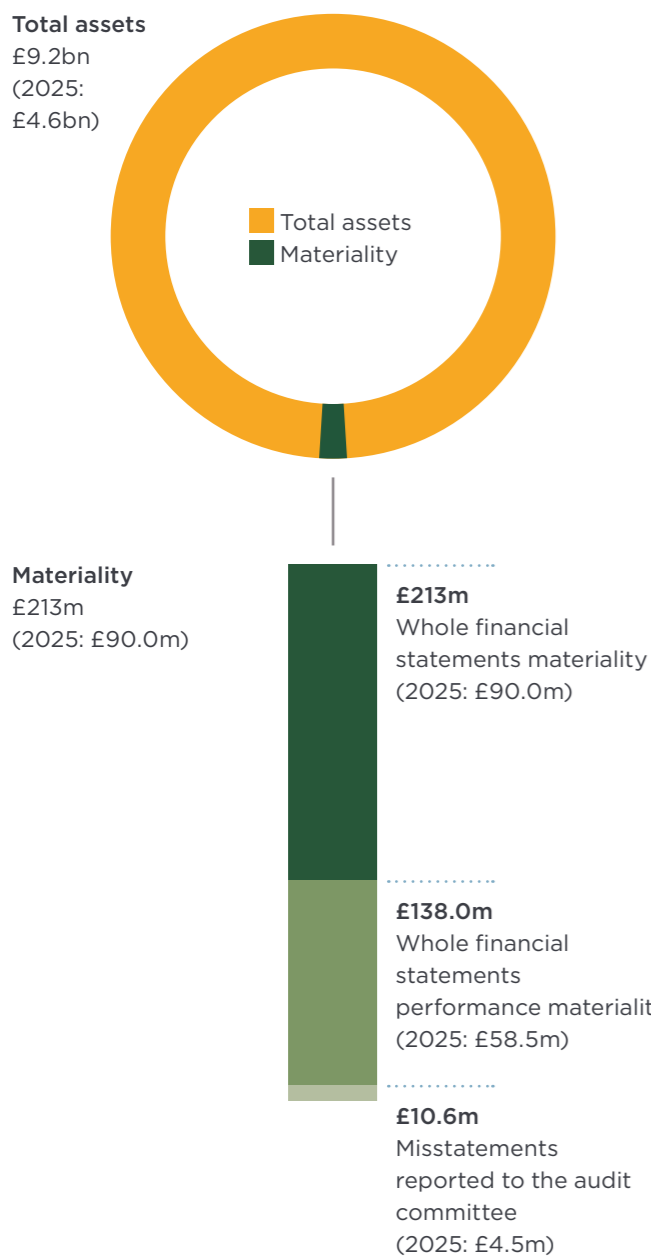
As such, we did not plan to rely on general IT controls, or controls more widely.

## 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 on 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.



### 04 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").

We used our knowledge of the Company, its industry, and the general economic environment to identify the inherent risks to its business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Company's available financial resources and metrics relevant to debt covenants over this period were:

- ▶ The Company's ability to replicate the design of Hinkley Point C and take advantage of associated cost efficiencies
- ▶ The impact of inflation and foreign exchange rate changes

We considered whether these risks could plausibly affect the liquidity or covenant compliance in the going concern period by assessing the directors' sensitivities over the level of available financial resources and covenant thresholds 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:

- ▶ Evaluation of key inputs to the short-term cash flow forecast
- ▶ Retrospective review of the reliability of management's historic forecasting

We considered whether the going concern disclosure in note 1 to the financial statements gives a full and accurate description of the directors' assessment of going concern.

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 1 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 1 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.

### 05 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 and Risk committee minutes
- ▶ Considering remuneration incentive schemes and performance targets for management, directors and employees
- ▶ 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 and the risk of bias in accounting estimates such as the valuation of derivative financial instruments. On this audit

we do not believe there is a fraud risk related to revenue recognition because the Company is not currently generating revenue.

We did not identify any additional fraud risks.

Further detail in respect of the valuation of derivatives and associated application of hedge accounting is set out in the key audit matter disclosures in section 2 of this report.

In determining the audit procedures we took into account the results of our evaluation of the Company-wide fraud risk management controls.

We also 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 posted to seldom used accounts
- ▶ Assessing whether the judgements made in making accounting estimates are indicative of a potential bias

#### 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, taxation legislation and the RAB Licence conditions 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 license to operate.

## FINANCIAL REPORT

# Independent auditor's report to the members of Sizewell C Limited

### Identifying and responding to risks of material misstatement related to compliance with laws and regulations (continued)

We identified the following areas as those most likely to have such an effect: health and safety, corporate compliance (including anti-bribery, anti-money laundering and export controls), environmental regulations, employment legislation, building regulations requirements, ONR regulations and the terms of the DCO. Auditing standards limit the required audit procedures 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.

### 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.

### 06 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 statements
- ▶ 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 ([page 50](#)) 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 Enduring Strategic Risks and Delivery Strategic 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 Committee, including the significant issues that the audit 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

### 07 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.

## 08 Respective responsibilities

### Directors' responsibilities

As explained more fully in their statement set out on [page 84](#), 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](http://www.frc.org.uk/auditorsresponsibilities).

### 09 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. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

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**James Ledward (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
 66 Queen Square,  
 Bristol  
 BS1 4BE  
 3 July 2026

## FINANCIAL REPORT

## Financial statements

## Statement of profit or loss and other comprehensive income

	Note	2026 £m	2025 £m
Grant income		0.8	-
Operating expense	4	(8.2)	(8.4)
<b>Operating loss</b>		<b>(7.4)</b>	<b>(8.4)</b>
Finance expense	6	(0.8)	(0.1)
Finance income	6	13.5	14.3
<b>Net finance income</b>		<b>12.7</b>	<b>14.2</b>
<b>Profit before taxation</b>		<b>5.3</b>	<b>5.8</b>
Taxation on profit	7	(0.2)	(3.4)
<b>Profit for the year</b>		<b>5.1</b>	<b>2.4</b>
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Effective portion of changes in fair value of cash flow hedges, net of taxation	11	0.2	-
<b>Other comprehensive income for the year, net of taxation</b>		<b>0.2</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>5.3</b>	<b>2.4</b>

The notes on [pages 92 to 109](#) form part of these financial statements.

The above results were derived from continuing operations in the current and prior year.

## Statement of financial position

	Note	2026 £m	2025 £m
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	7,967.5	3,758.8
Derivative financial instruments	11	6.1	
Right of use assets	14	24.2	60.5
Prepayment	9	206.3	275.0
<b>Total non-current assets</b>		<b>8,204.1</b>	<b>4,094.3</b>
<b>CURRENT ASSETS</b>			
Other receivables and prepayments	10	449.2	133.0
Derivative financial instruments	11	4.9	-
Tax receivable	7	3.2	-
Cash and cash equivalents	16	594.5	365.1
<b>Total current assets</b>		<b>1,051.8</b>	<b>498.1</b>
<b>Total assets</b>		<b>9,255.9</b>	<b>4,592.4</b>
<b>EQUITY AND LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	(582.4)	(371.1)
Tax liabilities	7	-	(2.7)
Lease liabilities	14, 16	(2.4)	(3.6)
Bank loans and borrowings	16	(74.1)	-
Derivative financial instruments	11	(7.7)	-
Provisions for other liabilities	13	(13.5)	(5.8)
<b>Total current liabilities</b>		<b>(680.1)</b>	<b>(383.2)</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities	7	(0.5)	(0.5)
Lease liabilities	14, 16	(19.6)	(53.6)
Bank loans and borrowings	16	(8,418.3)	-
Derivative financial instruments	11	(3.1)	-
Provisions for other liabilities	13	(105.8)	(130.2)
<b>Total non-current liabilities</b>		<b>(8,547.3)</b>	<b>(184.3)</b>
<b>Total liabilities</b>		<b>(9,227.4)</b>	<b>(567.5)</b>
<b>Net assets</b>		<b>28.5</b>	<b>4,024.9</b>
<b>EQUITY</b>			
Share capital	18	16.3	16.3
Capital reserve	S4	-	4,001.7
Hedging reserves	S4, S5	0.2	-
Retained earnings	S4	12.0	6.9
<b>Total shareholders' equity</b>		<b>28.5</b>	<b>4,024.9</b>

The financial statements on [pages 90 to 91](#), of which the notes on [pages 92 to 109](#) form part, were approved and authorised for issue by the Board of Directors on 1 July 2026 and were signed on its behalf on 2 July 2026 by:

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**Nigel Cann**  
 Chief Executive Officer

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**Dr. Laura Barbrook**  
 Acting Chief Financial Officer

## FINANCIAL REPORT

# Financial statements

### Statement of changes in equity

	Note	Called up share capital £m	Capital reserve £m	Hedging reserves £m	Retained earnings £m	Total £m
<b>Balance at 1 April 2024</b>		<b>16.3</b>	<b>1,976.7</b>	-	<b>4.5</b>	<b>1,997.5</b>
Profit for the year		-	-	-	2.4	2.4
Capital Contributions	S4	-	2,025.0	-	-	2,025.0
<b>Balance at 31 March 2025</b>		<b>16.3</b>	<b>4,001.7</b>	-	<b>6.9</b>	<b>4,024.9</b>
Profit for the year		-	-	-	5.1	5.1
Other comprehensive income for the year	S4, S5	-	-	0.2	-	0.2
<b>Total comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>0.2</b>	<b>5.1</b>	<b>5.3</b>
Capital contribution	S4	-	1,656.2	-	-	1,656.2
Reclassification of capital contribution to liabilities	S4	-	(5,657.9)	-	-	(5,657.9)
<b>Balance at 31 March 2026</b>		<b>16.3</b>	<b>-</b>	<b>0.2</b>	<b>12.0</b>	<b>28.5</b>

The notes on [pages 92 to 109](#) form part of these financial statements.

### Statement of cashflows

	Note	2026 £m	2025 £m
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before Taxation		5.3	5.8
<b>Adjustments:</b>			
Finance income	6	(13.5)	(14.3)
Finance expenses	6	0.8	0.1
Loss on disposal of assets & VAT write off	4	1.0	0.3
(Increase) in other receivables and prepayments	10	(115.4)	(37.8)
Increase in trade and other payables	12	211.3	58.9
Decrease/(Increase) in non-current prepayments	9	68.8	(275.0)
Movement in provisions	13	(12.3)	7.5
Effect of foreign exchange rate changes		(3.4)	(1.5)
Corporation tax paid	7	(6.1)	(2.2)
<b>Net cash flows from operating activities</b>		<b>136.5</b>	<b>(258.2)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	6	27.2	15.0
Acquisition of property, plant and equipment	17	(4,375.8)	(1,694.7)
Proceeds from sale of property, plant and equipment		-	0.1
RAB income received		270.7	-
<b>Net cash flows from investing activities</b>		<b>(4,077.9)</b>	<b>(1,679.6)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Pre-Financial Close Shareholder funding	S4	1,656.2	2,025.0
Intercompany loan at Financial Close	16	2,444.9	-
Debt funding at Financial Close	16	5,696.4	-
Pre-Financial Close shareholder funding repaid	S4	(5,657.9)	-
Intercompany loan drawdown	16	518.1	-
Interest repayments	16	(208.8)	-
Financing fees	16	(265.6)	-
Lease liability payments	14	(12.5)	(6.0)
<b>Net cash flows from financing activities</b>		<b>4,170.8</b>	<b>2,019.0</b>
<b>Net increase in cash and cash equivalents</b>		<b>229.4</b>	<b>81.2</b>
Cash and cash equivalents at the beginning of the year	16	365.1	283.9
<b>Cash and cash equivalents at the end of the year</b>	<b>16</b>	<b>594.5</b>	<b>365.1</b>
<b>COMPRISES</b>			
Cash available for use		594.5	292.1
Restricted cash		-	73.0

The notes on [pages 92 to 109](#) form part of these financial statements.

