

## Centrica plc - Section 172 Statements

Section 172 of the Companies Act 2006 sets out a number of general duties that directors owe to a company. These includes a general duty requiring directors to act in a way in which they consider, in good faith, will promote the success of the company for the benefit of shareholders as a whole.

The Companies (Miscellaneous Reporting) Regulations 2018 require Centrica plc and a number of its subsidiaries to publish a statement explaining how the Directors have given due regard for the matters set out in section 172 (1) (a) to (f) of the Companies Act 2006 while performing their duty to promote the success of the Company for the benefit of its members as a whole ("s.172 statement").

Below are the s.172 statements for the Group's subsidiaries captured by these Regulations. The Group's s.172 statement can be found on pages 8 to 9 of the Annual Report 2021.

### British Gas Insurance Limited

#### Section 172 (1) statement

In promoting the success of the company, the Directors must also consider the interests of stakeholders and the other matters required by section 172(1) (a) to (f) of the Companies Act 2006 ("the Act").

This Section 172 Statement describes how the Directors have considered wider stakeholders in their decision making and the principal decisions taken during the year.

Whilst BGIL is an independent subsidiary of Centrica plc, BGIL activity supports the broader strategy of British Gas and the Centrica Group ("the Group"). Where appropriate, for example, in matters of long-term strategy, decision making is aligned with that of the parent company Board, ensuring that BGIL stakeholders have been considered.

#### General confirmation of Directors' duties

Directors are fully aware of and understand their statutory duties under the Act. The Board has a clear framework for determining the matters within its remit and has approved Terms of Reference for the matters delegated to its Committees.

Day-to-day authority is delegated to executives, and the Directors engage with management in setting, approving and overseeing execution of the business strategy and related policies. Board meetings are held periodically where the Directors consider the company's activities and make decisions.

At Board meetings, the Directors review financial and operational performance, business strategy, key risks, stakeholder-related matters, governance, and legal and regulatory compliance. For example, the company's capital management policy and plan. This is done through the consideration and discussion of reports sent in advance of each Board meeting and through presentations to the Board. When making decisions, each Director ensures that they act in the way they consider, in good faith, would most likely promote the company's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to section 172(1) (a) to (f) as described below.

#### *(a) The likely consequences of any decision in the long term*

The Directors understand BGIL's business and the evolving environment it operates in, including the challenges of a highly competitive marketplace, regulatory intervention and climate change. The Directors recognise how different stakeholders view our operations and that some decisions may not align with all stakeholder interests.

The Directors took decisions during 2021 that they believed would best promote Centrica's long-term success for the benefit of its stakeholders as a whole. For instance, the Board had oversight of significant British Gas restructuring (where it applied to BGIL and British Gas Services Limited ("BGSL")), which was aimed at creating a simpler, leaner business focused on delivery for customers, and agreed with the appointment of new regulatory role holders under the Solvency II regime. Furthermore, in light of the uncertainty arising from the

Covid-19 pandemic, the Directors sought additional assurance (including additional stress testing and scenario analysis) prior to payment of dividends, being mindful of enhanced regulatory guidance. Dividend decisions were made, taking into full consideration the need to ensure the long-term sustainability of the business for its customers and policyholders. Further reference to operations and regulatory relationships is included in the review of the business section below.

*(b) The interests of the company's employees*

Whilst BGIL has no direct employees, the Directors recognise that employees of intermediary BGSL are fundamental to the future growth and success of the company. That success depends on looking after our employees and having consideration for employees of our intermediary BGSL, including the application of the Group's diversity policy and strategy. The Board is mindful that decisions and oversight often have to balance the differing needs of stakeholders, for example, employee safety considerations during the Covid-19 pandemic including home working capability and making only essential visits to customers' homes, balanced against ensuring continued customer product value. The decisions taken by the Board were designed to prioritise and protect the health and safety of our employees and customers in the face of the global public health risk. In 2021, the Board was kept well informed during the negotiations to modernise BGSL employee terms and conditions and the ensuing industrial action which was resolved during 2021.