## FINANCIAL REPORT

# Notes to the financial statements

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

The notes to these Financial Statements focus on areas that are key to understanding our business. Additional information that we are required to disclose by accounting standards or regulation is disclosed in the Supplementary Information (Notes S1 to S7). In addition, for clarity, notes begin with a simple introduction outlining their purpose.

### 01 Basis of preparation and summary of significant new accounting policies and reporting changes

This section details new accounting standards, amendments to standards and interpretations, and whether these are effective in 2026 or later years, and if and how these are expected to impact the financial position and performance.

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

#### a) Basis of Preparation

The Company financial statements have been prepared and approved by the directors in accordance with UK-adopted international accounting standards ("UK-adopted IFRS") and in conformity with the requirements of the Companies Act 2006.

The financial statements have been presented on the historical cost basis except for derivative financial instruments and financial instruments required to be measured at fair value through profit or loss or other comprehensive income.

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

#### b) Going concern

The Directors have undertaken a going concern assessment to consider, for base case and plausible downside scenarios, whether the Company would have adequate resources 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 scenarios considered as part of the going concern assessment are consistent with those used in the longer-term viability analysis. Cash forecasts have been stress-tested for reasonably possible combinations of risks, including the cash flow impacts of operational disruption from significant adverse weather events, cyber-attacks, supply chain failures or industrial action. The Company's strong liquidity position and significant undrawn committed facilities, coupled with its ability to deploy effective mitigating actions, ensures resilience against a volatile risk environment. After making enquiries and reviewing cash flow forecasts and available committed debt and equity funding, the Directors have formed a judgement that there is a reasonable expectation that the Company has adequate resources to meet its liabilities as they fall due for a period of 12 months from the date of approval of the financial statements. This judgement has been formed taking into account the principal risks and uncertainties that the Company faces, outlined in more detail in the Strategic Report. Further information on the liquidity position of the Company, including its indebtedness and available committed facilities, is provided in Note 16.

#### c) New accounting policies, standards, amendments and interpretations effective or adopted in 2025

From 1 January 2025, the following amendment is effective in the Company's Financial Statements:

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

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

#### d) Standards and amendments that are issued but not yet applied by the Company

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

- **Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments: Disclosures', Amendments to the Classification and Measurement of Financial Instruments, effective from 1 January 2026.**

These amendments specify the date at which a financial asset or liability should be derecognised, clarify assessment of the Solely Payment of Principal and Interests criterion for instruments containing contractual terms that change the timing or amount of cash flows, and the additional disclosures required, and update the required disclosures concerning equity instruments carried optionally at fair value through other comprehensive income (OCI). The Company does not anticipate any material impact to result from the first application of this standard.

- **Annual improvements to IFRS: Amendments to IFRS 1 'First-time Adoption of IFRS', IFRS 7, IFRS 9, IFRS 10 'Consolidated Financial Statements' and IAS 7 'Statement of Cash Flows', effective from 1 January 2026.**

Amendments to certain IFRS standards are issued every year under the IASB's annual improvements process, mainly to clarify wording and correct relatively minor unintended consequences, conflicts or oversights. The Company does not anticipate any material impact to result

- **Proposed new IFRS Standard in relation to Regulatory Assets and Regulatory Liabilities (expected to replace IFRS14).**

The Company does not anticipate being in scope of this Standard as it will not have a rate regulated contract with its customers. The Economic Licence instead regulates the overall return that Sizewell C makes. This draft conclusion will be assessed on an ongoing basis as practice develops in UK industry

- **IFRS 19 'Subsidiaries without Public Accountability', effective from 1 January 2027.** The Company does not anticipate any material impact.

- **IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures.**

In February 2026, the UK Government published UK Sustainability Reporting Standards UK SRS S1 (General

Requirements for Disclosure of Sustainability-related Financial Information) and UK SRS S2 (Climate-related Disclosures), which are based on the International Sustainability Standards Board (ISSB) standards IFRS S1 and IFRS S2. The UK SRS are currently available for voluntary application, and no mandatory reporting requirements have been introduced for the Company for the current reporting period. The Company continues to monitor developments in UK sustainability reporting requirements regarding potential future implementation. Any future adoption of UK SRS S1 and S2 is not expected to have a material impact on the Company's financial statements

- **IFRS 18 'Presentation and Disclosure in Financial Statements', effective from 1 January 2027.**

The potential impact of IFRS 18 'Presentation and Disclosure in Financial Statements' is given below:

#### IFRS 18 'Presentation and Disclosure in Financial Statements'

IFRS 18 will replace IAS 1 'Presentation of Financial Statements' and becomes effective for accounting periods beginning on or after 1 January 2027. IFRS 18 will introduce new requirements on presentation and disclosure in the financial statements, with a focus on the income statement and reporting of financial performance. Income and expenses in the income statement will be classified into five categories - operating, investing, financing, income taxes and discontinued operations. Two subtotals must be presented: 'Operating profit or loss' and 'Profit or loss before financing and income tax'. IFRS 18 will also require disclosures about management-defined performance measures in the financial statements and disclosure of information based on enhanced general requirements on aggregation and disaggregation. The Company will apply the new standard from the financial year commencing 1 April 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 March 2027 will be restated in accordance with IFRS 18. The Company has assessed the impact of IFRS 18 and notes that finance income is expected to be shown within investing activities, rather than net finance income/cost. Certain other reclassifications have been identified; these are not expected to be material to the Company's financial statements. The Company has considered the IFRS 18 guidance on aggregated and disaggregated information and is not anticipating any changes to the Balance Sheet. The Company's assessment is not yet final and further changes upon the implementation of IFRS 18 may be required.

## FINANCIAL REPORT

# Notes to the financial statements

### 02 Critical accounting judgements and estimation uncertainty

This section sets out the key areas of judgement and estimation that have the most significant effect on the amounts recognised in the Financial Statements.

#### a) Critical judgments in applying the Company's accounting policies

Management has made the following key judgments in applying the Company's accounting policies that have the most significant effect on the Financial Statements.

#### Accounting for the Sizewell C nuclear power station under IAS 16 Property, Plant and Equipment

The judgement to account for the Sizewell C nuclear power station as Property, Plant and Equipment means that during the construction period of the project, the cost is accounted for as an asset under construction, with expenditure on the asset capitalised in the Statement of Financial Position. Following achievement of the Commercial Operations Date ("COD"), which is when Ofgem accepts the generation asset by confirming it has met the terms and requirements of the Economic Licence, including by concluding commissioning, the asset under construction will be re-classified to property, plant and equipment. The applicability of both IAS 16 Property Plant & Equipment and IFRIC 12 Service Concession Arrangements were considered. In determining the appropriate accounting treatment one of the key questions was establishing whether the contractual arrangements contained a public service obligation. It was concluded that Sizewell C has determined the specification and location of the asset and will operate the power station to generate and sell electricity onto the wholesale market. Accordingly, it was concluded that a public service obligation was not present and the arrangements were outside the scope of IFRIC 12, and, as the Company controls the asset, the arrangements fall within the scope of IAS 16. Consequently, the accounting policies applied to these financial statements reflect this arrangement.

#### Accounting for the Revenue Collection Contract under IAS 20 Government Grants

Following consideration of the nature of the Revenue Collection Contract ("RCC") and the underlying Regulated Asset Base (RAB) regulatory framework, the

Company has concluded that IAS 20 provides the most appropriate basis for accounting. This judgement is supported by the following features of IAS 20 that align with the Company's business model:

- ▶ IAS 20 applies to funding received from bodies that are part of, or act on behalf of, government, including agencies, such as the LCCC, operating at national or regional levels. The LCCC is considered to be raising a levy on consumers on behalf of the Government in order to fund the subsidy
- ▶ IAS 20 applies to financial support intended to incentivise capital-intensive activities that provide public benefit, such as the construction of a nuclear power station

Based on this framework, RAB income earned under the RCC during the construction phase will be classified according to its nature, in line with IAS 20. Most funding is directly linked to the financing and construction of the assets and will be treated as a grant related to assets and recognised net against the related capital expenditure, presented on the Statement of Financial Position as a reduction to the carrying value of the asset under construction. Some minor elements of the income are intended to compensate the Company for operational expenditures during the construction phase. These are considered grants related to income and are included in profit or loss over the periods in which the related costs are incurred.

#### Shareholder loans classification

The capital contributions provided until Financial Close were classified as equity instruments as the terms of the shareholder loans were such that there was no interest payable and no redemption date, and the holders had no option to redeem the instruments. On 29 October 2025 Sizewell C Limited announced that it intended to exercise its option to redeem the funding. The liability was redeemed on 5 November 2025 for £5,657.9 million.

The intercompany loans that have provided funding since Financial Close are due to Sizewell C (PledgeCo) Limited and are interest-bearing loans that constitute contractual obligations for the repayment of principal and interest under the terms of the Facility Agreement which requires the Company to repay the loans in full by the maturity date of 31 March 2075, with payments prioritized first to accrued interest and then to principal. The loans create a present contractual obligation to repay principal and pay

interest, without any borrower discretion over settlement. While repayment timing may be deferred under specific project conditions, the existence of the obligation itself is unconditional and unavoidable, satisfying the definition of a financial liability. Therefore, from an accounting perspective, the contractual framework supports classification of the shareholder loans as financial liabilities under both IAS 32 and IFRS 9. The proposed interest rate of 9% is substantiated by a thorough analysis of market conditions, industry benchmarks and the specific risk profile, and this justification serves to reassure Directors of the appropriateness of the interest rate as arm's length, ensuring that it reflects the economic realities of the financing environment.

#### Impairment

The Directors consider the Company to consist of a single cash-generating unit (CGU), the Sizewell C Nuclear Power Station. As such, impairment is considered in the context of the whole PP&E balance, as opposed to review of individual components.

The Company assesses, at each reporting date, whether there is an indication of impairment. Key assumptions that lead to uncertainty in this judgement are the total forecast construction cost and date of commencement of operations, known as the Commercial Operations Date (COD). Based on Management's assessment under IAS 36, no internal or external indicators of impairment have been identified as at 31 March 2026. This conclusion reflects the achievement of both Final Investment Decision (FID) and Financial Close during the period, the annual exercise to update the Cost Estimate at Completion concluded in November 2025 and the stability and long-term funding visibility provided by the RAB model.

#### b) Key sources of estimation uncertainty

The sections below detail the assumptions the Company makes about the future and other major sources of estimation uncertainty when measuring its assets and liabilities at the reporting date. The information given relates to the sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to those assets and liabilities in the next financial year.