*(c) The need to foster the company's business relationships with suppliers, customers and others*

The Directors recognise the benefits of engaging with a broad range of stakeholders and developing and delivering our strategy depends on building and maintaining constructive relationships with them all. The Board's actions have ensured that, wherever possible, BGIL policyholders (customers) had heating and hot water, even at times of maximum restrictions, while the health and safety of both employees and customers remained a priority. Additionally, the business proactively remediated customers with payments in lieu of service visits when a visit could not be completed within the customers' contractual year.

Given the challenges presented by the Covid-19 pandemic, the Board requested that management assess the value for money that customers received during this period. With customers spending significantly more time at home than in previous years, the Board was satisfied that the relevance and security of products had increased. Pricing metrics, designed to track product value for money, also demonstrated a stable performance across the key metrics through 2021, including claims frequency and retention.

*(d) The impact of the company's operations on the community and the environment*

The Directors appreciate that collaboration with charities and community groups helps to create stronger communities and provides insights that enable the Board to understand BGIL's impact on the community and environment and the consequences of its decisions in the long term. For that reason, BGIL, through its intermediary BGSL, has given back to the community through the Trussell Trust in helping to meet the rapid rise in demand for food banks throughout the pandemic. Furthermore, in consideration of the community and its customer-centric ethos, BGIL supported the implementation of payment holidays of up to three months for customers in financial difficulty during the pandemic.

*(e) The desirability of the company maintaining a reputation for high standards of business conduct*

The Board considers Centrica Group's "Our Code" code of conduct when reviewing whistleblowing and conflicts of interest and through its fraud policies. All Group employees are subject to this code. In addition, our business strategy is underpinned by a conduct risk framework that seeks to put the customer at the heart of decision making. Together, these drive a clear commitment to continuous improvement in customer service levels, seeking to solve more effectively and efficiently for our customers.

*(f) The need to act fairly as between members of the company*

After weighing up all relevant factors, the Directors consider which course of action best promotes the company's long-term success, taking into consideration the impact on stakeholders. In doing so, the Directors act fairly as between the company's members. However, the Directors are not required to balance the company's interests with those of other stakeholders, and this can sometimes mean that certain stakeholder interests may not be fully aligned.

## **British Gas Limited (formerly British Gas Energy Procurement Limited)**

### **Section 172(1) Statement**

In promoting the success of the Company, the Directors must consider the interests of stakeholders and the other matters required by section 172(1) (a) to (f) of the Companies Act, 2006.

This Section 172(1) Statement describes the relevant items for the Company. The Company is a subsidiary of Centrica plc and its activities support the wider strategy of the Centrica Group. Where appropriate, for example, in matters of long-term strategy, decision-making is aligned with that of the ultimate parent company Board, ensuring that stakeholders of the Company have been rigorously considered.

### **General confirmation of Directors' duties**

Directors are fully aware of and understand their statutory duties under the Act. Day to day authority is delegated to executives, and the Directors are supported by management in setting, approving and overseeing the execution of the business strategy and related policies. The executives consider the Company's activities, such as reviewing financial and operational performance, business strategy, key risks, stakeholder-related matters, governance, and legal and regulatory compliance and make decisions.

Section 172(1) of the Act provides that each Director must ensure that they act in the way they consider, in good faith, would most likely promote the Company's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to section 172(1) (a) to (f) as described below.

#### *(a) The likely consequences of any decision in the long term*

Centrica plc is conscious that decisions made by all Group companies could have an impact on other stakeholders where relevant. By considering the Group's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, the Group aims to ensure that the decisions of all Group companies, including the Company, are consistent and appropriate in all circumstances. Decisions regarding payment of any dividends by subsidiary companies of Centrica plc are taken at a Group level based upon the expertise and professional guidance of the Group's financial controllers, taking into account a range of factors, including: the long-term viability of the Company; its expected cash flow and financing requirements; the ongoing need for strategic investment in the Company; and the expectations of the ultimate parent company's shareholders as a supplier of long-term equity capital to the Company.

On 16 December 2021 the Directors approved the forgiveness of £200.0m of the intercompany balance owed by its parent company BGTL. The forgiveness of the intercompany loan represented a deemed distribution to its parent company BGTL and as a result an interim dividend of £200.0m (2020: £nil) was paid. The Directors do not recommend the payment of a final dividend (2020: £nil).

#### *(b) The interests of the company's employees*

Although the Directors recognise that employees within the Group are fundamental to the future growth and success of Centrica, the company has no direct employees therefore the consideration of the interests of the Company's employees has not applied to the decisions made by the Directors.

#### *(c) The need to foster the company's business relationships with suppliers, customers and others*

Centrica plc recognises the benefits for all Group companies of engaging with a broad range of stakeholders and that developing and delivering the Group's strategy depends on building and maintaining constructive relationships. In ensuring the Company fosters the business relationships with suppliers, customers and others, the Company and its Directors are therefore supported by the overarching programme of extensive engagement with such stakeholders that is conducted across the wider Centrica Group. The breadth of stakeholder considerations in our operating or commercial trading companies is set out on pages 8 to 9 of Centrica plc's Annual Report and Accounts 2021.

#### *(d) The impact of the company's operations on the community and the environment*

Centrica plc appreciates that collaboration with charities and community groups helps to create stronger communities and provides insights that enable the Group to understand the impact of all Group companies on the community and environment, and the consequences of its decisions in the long term. In ensuring the Company takes into account the impact of its operations on the community and the environment, the

Company and its Directors are supported by the overarching programme of extensive engagement with the community and wider environment that is conducted across the wider Centrica Group. Further information about how the Centrica Group engages with communities and NGOs can be found on pages 30 to 31 of Centrica plc's Annual Report and Accounts 2021.

*(e) The desirability of the company maintaining a reputation for high standards of business conduct*

The Board adheres to Centrica Group's "Our Code" code of conduct which all Centrica Group employees are subject to setting out the high standards and behaviours we expect from those that work for us or with us.

*(f) The need to act fairly as between members of the company*

The Company's activities support the wider strategy of the Centrica Group and, owing to the fact the Company is a wholly owned subsidiary of Centrica plc, the Directors are required only to balance the interests of corporate shareholder of Centrica plc, rather than any third party members.

## **British Gas New Heating Limited**

### **Section 172(1) Statement**

In promoting the success of the Company, the Directors must consider the interests of stakeholders and the other matters required by section 172(1) (a) to (f) of the Companies Act, 2006.

This Section 172(1) Statement describes the relevant items for the Company. The Company is a subsidiary of Centrica plc and its activities support the wider strategy of the Centrica Group. Where appropriate, for example, in matters of long-term strategy, decision-making is aligned with that of the ultimate parent company Board, ensuring that stakeholders of the Company have been rigorously considered.

### **General confirmation of Directors' duties**

Directors are fully aware of and understand their statutory duties under the Act. Day to day authority is delegated to executives, and the Directors are supported by management in setting, approving and overseeing the execution of the business strategy and related policies. The executives consider the Company's activities, such as reviewing financial and operational performance, business strategy, key risks, stakeholder-related matters, governance, and legal and regulatory compliance and make decisions.

Section 172(1) of the Act provides that each Director must ensure that they act in the way they consider, in good faith, would most likely promote the Company's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to section 172(1) (a) to (f) as described below.

*(a) The likely consequences of any decision in the long term*

Centrica plc is conscious that decisions made by all Group companies could have an impact on other stakeholders where relevant. By considering the Group's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, the Group aims to ensure that the decisions of all Group companies, including the Company, are consistent and appropriate in all circumstances. Decisions regarding payment of any dividends by subsidiary companies of Centrica plc are taken at a Group level based upon the expertise and professional guidance of the Group's financial controllers, taking into account a range of factors, including: the long-term viability of the Company; its expected cash flow and financing requirements; the ongoing need for strategic investment in the Company; and the expectations of the ultimate parent company's shareholders as a supplier of long-term equity capital to the Company.

*(b) The interests of the company's employees*

The Directors recognise that employees within the Group are fundamental to the future growth and the success of Centrica and therefore consider the interests of the Company's employees by applying the applicable Group policies.