In some cases, the matter involves both a critical judgement as well as a key source of estimation uncertainty. That is, there is more than one judgmental aspect related to the matter. In these instances, all critical judgements and key sources of estimation uncertainty related to each area are discussed in the same section to provide a comprehensive understanding of the overall nature of the uncertainties involved. Estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, including current and expected economic conditions, and, in some cases, actuarial techniques. Although these estimates and associated assumptions are based on management's best knowledge of current events and circumstances, actual results may differ. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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.

#### Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques using observable market information. Primarily this relates to forward foreign exchange contracts that are fair valued using forward exchange rates that are quoted in an active market, with the resulting market value discounted back to present value using observable yield curves. Judgements include considerations of inputs such as discount rates, credit risk and volatility. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. See Note S6 for further detail on Fair Value measurement of financial instruments.

## FINANCIAL REPORT

# Notes to the financial statements

The financial statements include other areas of judgement and accounting estimates. While these areas do not meet the definition under IAS 1 of significant accounting estimates or critical accounting judgements, 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:

### Site restoration provision

The estimated cost of site restoration activities to be incurred is reviewed periodically and 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 construction period, when temporary sites and facilities are decommissioned and restored to their original condition. Provision is made for the estimated cost of restoration of natural habitats, decommissioning of facilities and temporary structures and management of waste materials at the balance sheet date. The payment dates of total expected future restoration costs are uncertain and dependent on construction progress but are currently anticipated to be predominantly incurred in 2035.

The level of provision is sensitive to the discount rate, the estimate of site establishment progress and the estimated restoration costs, hence each input is considered to be a key source of estimation uncertainty. During the year the HMG discount rate for calculating provisions has risen from 4.07% to 4.22%. A 1% reduction in the discount rate increases the restoration liability by approximately £3.7m. A 10% increase in the site establishment progress would increase the provision by £8m. The range of cost certainty for this estimated package of work is -10% to +25%. The minimum cost would result in a decrease in provision by £3.5m and the maximum cost would result in an increase by £8.75m. These sensitivities are not considered material, and therefore management consider the estimate of £38.7m to be reasonable.

### 03 Staff numbers and costs

This section details the employee costs and the number of employees in our operations.

The average number of employee employed by the Company (including Directors) during the year was 488 (2025: 8), comprising 215 staff working in the delivery programmes and 273 staff working in corporate teams.

The aggregate employment costs of these employees were as follows:

	Note	2026 £m	2025 £m
Wages and salaries		39.4	2.2
Social security costs		5.4	0.4
Redundancy cost	4	1.4	-
Contributions to defined contribution pension plan		8.2	0.3
Capitalised into asset under construction	(53.0)	(2.9)	
<b>Recognised in Statement of Profit or Loss</b>		<b>1.4</b>	<b>-</b>

Directors' remuneration is disclosed within the Remuneration Report section (page 73) of this Annual report.

The Company operates a single defined contribution pension plan which is open to all employees of the Company. Payments to the defined contribution retirement benefit scheme are recognised and capitalised against the Asset under Construction as they fall due.

At 31 March 2025 employees included only Directors of the Company. During 2025/26 all other staff who had an employment contract with EDF Energy Limited and/or EDF Nuclear Generation Limited and were seconded to permanent roles at Sizewell were transferred in stages to Sizewell C Limited under Transfer of Undertakings (Protection of Employment) regulations ("TUPE") arrangements.

### 04 Operating expense

This section details the costs recorded as operating expenses in our Statement of Profit or Loss.

	Note	2026 £m	2025 £m
Training costs		5.0	0.6
Loss on disposal of assets	8,14	0.6	0.3
Redundancy costs	3	1.4	-
Social Benefits & Communication Costs		0.8	-
VAT write off		0.4	-
Off payroll working	13	-	7.5
Depreciation	8, 14	11.0	4.5
Capitalised depreciation		(11.0)	(4.5)
<b>Total</b>		<b>8.2</b>	<b>8.4</b>

### 05 Auditors remuneration

Year ended 31 March	2026 £m	2025 £m
Statutory audit of these financial statements	0.4	0.2
Audit-related assurance services	0.1	-
Advisory fees (i)	0.6	-
<b>Total</b>	<b>1.1</b>	<b>0.2</b>

(i) Provision of advice related to good practice principles relevant to the setting up of the independent assurance framework for a major project alliance partnership agreement.

### 06 Net finance income

Financing costs mainly comprise interest on intragroup and bank debt, and notional interest arising from the discounting of provisions and leases. Finance income predominantly relates to interest received on current account balances and investments in short-term bank deposits.

	Note	2026 £m	2025 £m
Interest expense on lease liabilities	14	(4.8)	(1.9)
Unwinding interest on provisions	13	(3.3)	(2.8)
Interest expense and amortised fees on intragroup and bank loans	16	(307.2)	-
Other interest charges		-	(0.1)
Capitalised borrowing costs		314.5	4.7
<b>Finance Expense</b>		<b>(0.8)</b>	<b>(0.1)</b>
Interest income		27.2	15.0
Capitalised interest income		(14.0)	-
FX Gain/(loss)		0.3	(0.7)
<b>Finance Income</b>		<b>13.5</b>	<b>14.3</b>
<b>Net Finance Income</b>		<b>12.7</b>	<b>14.2</b>

Borrowing costs have been capitalised using an average rate of 6.98% (2025: 4.35%).

### 07 Taxation

The taxation note details the different tax charges, including current and deferred tax. The current tax charge is the tax payable on this year's taxable profits together with amendments in respect of tax provisions made in earlier years. Deferred tax represents the tax on differences between accounting carrying values of assets and liabilities and their tax bases. These differences are temporary and are expected to unwind in future.

# FINANCIAL REPORT

## Notes to the financial statements

### 07 Taxation continued

#### a) Analysis of tax charge

	2026 £m	2025 £m
<b>CURRENT TAX</b>		
Tax on profit for the year	-	3.4
Prior year adjustment	0.2	-
<b>Total Current Tax</b>	<b>0.2</b>	<b>3.4</b>
<b>DEFERRED TAXATION</b>		
<b>Total deferred tax</b>	<b>-</b>	<b>-</b>
<b>Taxation on profit</b>	<b>0.2</b>	<b>3.4</b>

#### b) Reconciliation of effective tax rate

The Company's effective tax rate for the year ended 31 March 2026 is 3% (2025: 59%) which is 22% lower than (2025: 34% higher than) the standard rate of corporation tax in the UK due to the items shown below.

	2026 £m	2025 £m
Profit before tax	5.3	5.8
Expected tax/charge using UK corporation tax rate of 25% (2025: 25%)	1.3	1.5
<b>Effect of:</b>		
Income not taxable	(1.3)	-
Impact of disallowed underpaid tax in relation to off payroll working	-	1.9
Adjustment in respect of prior period	0.2	-
<b>Total Taxation on profit</b>	<b>0.2</b>	<b>3.4</b>

#### c) Factors that may affect future tax charges

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 2026 has been calculated at 25% (31 March 2025: 25%). This is the effective tax rate at which the reversal of the net deferred tax liability is expected to occur.

#### d) Relationship between current tax charge and taxes paid

	£m
<b>Liability at 31 March 2025</b>	<b>(2.7)</b>
Current Tax on results for the year	-
Adjustments in previous years' reported tax charges	(0.2)
Payment in the year	6.1
<b>Asset at 31 March 2026</b>	<b>3.2</b>

The following are the deferred tax liabilities recognised by the Company and movements thereon during the current and prior reporting period:

	Accelerated Capital Allowances £m	Total £m
<b>At 1 April 2024</b>	<b>(0.5)</b>	<b>(0.5)</b>
Adjustments in respect of previous years' reported tax charges	-	-
Effect of increased tax rate on opening liability	-	-
<b>At 31 March 2025</b>	<b>(0.5)</b>	<b>(0.5)</b>
Adjustments in respect of previous years' reported tax charges	-	-
Effect of increased tax rate on opening liability	-	-
<b>At 31 March 2026</b>	<b>(0.5)</b>	<b>(0.5)</b>

A deferred tax liability arises on the capitalisation of interest in this accounting period; this deferred tax liability is offset against a deferred tax asset in relation to carried forward interest which can be reactivated, accordingly in the year there has been no additional deferred tax recognised in relation to the interest capitalised in this period.

### 08 Property, plant and equipment

PP&E includes significant investment in the nuclear power station under construction, as well as land, vehicles and plant & machinery used in the construction.

	Freehold Land and buildings (iii) £m	Vehicles £m	Plant & Machinery £m	Assets under construction (i) £m	Provision Assets (ii) £m	Total £m
<b>COST</b>						
<b>1 April 2024</b>	<b>258.7</b>	<b>-</b>	<b>-</b>	<b>1,673.2</b>	<b>76.5</b>	<b>2,008.4</b>
Additions	16.3	-	-	1,687.6	58.8	1,762.7
Disposals	-	-	-	(0.4)	-	(0.4)
Remeasurement	-	-	-	-	(11.9)	(11.9)
<b>31 March 2025</b>	<b>275.0</b>	<b>-</b>	<b>-</b>	<b>3,360.4</b>	<b>123.4</b>	<b>3,758.8</b>
Reclassification	-	3.2	0.9	(4.1)	-	-
Additions	191.7	1.0	-	4,494.6	42.7	4,730.0
RAB income	-	-	-	(471.5)	-	(471.5)
Remeasurement	-	-	-	-	(49.0)	(49.0)
<b>31 March 2026</b>	<b>466.7</b>	<b>4.2</b>	<b>0.9</b>	<b>7,379.4</b>	<b>117.1</b>	<b>7,968.3</b>
<b>ACCUMULATED DEPRECIATION</b>						
<b>1 April 2024</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Charge for the year	-	-	-	-	-	-
<b>31 March 2025</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Charge for the year	-	(0.7)	(0.1)	-	-	0.8
<b>31 March 2026</b>	<b>-</b>	<b>(0.7)</b>	<b>(0.1)</b>	<b>-</b>	<b>-</b>	<b>(0.8)</b>
<b>CARRYING VALUE</b>						
<b>NBV at 31 March 2026</b>	<b>466.7</b>	<b>3.5</b>	<b>0.8</b>	<b>7,379.4</b>	<b>117.1</b>	<b>7,967.5</b>
<b>NBV at 31 March 2025</b>	<b>275.0</b>	<b>-</b>	<b>-</b>	<b>3,360.4</b>	<b>123.4</b>	<b>3,758.8</b>

i) Asset Under Construction (AUC) relates to nuclear new build activities, of which the net book value amount capitalised at 31 March 2026 is £7,379.4m (2025: £3,360.4m). 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. Accrued RAB income of £471.5m was recognised as a reduction to the carrying value of the AUC. A Know-How payment of £1,579.8m, triggered by Financial Close, was made in November 2025 to the EDF Group for provision up to Financial Close of intellectual property owned by EDF. Sizewell C was obliged to make payment under an agreement that was reached between EDF and the UK government in 2013. It is effectively cost neutral to the consumer and has been included in the UK government's Value for Money assessment. This cost was treated as an addition to AUC.

ii) Provision Assets During the year, a remeasurement of the Site restoration and DCO provisions of £49.0m was recognised. No depreciation charge is expected until the asset is in operation.

iii) Freehold Land: The Company purchased the freehold land from EDF 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 EPRM power station at Sizewell in Suffolk was granted by the ONR. During the year £191.7m of additional land and buildings was purchased, primarily related to Orwell Logistics Park- which will provide offices and warehousing.