*(c) The need to foster the company's business relationships with suppliers, customers and others*

Centrica plc recognises the benefits for all Group companies of engaging with a broad range of stakeholders and that developing and delivering the Group's strategy depends on building and maintaining constructive relationships. In ensuring the Company fosters the business relationships with suppliers, customers and others, the Company and its Directors are therefore supported by the overarching programme of extensive

engagement with such stakeholders that is conducted across the wider Centrica Group. The breadth of stakeholder considerations in our operating or commercial trading companies is set out on pages 8 to 9 of Centrica plc's Annual Report and Accounts 2021.

*(d) The impact of the company's operations on the community and the environment*

Centrica plc appreciates that collaboration with charities and community groups helps to create stronger communities and provides insights that enable the Group to understand the impact of all Group companies on the community and environment, and the consequences of its decisions in the long term. In ensuring the Company takes into account the impact of its operations on the community and the environment, the Company and its Directors are supported by the overarching programme of extensive engagement with the community and wider environment that is conducted across the wider Centrica Group. Further information about how the Centrica Group engages with communities and NGOs can be found on pages 30 to 31 of Centrica plc's Annual Report and Accounts 2021.

*(e) The desirability of the company maintaining a reputation for high standards of business conduct*

The Board adheres to Centrica Group's "Our Code" code of conduct which all Centrica Group employees are subject to setting out the high standards and behaviours we expect from those that work for us or with us.

*(f) The need to act fairly as between members of the company*

The Company's activities support the wider strategy of the Centrica Group and, owing to the fact the Company is a wholly owned subsidiary of Centrica plc, the Directors are required only to balance the interests of corporate shareholders that are themselves wholly owned subsidiaries of Centrica plc, rather than any third party members.

## **British Gas Services Limited**

### **Section 172(1) statement**

In promoting the success of the Company, the Directors must also consider the interests of stakeholders and the other matters required by section 172(1) (a) to (f) of the Companies Act 2006 ('the Act').

This Section 172 statement describes how the Directors have considered wider stakeholders in their decision-making and the principal decisions taken during the year. Whilst BGSL is an independent subsidiary of Centrica plc, BGSL's activity supports the wider strategy of British Gas and the Centrica Group ('the Group'). Where appropriate, for example in matters of long-term strategy, decision making is aligned with that of the parent company Board, ensuring that BGSL stakeholders have been considered.

### **General confirmation of Directors' duties**

Directors are fully aware of and understand their statutory duties under the Act. The Board has a clear framework for determining the matters within its remit and has approved Terms of Reference for the matters delegated to its Committees. Day-to-day authority is delegated to executives, and the Directors engage with management in setting, approving and overseeing the execution of the business strategy and related policies.

Board meetings are held regularly where the Directors consider the Company's activities and make decisions, supported by sub-committees covering risk, audit, remuneration and nomination matters. At Board meetings, the Directors review financial and operational performance, business strategy, key risks, stakeholder-related matters, governance, and legal and regulatory compliance. For example, the Company applies a conduct framework to monitor how effectively it meets its obligations to customers and regulatory authorities. This is done through the consideration and discussion of reports sent in advance of each Board meeting and through presentations to the Board. When making decisions, each Director ensures that they act in the way they consider, in good faith, would most likely promote the Company's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to section 172(1) (a) to (f) as described below.

*(a) The likely consequences of any decision in the long term*

The Directors understand BGSL's business and the evolving environment in which it operates, including the challenges of a highly competitive marketplace, regulatory intervention and climate change. The Directors reflected on some of the decisions taken during 2021 that they believed would best promote the Company's long-term success for the benefit of its stakeholders as a whole and considered any decisions that would

continue to apply during 2022. For example, the Board had oversight of significant investments that included recruitment to rebuild our direct labour and the development of core systems. The Directors also recognise how different stakeholders view the business. Further reference to operations and regulatory relationships is included in the 'Review of the Business' section below.

*(b) The interests of the Company's employees*

The Directors recognise that employees are fundamental to the future growth and success of the Company. That success depends on looking after our employees, including applying the Group's diversity policy and strategy to promote an inclusive Company culture. The Board is also mindful that decisions and oversight often have to balance the differing needs of stakeholders.

During the Covid-19 pandemic, safety considerations for employees were paramount and included home working capability and making only essential visits to customers' homes. Following Government advice and ensuring continued customer product value, the decisions taken by the Board were designed to protect the health and safety of our employees and customers in the face of the global public health risk.

Following a long period of negotiations, in early 2021 the Company's service engineers commenced industrial action in relation to changes to terms and conditions of employment. These changes, to simplify and modernise the business, were essential so that we could become more flexible and competitive for our customers. The new terms and conditions were applied on 1st April 2021, resulting in some engineers choosing to leave the Company's employment. The Board oversaw and reviewed actions led by the Group during the negotiations and following the industrial action that concluded in April 2021.

*(c) The need to foster the Company's business relationships with suppliers, customers and others*

The Directors recognise the benefits of engaging with a broad range of stakeholders, as developing and delivering our strategy depends on building and maintaining constructive relationships with them all. The Board's decisions ensured that we prioritised vulnerable customers and those with emergencies during the pandemic and industrial action.

Like many employers in the UK, we have experienced higher absence rates during the pandemic which along with Industrial Action adversely impacted the company's service levels. Centrica Group supported customers in light of the pressure on household budgets due to the rising cost of living. Further information can be found on page 8 of the Group's Annual Report and Accounts 2021 and on the Group's website at [centrica.com/fuelfund](http://centrica.com/fuelfund).

*(d) The impact of the Company's operations on the community and the environment*

The Directors appreciate that collaboration with charities and community groups helps to create stronger communities and provides insights that enable the Board to understand BGSL's impact on the community and environment and the consequences of its decisions in the long term. For that reason, the Company has given back to the community through the Trussell Trust in helping to meet the rapid rise in demand for foodbanks throughout the pandemic. Furthermore, in consideration of the community and its customer-centric ethos, the Company supported the implementation of payment holidays of up to three months for customers in financial difficulty during the pandemic.

Further information about how the Centrica Group engages with communities and NGOs can be found on page 9 of the Group's Annual Report and Accounts 2021.

*(e) The desirability of the Company to maintain a reputation for high standards of business conduct*

The Board follows Centrica Group's 'Our Code' code of conduct when reviewing whistleblowing and conflicts of interest and its fraud policies. All Group employees are subject to this code that sets out the high standards and behaviours we expect from those that work for us or with us. In addition, our business strategy is underpinned by a conduct risk framework that seeks to put the customer at the heart of decision making. Together, these drive a clear commitment to continuous improvement in customer service levels, seeking to solve more effectively and efficiently for our customers.

*(f) The need to act fairly among members of the Company*

After weighing up all relevant factors, the Directors consider which course of action best promotes the company's long-term success, taking into consideration the impact on stakeholders. In doing so, the Directors recognise that the priorities of some stakeholders and the Company may differ but will endeavour, as far as is possible and appropriate, to balance the different needs of all stakeholders and treat them fairly.

## **British Gas Social Housing Limited**

### **Section 172(1) Statement**

In promoting the success of the Company, the Directors must consider the interests of stakeholders and the other matters required by section 172(1) (a) to (f) of the Companies Act, 2006.

This Section 172(1) Statement describes the relevant items for the Company. The Company is a subsidiary of Centrica plc and its activities support the wider strategy of the Centrica Group. Where appropriate, for example, in matters of long-term strategy, decision-making is aligned with that of the ultimate parent company Board, ensuring that stakeholders of the Company have been rigorously considered.

### **General confirmation of Directors' duties**

Directors are fully aware of and understand their statutory duties under the Act. Day to day authority is delegated to executives, and the Directors are supported by management in setting, approving and overseeing the execution of the business strategy and related policies. The executives consider the Company's activities, such as reviewing financial and operational performance, business strategy, key risks, stakeholder-related matters, governance, and legal and regulatory compliance and make decisions.

Section 172(1) of the Act provides that each Director must ensure that they act in the way they consider, in good faith, would most likely promote the Company's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to section 172(1) (a) to (f) as described below.