## FINANCIAL REPORT

# Notes to the financial statements

### 09 Non-current prepayment

Non-current prepayment comprise a large advance payment made to a key supplier.

The Company made an advance payment of £275m (€318.8m) to its related party supplier Framatome SE (part of EDF SA Group) in 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 monitors the progress of the procurement and production of these components in alignment with the project timeline.

The Company expects the prepayment to be amortised from April 2026, on a straight-line basis over a four-year period against invoices for work performed.

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. Of the £275m originally paid, £206.3m remains non-current.

### 10 Other receivables and prepayments

Other receivables and prepayments include advance payments to suppliers, VAT receivables and accrued income under the RAB licence. These balances are valued net of expected credit losses.

	Note	2026 £m	2025 £m
RAB income receivable	S7	200.8	-
Amounts due from related parties	S7	123.7	58.7
Prepayments		28.8	6.9
Other debtors		24.0	7.6
Value added tax receivable		71.9	59.8
<b>Total</b>		<b>449.2</b>	<b>133.0</b>

### Concentration of credit risk in other receivables, prepayments and government grant receivables

The Company has a significant portion of credit exposure with the government backed Low Carbon Contracts Company arising from the RAB licence arrangements. Based on the short-term nature of these amounts, statutory framework supporting the counterparty, the absence of historical defaults, and the levy funded nature of the monthly payment mechanism, a 12 month expected credit loss has been assessed and determined to be immaterial. The Company continuously monitors the creditworthiness of HMG and relevant economic conditions but given the nil default rate and strong credit standing of the Government, the risk of impairment is considered negligible.

Amounts owed from related parties represent advance payments with EDF Group entities 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. Credit risk is assessed by reference to the counterparty credit rating. EDF SA has a strong published credit rating of BBB+ with a stable outlook with S&P Global, and accordingly low credit risk; the Company does not expect credit losses to arise on these balances.

The Company has calculated expected credit losses for all material balances and they are immaterial. Further information about the Company's credit risk management is disclosed in Note S3.

### 11 Derivative financial instruments

The Company uses derivative financial instruments to manage the foreign exchange risk arising from purchases in foreign currency. For accounting purposes these are designated in a hedging relationship, Notes S4 and S5 provide further information on hedge accounting.

### Summary of accounting treatment

The effective portion of gains and losses on hedging instruments are recognised in other comprehensive income and accumulated in the hedge reserves. Amounts accumulated in the hedge reserves are subsequently reclassified and included in the initial carrying amount of the related asset when the hedged forecast transaction results in the recognition of a non financial asset. This ensures that the cost of the asset reflects the hedged cash flows. Ineffective portions of the hedge are recognised immediately in the Statement of Profit or Loss.

	2026 £m	2025 £m
Foreign exchange derivatives in hedging relationships	0.2	-
<b>Total derivative financial instruments</b>	<b>0.2</b>	<b>-</b>
<b>INCLUDED WITHIN</b>		
Derivative financial instruments - non-current assets	6.1	-
Derivative financial instruments - current assets	4.9	-
Derivative financial instruments - current liabilities	(7.7)	-
Derivative financial instruments - non-current liabilities	(3.1)	-

Net (losses)/gains on derivative financial instruments due to changes in fair value:

	2026		2025	
	Income statement £m	Equity £m	Income statement £m	Equity £m
Financial assets and liabilities measured at fair value:				
Derivatives financial instruments in hedge accounting relationships	-	0.2	-	-
	<b>-</b>	<b>0.2</b>	<b>-</b>	<b>-</b>

### 12 Trade and other payables

Trade and other payables include accruals and are principally amounts we owe to our suppliers.

	Note	2026 £m	2025 £m
Trade payables		76.3	50.2
Accruals		329.5	186.9
Amounts due to related parties	S7	176.6	134.0
<b>Total</b>		<b>582.4</b>	<b>371.1</b>

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.

### 13 Provisions

Provisions are recognised when an obligation exists that can be reliably measured, but where there is uncertainty over the timing and/or amount of the payment. The main provisions relate to obligations under the Development Consent Order and site restoration costs.

	Other £m	DCO £m	Site Restoration £m	Total £m
<b>As at 31 March 2025</b>	<b>10.0</b>	<b>67.2</b>	<b>58.8</b>	<b>136.0</b>
Additions	6.0	21.0	21.7	48.7
Payments in the period	-	(12.3)	-	(12.3)
Unwinding of discount	0.3	2.2	0.8	3.3
Disposal	(7.4)	-	-	(7.4)
Remeasurement	-	(6.4)	(42.6)	(49.0)
<b>As at 31 March 2026</b>	<b>8.9</b>	<b>71.7</b>	<b>38.7</b>	<b>119.3</b>
<b>OF WHICH</b>				
<b>Current</b>	<b>7.5</b>	<b>6.0</b>	<b>-</b>	<b>13.5</b>
<b>Non-Current</b>	<b>1.4</b>	<b>65.7</b>	<b>38.7</b>	<b>105.8</b>

## FINANCIAL REPORT

# Notes to the financial statements

### 13 Provisions continued

- (i) **Other provisions** Include dilapidation provisions for the cost of restoring leased assets to the condition required by the terms of the lease in 2039, and £7.5m recognised in 2025 in respect of estimated underpaid tax related to IR35 off payroll working arrangements. Sizewell C submitted a formal notification letter to HMRC on this matter and, in May 2026 paid £5.5m of underpaid tax to HMRC.
- (ii) **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.
- (iii) **Site restoration provision** The Company has identified site restoration obligations related to its operational sites. These obligations include, but are not limited to, decommissioning of temporary facilities, restoration of natural habitats and management of waste materials. A sensitivity analysis has been performed to calculate the impact of the minimum and maximum cost estimate per benchmarking data. The remeasurement in FY26 resulted from no longer having to consider the possibility of a discontinuation scenario, as a result of achieving Financial Close. The notional interest arising on the unwind of the discount is expensed as per the requirements of IFRIC 1.

No provision for nuclear decommissioning is recognised in these financial statements. The Company is required to fund the disposal of spent fuel, fuel rods and other contaminated materials. Accordingly, a nuclear decommissioning provision will be recognised at the future date of an obligating event related to the purchase and use of nuclear fuel.

### 14 Leases

Leases largely comprise vehicles, land and buildings that Sizewell C has the benefit of and right to control over the construction period.

The weighted average incremental borrowing rate applied in discounting the lease liability is 4.77% (2025: 4.77%). The key disposal in the year related to the purchase of the freehold of Orwell Logistics Park, near Ipswich, on 27 March 2026, which was leased until that date.

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
<b>COST</b>			
<b>At 1 April 2025</b>	<b>64.6</b>	<b>0.2</b>	<b>64.8</b>
Additions	74.6	0.3	74.9
Disposals	(109.3)	(0.1)	(109.4)
<b>At 31 March 2026</b>	<b>29.9</b>	<b>0.4</b>	<b>30.3</b>
<b>ACCUMULATED DEPRECIATION</b>			
<b>At 1 April 2025</b>	<b>4.3</b>	<b>-</b>	<b>4.3</b>
Amortisation for the year	10.0	0.2	10.2
Disposal	(8.3)	(0.1)	(8.4)
<b>At 31 March 2026</b>	<b>6.0</b>	<b>0.1</b>	<b>6.1</b>
<b>Net book value at 31 March 2026</b>	<b>23.9</b>	<b>0.3</b>	<b>24.2</b>
<b>Net book value at 31 March 2025</b>	<b>60.3</b>	<b>0.2</b>	<b>60.5</b>

Set out below are the carrying amounts of lease liabilities and movement during the year:

	2026 £m	2025 £m
<b>At 1 April</b>	<b>57.2</b>	<b>3.7</b>
Additions	64.5	57.6
Interest	4.8	1.9
Payments	(12.5)	(6.0)
Disposals	(92.0)	-
<b>At 31 March</b>	<b>22.0</b>	<b>57.2</b>

The lease liabilities have been split as follows:

	2026 £m	2025 £m
Current	2.4	3.6
Non-current	19.6	53.6
<b>Total</b>	<b>22.0</b>	<b>57.2</b>

The following are amounts recognised in the income statement:

	2026 £m	2025 £m
<b>Loss on disposal of ROU assets</b>	<b>0.6</b>	<b>-</b>
Depreciation for right-of-use assets	10.2	4.5
Capitalised depreciation expense	(10.2)	(4.5)
<b>Net depreciation expense</b>	<b>-</b>	<b>-</b>
Interest expense of lease liabilities	4.8	1.9
Capitalised interest expense	(4.8)	(1.9)
<b>Net interest expense of lease liabilities</b>	<b>-</b>	<b>-</b>

### 15 Commitments and contingencies

Commitments are not held on the Balance Sheet as these are executory arrangements and relate to amounts that we are contractually required to pay in future if the other party meets its contractual obligations. Contingent liabilities depend on the Company's future activities in assessing amount of contributions.

	2026 £m	2025 £m
DCO commitments	69.2	86.3
DCO contingent liabilities	58.1	55.8
Future residential compensation commitments	24.3	24.3
Purchase commitments	6,056.0	694.3
Letter of Credit commitments	228.3	56.8
<b>Commitments and contingent liabilities</b>	<b>6,435.9</b>	<b>917.5</b>

#### Purchase commitments

Purchase commitments have increased to £6,056.0m (2025: £694.3m) due to the certainty provided by securing committed facilities at Financial Close which have allowed us to secure key contracts including:

- ▶ £1,873.3m with Arabelle related to procurement, design and construction of the steam turbine system
- ▶ £684.1m with Edvance who are contracted to supply the nuclear heat production systems, design the safety instrumentation and control systems, and fabricate the nuclear fuel for the plant's two EPR reactors
- ▶ £413.0m with EDF DIR Production for engineering studies and nuclear island equipment
- ▶ £288.6m with Framatome who are contracted to supply the primary reactor technology, fuel fabrication, heat production systems, and safety instrumentation
- ▶ £700.7m with the Civil Works Alliance for main civil engineering and construction services

## FINANCIAL REPORT

# Notes to the financial statements

### 15 Commitments and contingencies continued

#### Development Consent Order (DCO)

Under the DCO, Sizewell C has a Deed of Obligation whereby it 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 (see Note 13) and commitments that must be disclosed. Commitments arising from the Deed of Obligation include executory contracts treated as commitments on the basis that the future payments are dependent on the counterparty performing certain activities, and contingent liabilities which depend 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.

#### 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 (UXO) 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. The amount to be recovered is not expected to be material.

### 16 Sources of finance

This section provides information on the Company's capital structure, sources of funding and liquidity management.

#### a) Capital structure

The Company seeks to maintain an efficient capital structure. Since Financial Close, Bank loans and borrowings are targeted to the Company's RAR ratio of 65% of the Regulatory Asset Base Value. Shareholder funding was provided as equity loans until Financial Close, and since then has been provided via the intercompany loan from Sizewell C (PledgeCo) Limited ("PledgeCo Intercompany Loan").

	2026 £m	2025 £m
Bank loans and borrowings	5,696.4	-
Working capital facility fees	0.3	-
PledgeCo Intercompany Loan & interest	3,053.8	-
<b>Gross Debt<sup>1</sup></b>	<b>8,750.5</b>	<b>-</b>
Capital Reserve	-	4,001.7
Share Capital, Retained Earnings & Hedging Reserve	28.5	23.2
<b>Total Shareholders Equity</b>	<b>28.5</b>	<b>4,024.9</b>
<b>Capital</b>	<b>8,779.0</b>	<b>4,024.9</b>

Bank loan levels are restricted to limit the risk of financial distress, and, in particular, to maintain a strong credit profile. The Company's credit rating is important for several reasons: to maintain low cost of debt, limit collateral requirements with suppliers and for decommissioning security arrangements, and to ensure the Company will be an attractive counterparty to energy offtaker counterparties in future.

The Company monitors its current and projected capital position on a regular basis, considering a long-term view including the operational period of 60 years, and different stress case scenarios, including impacts of changes in construction costs and schedule. Several financial ratios are monitored, including those used by the credit rating agencies.

The Company maintains substantial committed facilities and uses these to provide liquidity. Reporting processes provide relevant and timely capital information to management and the board. Capital management forms part of the Company's planning and forecasting processes, and is embedded into approved timelines, management reviews and board approvals.

#### Bank loans

The Company has drawn down its senior debt facilities, comprising the Bpifrance and HMG Facilities, which bear interest at floating and fixed rates respectively, as stipulated in the respective Common Terms Agreement (CTA). These loans constitute standard debt instruments with contractual obligations to repay principal and periodic interest. The bank loans are repayable according to the terms set out in the Common Terms Agreement and have been classified as long-term liabilities, as their termination dates fall beyond 12 months from the statement of financial position date. The total amount repayable at maturity is £5,696.4m. The facilities are secured by a first charge granted by the Company's shareholders.

The secured debt facilities are subject to the following financial debt covenants, which are tested semi-annually on 31 March and 30 September:

- ▶ The ratio of Net Cash Flow (as defined in the CTA) to Senior Debt Interest ("FFO ICR") for both the Historic Test Period and the Forward Test Period. FFO ICR for the Historic Test Period must not be less than 1.3:1, nor forecast to be less than 1.3:1 for the Forward Test Period
- ▶ The ratio of Class A Net Indebtedness to Regulatory Asset Base ("Senior RAR") at each Test Date. Senior RAR must not exceed 0.65:1
- ▶ The ratio of Total Net Indebtedness to Regulatory Asset Base ("Total RAR") at each Test Date. Total RAR must not exceed 0.65:1

The Company has no indication of any difficulty in complying with these covenants.

#### PledgeCo Intercompany Loan

The intercompany loan is due to Sizewell C (PledgeCo) Limited and is an interest-bearing loan that constitutes contractual obligations for the repayment of principal and interest under the terms of the Intercompany Loan Agreement which requires the Company to repay the loans in full by the Maturity Date, with payments prioritized first to accrued interest and then to principal. Shareholder Loans have a maturity date of 31 March 2075.

Payments to shareholders are governed by the Economic Licence. No profit distributions or interest payments exceeding the regulated Yield Cap may be made prior to the Commercial Operations Date (COD). The Yield Cap limits investor returns to 6% during the period from the Licence Modification Date on 4th of November 2025 until the Commercial Operations Date (COD).

#### b) Liquidity risk management and going concern

Liquidity risk is monitored and managed under the Company's Treasury policy. Cash forecasts identifying liquidity requirements are produced regularly. The Company has sufficient committed funding to enable the Company to meet its obligations as they come due and comply with the debt covenants. The Company prepares a budget annually including a full three-year financing plan. As at the balance sheet date this period and the analysis performed extends to 31 March 2029.

At 31 March 2026 the Company had undrawn committed debt funding of £35,903.6m (2025:£0m), undrawn committed intercompany funding from PledgeCo of £5,542.7m (2025:£0m) from investors, an undrawn £200m working capital facility and unrestricted cash and cash equivalents of £594.5m (2025:£365.1m). The Company's Bank loans and borrowings have been raised from BPI France and NWF and average maturity of this long-term debt is 18.3 years. The level of undrawn committed bank and equity facilities and available cash resources has enabled the Directors to conclude that the Company has sufficient headroom to continue as a going concern. The statement of going concern is included in Note 1.

<sup>1</sup> Gross debt excludes unamortised loan fees.



## FINANCIAL REPORT

# Notes to the financial statements

### 16 Sources of finance continued

#### d) Borrowings and interest accruals summary

	Coupon rate %	Year of maturity	Face Value £m	Carrying Value Current £m	Carrying Value Non-current £m
NWF - principal	6.39%	2045	4,322.0	-	4,322.0
Bpifrance - principal	SONIA +1.5%	2040	1,374.4	-	1,374.4
Unamortised facility arrangement fees			(258.1)	-	(258.1)
Intercompany PledgeCo loan	9%	2075	2,963.0	-	2,963.0
Interest accruals			91.1	74.1	17.0
<b>Total</b>			<b>8,492.4</b>	<b>74.1</b>	<b>8,418.3</b>

No disclosure is given for FY25 as there was no debt or borrowings at 31 March 2025. All borrowings are in British Pounds Sterling (GBP).

### 17 Reconciliation to acquisitions of PP&E in the cashflow statement

	Note	2026 £m	2025 £m
<b>Additions to PP&amp;E</b>	8	<b>4,730.0</b>	<b>1,762.7</b>
<b>LESS NON-CASH MOVEMENTS</b>			
<b>Provisions assets:</b>			
Additions (excluding dilapidations provision)	8	(42.7)	(58.8)
<b>Unwinding interest:</b>			
Provisions (excluding restoration provisions)	13	(2.5)	(2.8)
Leases interest	6, 14	(4.8)	(1.9)
Capitalised depreciation	8, 14	(11.0)	(4.5)
Capitalised interest and fees	6	(307.2)	-
Capitalised interest income	6	14.0	-
<b>Total acquisition of Property, Plant &amp; Equipment</b>		<b>4,375.8</b>	<b>1,694.7</b>
<b>OF WHICH</b>			
Know-How payment	8	1,579.8	-
Underlying acquisition of PP&E		2,796.0	1,694.7

### 18 Called-up share capital

Ordinary share capital represents the total number of shares issued to the immediate parent Company, Sizewell C (PledgeCo) Limited.

#### Allotted, called up and fully paid shares

	2026		2025		2024	
	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

### 19 Subsequent events occurring after the reporting date

The Company updates disclosures in light of new information being received, or significant events occurring, in the period between 31 March 2026 and the date of this report.

There have been no significant post balance sheet events that require disclosure.

## FINANCIAL REPORT

# Notes to the financial statements

## Supplementary information

Supplementary information includes additional information and disclosures we are required to make by accounting standards or regulation.

### Note S1 General information

Sizewell C Limited (the “Company”) is a private company incorporated and domiciled in the UK and registered in England and Wales. The registered number is 09284825 and the registered address is 25 Cophall 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.

As at 31 March 2026, Sizewell C (PledgeCo) Limited is the immediate parent for the Company. As at 31 March 2026, the Department for Energy Security and Net Zero (DESNZ) through the Secretary of State is considered to be the ultimate parent and the controlling party for the Company. The immediate parent is the smallest parent company that prepares group financial statements which includes the Company. PledgeCo publishes its accounts on the Sizewell C website (<https://www.sizewellc.com>). The largest group in which the results of the Company are consolidated is that headed by DESNZ, 3-8 Whitehall Place, London SW1A 2EG. The consolidated financial statements of DESNZ are available to the public and may be obtained from the Government’s website (<https://www.gov.uk>).

### Note S2 Summary of material accounting policies

This section sets out the material accounting policies in addition to the critical accounting policies applied in the preparation of these Financial Statements. Unless otherwise stated, these accounting policies have been consistently applied to the years presented.

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 accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant.

### RAB income

Sizewell C is financed under the Nuclear Regulated Asset Base (RAB) financing model underpinned by the Nuclear Energy (Financing) Act 2022, whereby the project is subject to an economic regulatory framework that allows certain construction and financing costs to be recovered as regulated Allowed Revenue both prior to the commencement of operations, and during the generation phase. It is funded through the Nuclear RAB levy, charged to energy suppliers from 1 November 2025.

The Company will apply IAS 20 in accounting for RAB income, as the payments received represent government grants whose primary condition is that an entity qualifying for them should purchase, construct or otherwise acquire long term assets.

IAS 20 distinguishes between:

- ▶ Grants related to assets: Grants whose primary condition is that the recipient entity must purchase, construct, or otherwise acquire long-term assets
- ▶ Grants related to income: These are all other types of grants (i.e. not related to assets), typically intended to support operating expenditure or income shortfalls

Where funding is directly linked to the construction of the asset, it will be treated as a grant related to assets and recognised net against the related capital expenditure when presented on the balance sheet as a reduction to the carrying value of the property, plant and equipment. However, some elements of RAB income are intended to compensate the Company for operational expenditure during the construction phase. These are considered grants related to income and are included in profit or loss over the periods in which the related costs are incurred as “Other income”.

In accordance with IAS 20, the Company will recognise government grants when there is reasonable assurance that:

- i. the Company will comply with the conditions attached to the grant; and
- ii. the grant will be received.

For the Company, reasonable assurance is assessed based on progress against the approved project construction timetable, adherence to the Project Specification and alignment of actual expenditure with the budgeted profiles agreed with the Company’s Board.

Although receipt of funding is linked to these conditions, it does not in itself constitute sufficient evidence of compliance until the related obligations have been demonstrably fulfilled.

The regulatory mechanism under the Company’s licence, administered by Ofgem, provides further assurance over whether or not the grant will be received. Ofgem determines the Company’s funding based on approved expenditure forecasts, the cashflow profile, and the application of RAB Allowed Revenue blocks, which are governed by the RAB licence. These arrangements, supported by formal government announcements and commitments to fund construction through the regulated model, provide a high level of confidence in both the receipt of the grants under the legal terms of the contracts and the Company’s ability to comply with the related conditions.

Government grants are recognised at their fair value, which represents the amount that the Company expects to receive under the terms of the RAB licence and associated government commitments. The measurement occurs at the point of recognition and is based on the terms and conditions of the grant agreement.

- ▶ Unconditional Grants: recognition and measurement occur upon entitlement, reflecting the full amount expected to be received
- ▶ Conditional Grants: which are linked to the achievement of construction milestones, cost performance, or budget alignment, recognition occurs only once the relevant conditions are met and there is reasonable assurance both that the grant will be received and that the Company will comply with the terms

This basis for measurement is supported by Ofgem’s ongoing oversight and the government’s formal funding arrangements, providing an objective framework for determining fair value.

In accordance with IAS 20, the Company is required to recognise RAB income in profit or loss over the periods in which the related costs are incurred. Allowances such as Return on Capital and Cost of Debt Adjustment, which are linked to the funding of construction activities, are capital grants presented as a reduction to the carrying value of the asset and systematically amortised over the asset’s useful life once operational. In contrast, allowances relating to Pass-Through costs,

Operating Expenditure and Social Benefits and Communication Costs allowances are income grants recognised in profit or loss in the same period as the corresponding expenses are incurred, ensuring alignment between grant income and the costs they are intended to compensate. In practice this means that some pass through and operating expenditure costs will be deferred to the balance sheet, where the costs that they relate to are capitalised under IFRS.

Therefore, the asset under construction reflects the historic cost of incurred expenditure net of RAB funding, not the fair value of future recoveries permitted by the regulator. Conversely, the regulatory RAB asset is calculated under the regulated asset financing model, and its purpose is to determine future permitted recoveries, rather than reflecting historical cost. The regulatory RAB is typically higher because it includes items such as indexation and broader cost allowances including certain operating costs, regulatory adjustments and incentive mechanisms. Under current IFRS, Sizewell C is expected to generate revenue once operational, with the total allowed economic return calculated with reference to the regulatory financing model, with regulated difference payments set to fix that return.

### Finance income and expense

Finance income comprises interest receivable on funds invested and net foreign exchange gains.

Finance expenses include interest payable on debt and finance charges on lease liabilities 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).

Finance income and expense is recognised as it accrues, using the effective interest method. Foreign currency gains and losses are reported on a net basis. Financing costs that arise in connection with the acquisition, construction or production of a qualifying asset are capitalised and subsequently amortised in line with the depreciation of the related asset, otherwise these are recognised as income or expense in the income statement.

## FINANCIAL REPORT

# Notes to the financial statements

## Supplementary information

### Foreign currency

The Company financial statements are presented in pounds sterling as that is the currency for the primary economic environment in which the company operates. 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.

Non-monetary items that are measured at historical cost in a currency other than the functional currency are translated using the exchange rate prevailing at the date of the transaction.

### 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 temporary 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 recognised in respect of all temporary differences identified at the balance sheet date, except to the extent that the deferred tax arises from the initial recognition of goodwill, or the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting profit nor taxable profit and loss. Temporary differences are differences between the carrying amount of the Company's assets and liabilities and their tax base.

Deferred tax is measured on a non-discounted basis using the average 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. Measurement of deferred tax liabilities and assets reflects the tax consequences expected from the manner in which the asset or liability is recovered or settled.

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.

### Property, plant and equipment

Property, plant and equipment (PP&E) is included in the Balance Sheet at cost less accumulated depreciation and accumulated impairment losses. It comprises of plant & machinery, vehicles, asset under construction, provision assets and freehold land and buildings. Freehold land is not depreciated. Other PP&E are depreciated on a straight-line basis at rates sufficient to write off the cost, less estimated residual values, of individual assets over their estimated useful lives. The depreciation periods for the material categories of assets are as follows:

Buildings	Up to 60 years
Plant	Up to 60 years
Machinery	3-5 years
Vehicles	6 years
Provision assets	Up to 60 years

The carrying values of PP&E are tested annually for impairment and are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Residual values and useful lives are reassessed annually and, if necessary, changes are accounted for prospectively.

### 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 2026 to have met the capitalisation criteria except for those costs prohibited under IFRS and recorded in Operating Expenses in the Statement of Profit or Loss, see note 4.

### Asset under construction – depreciation

Assets recognised in the course of construction are included under Asset Under Construction ("AUC") and will be depreciated when the plant is commissioned and ready for use. AUC are depreciated over the period of its intended use, commencing upon commissioning of the plant. The Asset Under Construction 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 asset – 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 power station is completed.

### Impairment assumptions

The Company assesses, at each reporting date, whether there is an indication that the assets 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 its fair value less costs of disposal and its value in use. The recoverable amount is determined at single Cash Generating Unit (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 and are based on past experience and adjusted to reflect market trends, economic conditions and key risks. A long-term growth rate is calculated and applied to project future cash flows after the third year. Cash flows are discounted using a discount rate calculated from the Company's weighted average cost of capital, adjusted to reflect the impact tax in order to calculate an equivalent pre-tax discount rate. Inflation rates used in the business plan are based on publicly available inflation forecasts.

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.

## FINANCIAL REPORT

# Notes to the financial statements

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Any impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU pro rata on the basis of the carrying amount of each asset in the CGU. 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.

### 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.

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. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain 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 (including in-substance fixed payments), variable lease payments that depend on an index or a rate (initially measured using the index or rate at the commencement date), amounts expected to be payable under a residual value guarantee, the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early. When considering whether the Company is reasonably certain to exercise extension or termination options, various factors are considered, such as the level of lease payments relative to the market rate, the importance of the specific asset to the Company's operations and the period remaining until the option becomes exercisable. Such judgements are reconsidered when there is a significant event or change of circumstances that is within the control of the Company. Variable lease payments that do not depend on an index or rate are recognised in profit or loss in the period in which the event or condition that triggers those payments occurs.

The lease liability is subsequently measured at amortised cost using the effective interest method. 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 lease liability is subsequently measured at amortised cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, lease-term extension or termination option. Cash flows reflecting payment of capital and interest on leases are shown in cash flows from financing

activities. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-us 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.

The Company has applied the IFRS 1 exemption in relation to the practical expedients under IFRS 16 for short term (leases expiring within twelve months from commencement) and low value leases (underlying asset value less than £5,000).

### 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 discounted to present value where the effect is material. Where costs relate to restoration obligations or to the construction or use of assets, the associated costs are capitalised as part of the cost of PPE and depreciated over the useful life of the power station. The unwinding of the discount is recognised as financial expense.

Where discounting is used, the increase in provisions due to the passage of time is recognised in the Statement of Profit or Loss within interest expense and capitalised under IAS 23 where appropriate. In line with the requirements of IFRIC 1, capitalisation of the periodic unwinding of the discount on the site restoration provision is not permitted, and instead is recognised in profit or loss as a finance cost as it occurs.

### Financial instruments

Financial instruments are recognised on the balance sheet when the Company becomes a party to the contractual provisions of the instruments. Financial assets are derecognised when the Company no longer has the rights to cash flows, the risks and rewards of ownership or control of the asset. Financial liabilities are derecognised when the obligation under the liability is discharged, cancelled or expires.

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:

#### a) Trade and other receivables

Trade receivables are initially recognised at a value based on their transaction price, and are subsequently held at amortised cost using the effective interest method (taking into account the Company's business model, which is to collect the contractual cash flows owing) less an allowance for impairment losses. Balances are written off when recoverability is assessed as being remote. If collection is expected in one year or less, receivables are classified as current assets. If not, they are presented as non-current assets.

#### b) Trade 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 using the effective interest rate method. These liabilities do not generally incur interest and are expected to be settled within the Company's normal operating cycle. If payment is expected in one year or less, payables are classified as current liabilities. If not, they are presented as non-current liabilities.

#### c) Share capital

Ordinary shares are classified as equity. 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.

No gain or loss is recognised in the Income Statement of Profit or Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

#### d) Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and current balances with banks and similar institutions and money market deposits. Cash and cash equivalents are presented net of outstanding bank overdrafts where there is a legal right of set off. 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.

Restricted cash is classified as non-current or current in accordance with the substance of the contractual agreement.

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# Notes to the financial statements

## Supplementary information

### e) Interest-bearing loans and other borrowings

All interest-bearing bank loans and intragroup borrowings are initially recognised at fair value net of directly attributable transaction costs. After initial recognition, interest-bearing loans and other borrowings are subsequently measured at amortised cost using the effective interest method. Amortised cost is calculated by taking into account any issue costs, discount or premium.

### f) Cash and short-term deposits

Cash and short-term deposits in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are held for the purpose of meeting short-term cash commitments and are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows preparation, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

### g) Derivative financial instruments

The use of derivative financial instruments is governed by the Company's policies which are approved by the Board of Directors. Further detail on the Company's risk management policies is included within the Strategic Report – Principal Risks and Uncertainties on [pages 44 to 49](#) and in Note S3. The accounting treatment of derivatives is dependent on whether they are entered into for trading or hedging purposes. A derivative instrument is considered to be used for hedging purposes when it alters the risk profile of an underlying exposure of the Company in line with the Company's risk management policies and is in accordance with established guidelines. Certain derivative instruments used for hedging purposes are designated in hedge accounting relationships as described by IFRS 9. To qualify for hedge accounting, the effectiveness of the hedge must be reliably measurable and documentation describing the formal hedging relationship must be prepared at the point of designation. The hedge must be highly effective in achieving its objective.

All derivatives are recognised at fair value on the date on which the derivative is entered into and are re-measured to fair value at each reporting date. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Derivative assets and derivative liabilities are offset and presented on a net basis only when there is a currently enforceable legal right of set-off and the intention to net settle the derivative contracts is present. The disclosure of current and non-current derivative assets and liabilities is determined by the settlement date of the derivative.

Foreign currency forward contracts are measured using quoted forward exchange rates and yield curves derived from quoted interest rates matching maturities of the contracts. The details of external instruments, and the disclosures in respect of hedging, are presented in note 10 and note S5 to the Financial Statements.

Recognition of the gains or losses resulting from changes in fair value depends on the purpose for issuing or holding the derivative. For derivatives that do not qualify for cash flow hedge accounting, any gains or losses arising from changes in fair value are taken directly to the Statement of Profit or Loss and are included within net financing income/(expense). Where derivatives qualify for cash flow hedging, changes in fair value arising from the effective element of the hedge are recognised initially in the Statement of Comprehensive Income and accumulated in the cash flow hedge reserve. Amounts accumulated in the cash flow hedge reserve are subsequently reclassified and included in the initial carrying amount of the related asset when the hedged forecast transaction results in the recognition of a non-financial asset. This ensures that the cost of the asset reflects the hedged cash flows. Ineffective portions of the hedge are recognised immediately in the Statement of Profit or Loss.

Further details on the treatment of derivatives in hedging relationships is provided in Note S5. Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not carried at fair value, with gains or losses reported in the Statement of Profit or Loss. The closely related nature of embedded derivatives is reassessed when there is a change in the terms of the contract that significantly modifies the future cash flows under the contract.

Where a contract contains one or more embedded derivatives, and providing that the embedded derivative significantly modifies the cash flows under the contract, the option to fair value the entire contract may be taken and the contract will be recognised at fair value with changes in fair value recognised in the Statement of Profit or Loss.

### h) Cash flow hedge accounting

For the purposes of hedge accounting, foreign exchange derivatives are used as a cash flow hedge of foreign currency exposure on future forecast transactions. Note S5 details the Company's accounting policies in relation to derivatives qualifying for hedge accounting under IFRS 9.

### Note S3 Financial risk management

The Company's principal financial liabilities, other than derivatives designated as a cash-flow hedge, comprise intercompany loans, external bank loans, lease liabilities and trade and other payables. These financial liabilities primarily finance the Company's activities. Principal financial assets include accrued grants income, cash, and short-term deposits arising directly from its activities. The Company also holds derivative financial instruments for risk management purposes.

The Company is exposed to market risk, credit risk, and liquidity risk. Senior management oversees the management of these risks, supported by board committees that advises on financial risk governance and ensures that risks are identified, measured, and managed in accordance with the Company's policies and risk objectives. All derivative activities for risk management are conducted by specialist teams with appropriate experience, expertise and supervision. The Company's policy prohibits trading in derivatives for speculative purposes. The Audit & Risk Committee reviews and approves the Treasury policy on behalf of the Board which governs the management of the risks set out in the next section.

### 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 two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include lease liabilities, secured debt facilities, deposits, and derivative financial instruments.

The sensitivity analyses in the following sections relate to the position as at 31 March in 2026 and 2025.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of debt and derivatives and on the basis of the hedge designations in place at 31 March 2026. The analyses exclude the impact of movements in market variables on provisions.

The following assumptions have been made in calculating the sensitivity analyses:

- ▶ The sensitivity of the relevant statement of financial position item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2026 and 2025 including the effect of hedge accounting
- ▶ The sensitivity of equity is calculated by considering the effect of any associated cash flow hedges at 31 March 2026 for the effects of the assumed changes of the underlying risk

## FINANCIAL REPORT

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## Supplementary information

### A. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company's Financing agreements require borrowings at fixed rates of interest to be greater than 70% on a nominal basis, which reduces its sensitivity to fluctuations in interest rates. The Company has a waiver on this requirement until November 2028 to allow for use of the Bpifrance export credit early in construction in line with spend on the key export contracts. The proportion of fixed rate borrowings is not expected to be lower than 65% in this period. The Company does not currently engage in interest rate swaps to manage interest rate risk. At 31 March 2026, approximately 75.8% of the Company's borrowings are at a fixed rate of interest.

### Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected. With all other variables held constant, the Company is affected through the impact on floating rate borrowings, as follows:

	Increase/ decrease in basis points	Effect on asset under construction £m
<b>31 March 2026</b>		
GBP	+200	11.1
<b>31 March 2025</b>		
GBP	+200	-

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing more volatility compared to prior years. As the Company capitalises interest in accordance with its accounting policies, there is no impact on profit or loss for the periods shown. The table therefore shows the effect on the carrying amount of the related capitalised assets. There is no impact in FY25 as there were no borrowings.

### B. Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial exposure will fluctuate due to changes in foreign exchange rates. The Company's exposure primarily arises from euro-denominated capital expenditures related to the construction of the Sizewell C nuclear power project.

The Company expects to incur significant euro-denominated capital expenditure over the construction period, with over €3.6 billion anticipated between April 2026 and March 2029. This represents a substantial foreign currency exposure that may materially affect GBP cash flows, financial results, and project budgets.

To manage this exposure, the Company's hedging strategy targets hedging up to permitted limits in accordance with the Project Financing Documents:

- ▶ 100% of year 1 euro spend in latest Board approved Budget
- ▶ 60% of the year 2 euro spend in latest Board approved Budget
- ▶ 30% of the year 3 euro spend in latest Board approved Budget

The hedging strategy aims to reduce variability in GBP cash flows and provide cost certainty over material capital commitments. The Company designates the spot EUR/GBP foreign exchange risk as the hedged risk and applies cash flow hedge accounting under IFRS 9.

Hedging instruments comprise EUR/GBP forward contracts that fix the GBP equivalent of forecast euro expenditures based on the latest approved budget. Forward contracts are structured in six-month maturities from March 2026 through March 2029. FX swaps are used to adjust forward contract delivery dates and amounts to align with actual monthly euro payments.

The economic relationship between hedged items and hedging instruments is assessed through qualitative and quantitative methods. Critical terms such as notional amount and underlying exchange rate match, while maturity dates are bucketed in six-month intervals, causing limited ineffectiveness due to timing differences. Hedge effectiveness is monitored at inception and each reporting date, with ineffectiveness measured prospectively using the dollar offset method.

The effective portion of hedge gains or losses is recognized in Other Comprehensive Income and capitalized as part of assets under construction. Any ineffective portion is recognized immediately in profit or loss.

At 31 March 2026, the Company had hedged 100% of its highly probable euro purchases for the next twelve months using forward contracts. These hedges are designated as cash flow hedges and are capitalized within assets under construction as at the maturity date.

### Foreign currency sensitivity

The following table illustrates the sensitivity of the Company's equity to a reasonably possible 2% change in the EUR/GBP exchange rate, with all other variables held constant. The impact on equity reflects changes in the fair value of forward contracts designated as cash flow hedges.

	Change in Euro rate	Effect on Equity £m
<b>31 March 2026</b>	+2%	(44.3)
	-2%	44.3
<b>31 March 2025</b>	+2%	-
	-2%	-

The impact on profit before tax reflecting changes in the fair value of monetary assets, liabilities, and non-designated derivatives is not material. The Company's exposure to other currencies is not material.

### 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 supplier credit risk to the Company is potentially 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.

The Company is also exposed to credit risk from its financing activities, mainly deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

### A. 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. Counterparty credit limits are reviewed by the Audit & Risk Committee on an annual basis and may be updated throughout the period subject to approval of the Company's Audit & Risk Committee. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. The Company's maximum exposure to credit risk for the components of the statement of financial position at 31 March 2026 and 2025 is the carrying amount of cash and cash equivalents adjusted for any mark to market exposure for derivative financial instruments, which is noted in the liquidity table below.

### B. Accrued RAB income

The Company's financial assets as of 31 March 2026 include accrued RAB income due from the LCCC.

The immediate risk of any funding shortfall from energy supplier payments falling short of forecast is mitigated through the provision of Credit Cover, which is managed by EMR Settlement Ltd (EMRS) on behalf of the LCCC. All energy suppliers are required to take out Credit Cover in line with the daily Interim Levy Rate to safeguard against a potential funding shortfall. It is mandatory for suppliers to have RAB Credit Cover at a level that ensures the LCCC holds funds from each supplier for a 21-day period. This 3-week period of cover ensures that LCCC can withstand consistent periods of supplier underpayment without disrupting payments to SZC. Where the supplier's Credit Cover is not enough to cover the unpaid RAB levy, the remaining shortfall is mutualised across all surviving suppliers. In this scenario, non-defaulting suppliers will be invoiced for their individual payment contribution relative to their market share and the shortfall will be collected from the remaining energy suppliers.

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IFRS 9 requires that an expected credit loss provision is recognised. Given the grant is contractually committed, the RAB levy framework for recovery from energy suppliers detailed above and the history of non-default of the LCCC, no expected credit loss (ECL) provision has been recognised against the accrued government grants income as of the reporting date as it is considered immaterial. The amounts are due within 90 days of the financial statement date, further minimizing credit risk exposure. The Company's credit risk management framework for these financial assets includes ongoing monitoring of the LCCC's credit profile and any relevant economic or political developments that could impact recoverability.

### Liquidity risk

In order to ensure that sufficient funds were available up until Financial Close, the Company was financed by shareholder loans. These loans were classified as equity instruments, as the terms were such that principal payments were deferrable. There was no redemption date and the holders had no option to redeem the instrument. The Company's parent company at the time, Sizewell C (Holding) Limited, was equity funded by its ultimate shareholders. At Financial Close these shareholder loans were repaid (see Note S4) and the Company was refinanced.

Since Financial Close, the Company's objective has been to maintain a balance between continuity of funding and flexibility through the use of shareholders loans, bank loans and lease contracts. None of the Company's debt will mature in less than one year at 31 March 2026 based on the carrying value of borrowings reflected in the financial statements. The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low due to the availability of a £8bn Government Liquidity Facility, provided as part of the Government Support Package for the project at Financial Close.

### A. Excessive risk concentration

Concentrations of risk typically arise when counterparties engage in similar business activities, operate within the same geographical region, or are subject to common economic factors that could affect their ability to meet contractual obligations. However, given the specialised nature of the Company's activities, focused exclusively on the construction of a nuclear power plant, most suppliers and stakeholders do not share these activities.

The principal concentration of risk relates to a limited number of specialised counterparties, including the EDF Group, which is both a significant investor and an experienced operator in the nuclear sector. This unique concentration underscores the importance of robust risk management tailored to the specific characteristics of the nuclear power industry.

The Company obtains financing from a combination of shareholders, banks, and other financial institutions to support the construction of the nuclear power plant. In addition to intercompany loans backed by shareholder credit enhancements, the Company has lease liabilities and trade payables directly related to the project's construction activities.

To manage concentration risk, the Company maintains policies and procedures aimed at diversification and risk mitigation. Supplier risk is actively managed in our Commercial & Supply Chain function using a structured approach starting from early market engagement and sourcing strategies, which drive both supplier selection and our contracting strategy. We make every effort to mitigate over-reliance on non-replicated suppliers wherever practicable and, when necessary, we develop alternative suppliers to enhance resilience. Our contracting principles are designed to strike a balance between cost, performance incentives, flexibility, and schedule focus. Through our supplier risk mapping tool, along with robust supplier performance management, we maintain active oversight of supplier performance, financial health, and pipeline exposure. These processes are supported by governance forums and regular risk reviews. In cases where concentration risk is unavoidable due to replication, we implement targeted mitigations—such as increased assurance, contingency planning, and close supplier relationship management—to maintain control and transparency. Collectively, these measures ensure concentration risk is well understood, transparently managed, and proportionately mitigated within the context of the Company's specialised operations.

Identified concentrations of credit risk are actively monitored and controlled. Selective hedging strategies are employed, primarily focused on managing foreign currency risk associated with highly probable capital expenditure purchases denominated in Euros. These hedges are classified as cash flow hedges.

A significant portion of the Company's supply chain are managed through a supplier alliance arrangement, consolidating payments with a single counterparty rather than multiple individual suppliers. While this results in a concentration of liquidity exposure to one counterparty, the payment terms under this arrangement are consistent with those of other trade payables.

Terms and conditions of trade payables:

- ▶ Trade payables are non-interest bearing and are normally settled by the Company on 30-day terms, including those trade payables that are included in the Company's supplier alliance arrangement
- ▶ Other payables are non-interest bearing and have an average term of six months
- ▶ Interest payable is normally settled semi-annually throughout the financial year

Overall, the Company's approach to manage concentration risk balances operational efficiency with prudent risk controls, ensuring resilience against potential adverse economic or industry-specific developments within the specialised nuclear power sector.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments:

	On demand £m	Less than 3 months £m	3-12 months £m	2-5 years £m	> 5 years £m	Total £m
<b>Year ended 31 March 2026</b>						
Trade and other payable	-	582.4	-	-	-	582.4
Lease liabilities	-	0.9	2.6	14.7	9.6	27.8
Secured debt facilities	-	-	0.3	-	5,438.3	5,438.6
Shareholders loans	-	-	73.8	-	2,980.0	3,053.8
Foreign exchange forward contracts in cash flow hedges	-	(0.9)	3.7	(3.0)	-	(0.2)
	-	582.4	80.4	11.7	8,427.9	9,102.4

	On demand £m	Less than 3 months £m	3-12 months £m	2-5 years £m	> 5 years £m	Total £m
<b>Year ended 31 March 2025</b>						
Trade and other payable	-	371.1	-	-	-	371.1
Lease liabilities	-	1.3	5.0	16.4	49.9	72.6
	-	372.4	5.0	16.4	49.9	443.7

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#### Note S4 Other equity

This section summarises movements in the Company's other equity reserves. Hedging reserves comprise a cash flow hedging reserve and a cost of hedging reserve. See Note S5 for further information.

	Cash flow hedging reserve £m	Cost of hedging reserve £m	Hedging Reserves £m	Retained Earnings	Capital Reserve £m	Total Other Equity £m
<b>At 1 April 2024</b>	-	-	-	<b>4.5</b>	<b>1,976.7</b>	<b>1,981.2</b>
Profit/(loss) for the year	-	-	-	2.4	-	2.4
Funding Received	-	-	-	-	2,025.0	2,025.0
<b>31 March 2025</b>	-	-	-	<b>6.9</b>	<b>4,001.7</b>	<b>4,008.6</b>
Profit/(loss) for the year	-	-	-	5.1	-	5.1
Funding Received	-	-	-	-	1,656.2	1,656.2
Impact of cash flow hedging	5.5	(5.3)	0.2	-	-	0.2
Funding repaid	-	-	-	-	(5,657.9)	(5,657.9)
<b>31 March 2026</b>	<b>5.5</b>	<b>(5.3)</b>	<b>0.2</b>	<b>12.0</b>	<b>-</b>	<b>12.2</b>

#### 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 2026, an additional £1,656.2m (2025: £2,025.0m) was contributed by shareholders, taking the total capital contributions to £5,657.9m at 31 March 2026 (2025: £4,001.7m).

These capital contributions were classified as equity instruments as the terms of the shareholder loan were such that there was no interest and no redemption date and the holder had no option to redeem the instrument. These were classified as an Investment on the Parent Company's balance sheet. During the year shareholders were notified by the Company of the intention to repay these instruments at Financial Close, which led to their reclassification as liabilities, and subsequent repayment.

For further information on cash flow hedging reserve, see Note S5.

#### Note S5 Hedge accounting

The Company primarily applies hedge accounting to address foreign currency risk on future forecast purchase transactions.

The fair values of derivatives in hedge accounting relationships at 31 March were as follows:

		2026		
		Assets £m	Liabilities £m	Change in fair value £m
Foreign Exchange risk	Cash flow hedge	11.0	(10.8)	0.2

2025	Hedge	Timing of nominal amount	Average rate EUR/GBP	Nominal value £m	Change in fair value of hedged item in year recognised in cash flow hedging reserve £m	Change in fair value of hedged item in year recognised in cost of hedging reserve £m	Accumulated gains/(losses) in cash flow hedging reserve £m	Accumulated gains/(losses) in cost of hedging reserve £m
Foreign Exchange Risk	Cash flow hedge	1m-6m	0.88205	564.8	0.4	(2.4)	0.4	(2.4)
Foreign Exchange Risk	Cash flow hedge	6m-12m	0.88944	589.0	0.8	(1.6)	0.8	(1.6)
Foreign Exchange Risk	Cash flow hedge	FY28	0.89928	626.5	1.2	(1.3)	1.2	(1.3)
Foreign Exchange Risk	Cash flow hedge	FY29	0.90230	299.7	3.2	(0.1)	3.2	(0.1)

Comparative disclosure is not given for 2025 as no hedges were in place.

In the years presented all amounts related to continuing cash flow hedge relationships

The Company's cash flow hedges consist of forward foreign exchange contracts used to protect against the variability of functional currency denominated cash flows associated with euro denominated highly probable forecast purchase transactions. A derivative is classified as a cash flow hedge when it hedges exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset, liability or a highly probable forecast transaction. Such derivative financial instruments are initially recognised at fair value on the date on which the derivative contract is entered into and are subsequently remeasured at fair value at each reporting date. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the

Company will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all the following effectiveness requirements:

- ▶ There is 'an economic relationship' between the hedged item and the hedging instrument
- ▶ The effect of credit risk does not 'dominate the value changes' that result from that economic relationship
- ▶ The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Company hedges and the quantity of the hedging instrument that the Company uses to hedge that quantity of hedged item

Derivative assets and liabilities are offset and presented on a net basis only when there is a currently enforceable legal right of set-off and the intention to net settle the contracts is present. The classification of derivative assets and liabilities as current or non-current is determined by the settlement date of the derivative.

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At each reporting date, the FX forward portfolio will be revalued based on the latest market data. The spot movement of the fair value will be recorded in the Hedging Reserve within Other Comprehensive Income (OCI). The movement in the spot component reflects the change in expected cash flows due to spot rate fluctuations, discounted to isolate the fair value change related to spot risk, accounting for the time value of money. The change in fair value of the forward points (the “forward element”) will also be recognised in OCI and in the cost of hedging reserve in equity, to the extent it relates to the hedged item. This approach reflects the cost of hedging, where the time value represents the associated cost. The cost of hedging method aims to reduce volatility in profit or loss and supports effective risk management practices. When forecasted payments occur in the relevant month, both the forward points and spot element fair values related to that payment’s pro rata share held in OCI will be recycled to the asset in question as a basis adjustment.

The effective portion of the gain or loss on the hedging instrument will be recognised in OCI in the cash flow hedge reserve, while any ineffective portion will be recognised immediately in the statement of profit or loss. The cash flow hedge reserve will be adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item. No ineffectiveness was recognised this year.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, no longer qualifies for hedge accounting or the Company revokes the designation. At that point in time, any cumulative gain or loss on the hedging instrument recognised in equity remains in equity until the hedged transaction occurs. If the transaction is no longer expected to occur, the cumulative gain or loss recognised in equity is recognised in the Statement of Profit or loss.

### Note S6 Fair values of financial instruments

The Company measures financial instruments such as derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability

Or

- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

#### a) Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The following table provides the fair value measurement hierarchy of the Company’s financial assets and liabilities held at fair value as at 31 March 2026.

	Date of valuation	Total £m	Fair value measurement using		
			Quoted prices in active markets (Level 1) £m	Significant observable inputs (Level 2) £m	Significant unobservable inputs (Level 3) £m
<b>ASSETS MEASURED AT FAIR VALUE</b>					
Foreign exchange forward contracts	31 March 2026	<b>11.0</b>	-	11.0	-
<b>LIABILITIES MEASURED AT FAIR VALUE</b>					
Foreign exchange forward contracts	31 March 2026	<b>(10.8)</b>	-	(10.8)	-

There were no transfers between Level 1 and Level 2 during 2026. No disclosure is provided for 2025 as there were no assets or liabilities held at fair value.

In determining fair value measurement, the impact of potential climate-related matters, including legislation, which may affect the fair value measurement of assets and liabilities in the financial statements has been considered.

#### b) Valuation techniques used to derive Level 2 fair values and company valuation process

Level 2 foreign exchange derivatives comprise forward foreign exchange contracts. Forward foreign exchange contracts are fair valued using forward exchange rates that are quoted in an active market, with the resulting market value discounted back to present value using observable yield curves. The Company’s valuation process includes specific teams of individuals that perform valuations of the Company’s derivatives for financial reporting purposes. Valuations of all derivatives, together with other contracts that are not within the scope of IFRS 9, are also reviewed regularly as part of the overall risk management process.

#### c) Fair value of financial assets and liabilities held at amortised cost

The carrying value of the Company’s financial assets and liabilities measured at amortised cost are approximately equal to their fair value.

**Bank and intragroup borrowings:** The fair values of overdrafts and bank loans are assumed to materially approximate their carrying values.

**Other financial instruments:** Due to their nature and/or short-term maturity, the fair values of Government Grant and other receivables, cash and cash equivalents, trade and other payables, other borrowings and securities held at amortised cost are estimated to approximate their carrying values.

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### Note S7 Related party transactions

The Company's principal related parties mainly arise from its investors, and other related entities. The disclosures below, including comparatives, only refer to related parties that were related in the current reporting period, and from the date the party was deemed to be related.

During the year, the Company entered into the following transactions with related parties and had the following associated balances:

#### Related party transactions

	2026		2025	
	Grants from related parties £m	Purchases from related parties £m	Grants from related parties £m	Purchases from related parties £m
<b>Year ended 31 March</b>				
EDF DIR Production Ingenierie	-	61.4	-	167.7
Arabelle Solutions France SAS	-	145.4	-	1.7
Framatome SAS	-	394.7	-	496.0
EDF Energy Ltd	-	52.9	-	17.7
Nuclear Services (Technical) Co Ltd	-	11.7	-	9.8
NNB Generation Company (HPC) Ltd	-	1,593.7	-	10.4
EDF Energy Nuclear Generation Ltd	-	32.0	-	19.0
EDF SA Direction Des Achats	-	-	-	0.3
Edvance	-	75.8	-	21.8
Department for Energy Security & Net Zero (DESNZ)	0.5	-	(0.9)	-
Low Carbon Contracts Company (LCCC)	270.7	-	-	-
<b>Total</b>	<b>271.2</b>	<b>2,367.6</b>	<b>(0.9)</b>	<b>744.4</b>

	2026	2025	2026	2025
	Amount due from related parties £m		Amount due to related parties £m	
<b>Gross outstanding balances as of 31 March</b>	-	-	-	-
EDF DIR Production Ingenierie	42.6	-	10.0	28.6
Arabelle Solutions France SAS	1.6	-	65.5	0.6
Framatome SAS	284.3	286.4	61.8	66.4
EDF Energy Ltd	-	15.7	11.7	14.3
Nuclear Services (Technical) Co Ltd	1.3	-	-	1.3
NNB Generation Company (HPC) Ltd	-	-	3.9	2.5
EDF Energy Nuclear Generation Ltd	-	14.0	7.0	6.6
EDF SA Direction Des Achats	-	-	-	0.2
Edvance	-	17.3	16.6	13.5
Sizewell C (Holding) Ltd	-	0.2	-	-
Department for Energy Security & Net Zero (DESNZ)	0.2	0.1	-	-
Low Carbon Contracts Company (LCCC)	200.8	-	-	-
Sizewell C (PledgeCo) Ltd	-	-	3,053.8	-
<b>Total</b>	<b>530.8</b>	<b>333.7</b>	<b>3,230.3</b>	<b>134.0</b>

The amounts are classified as long term receivables, trade receivables and trade payables, respectively (see Notes 9, 10 and 12). Amount due from/to related parties are unsecured and non-interest bearing and are generally on terms of 30 to 90 days.

The Company is controlled by the UK Government via the Secretary of State. The National Wealth Fund is also controlled by the UK Government (via HM Treasury) and is therefore a government-related entity under IAS 24. The Group has entered into significant financing arrangements with the National Wealth Fund during the year. In accordance with the exemption for government-related entities under IAS 24, the Group has disclosed individually significant transactions with such entities where necessary to understand the effect on the financial statements. See Note 16 d) for detailed disclosure.

#### Transactions with key management personnel

Key management personnel comprise the 12 members (2025: 11) of the Executive Team during the year.

The remuneration of the Key Management Personnel is included within the amounts disclosed below. Further information about the remuneration of individual Board Directors is provided in the audited part of the Remuneration Committee Report on [page 73](#).

	2026 £m	2025 £m
<b>Year ended 31 March</b>		
Salary	2.7	2.2
Pension and pension allowance	0.5	0.4
Bonus	1.5	0.7
Other benefits	0.3	0.3
<b>Total</b>	<b>5.0</b>	<b>3.6</b>

Other benefits include medical benefits, car allowances, relocation costs and other incentive payments. This includes compensation for loss of office. All Directors accrue retirement benefits under the defined benefit scheme.

The aggregate of remuneration and amounts receivable under long term incentive schemes of the highest paid director was £1,173,000 (2025: £726,000).