*(a) The likely consequences of any decision in the long term*

Centrica plc is conscious that decisions made by all Group companies could have an impact on other stakeholders where relevant. By considering the Group's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, the Group aims to ensure that the decisions of all Group companies, including the Company, are consistent and appropriate in all circumstances. Decisions regarding payment of any dividends by subsidiary companies of Centrica plc are taken at a Group level based upon the expertise and professional guidance of the Group's financial controllers, taking into account a range of factors, including: the long-term viability of the Company; its expected cash flow and financing requirements; the ongoing need for strategic investment in the Company; and the expectations of the ultimate parent company's shareholders as a supplier of long-term equity capital to the Company.

*(b) The interests of the company's employees*

The Directors recognise that employees within the Group are fundamental to the future growth and the success of Centrica and therefore consider the interests of the Company's employees by applying the applicable Group policies.

*(c) The need to foster the company's business relationships with suppliers, customers and others*

Centrica plc recognises the benefits for all Group companies of engaging with a broad range of stakeholders and that developing and delivering the Group's strategy depends on building and maintaining constructive relationships. In ensuring the Company fosters the business relationships with suppliers, customers and others, the Company and its Directors are therefore supported by the overarching programme of extensive engagement with such stakeholders that is conducted across the wider Centrica Group. The breadth of stakeholder considerations in our operating or commercial trading companies is set out on pages 8 to 9 of Centrica plc's Annual Report and Accounts 2021.

*(d) The impact of the company's operations on the community and the environment*

Centrica plc appreciates that collaboration with charities and community groups helps to create stronger communities and provides insights that enable the Group to understand the impact of all Group companies on the community and environment, and the consequences of its decisions in the long term. In ensuring the



Company takes into account the impact of its operations on the community and the environment, the Company and its Directors are supported by the overarching programme of extensive engagement with the community and wider environment that is conducted across the wider Centrica Group. Further information about how the Centrica Group engages with communities and NGOs can be found on pages 30 to 31 of Centrica plc's Annual Report and Accounts 2021.

*(e) The desirability of the company maintaining a reputation for high standards of business conduct*

The Board adheres to Centrica Group's "Our Code" code of conduct which all Centrica Group employees are subject to setting out the high standards and behaviours we expect from those that work for us or with us.

*(f) The need to act fairly as between members of the company*

The Company's activities support the wider strategy of the Centrica Group and, owing to the fact the Company is a wholly owned subsidiary of Centrica plc, the Directors are required only to balance the interests of corporate shareholders that are themselves wholly owned subsidiaries of Centrica plc, rather than any third party members.

## **British Gas Trading Limited**

### **Section 172(1) Statement**

Directors are fully aware of and understand their statutory duties under the Companies Act, 2006. The Board has a clear framework for determining the matters within its remit. Day to day authority is delegated to executives and the Directors engage with management in setting, approving and overseeing execution of the business strategy and related policies, leveraging group frameworks and policies. The executives consider the Company's activities, such as reviewing financial and operational performance, business strategy, key risks, stakeholder-related matters, governance, and legal and regulatory compliance, and make decisions. Section 172(1) of the Act provides that each Director must ensure that they act in the way they consider, in good faith, would most likely promote the Company's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to section 172(1) (a) to (f) as described below.

*(a) The likely consequences of any decision in the long-term*

The Directors understand the Company's business and the evolving environment in which it operates, including the challenges of a highly competitive marketplace, regulatory intervention and climate change. We are active in engaging with and influencing government, political parties and the regulator, Ofgem, to ensure a more sustainable market. Climate change is increasingly important to investors and customers and the Group has made a series of commitments as part of its 'People and Planet Plan'. Further information on this including how the Group is engaging with stakeholders, helping customers to be net zero and reducing its own emissions to reach net zero can be found on pages 28 to 37 of the Group's Annual Report and Accounts 2021. The Directors recognise how our operations are viewed by different stakeholders and that some decisions they take may not align all stakeholder interests. The Directors took decisions during 2021 that they believed would best promote the Company's long-term success for the benefit of its stakeholders as a whole. For instance, British Gas supported almost 600,000 new customers from failed suppliers through Ofgem's Supplier of Last Resort process and we continue to support stronger regulation. Given the significant uncertainty arising in the markets in which the business operates including the impact of higher and more volatile commodity prices, the Directors did not declare an interim dividend and do not recommend payment of a final dividend.

*(b) The interests of the company's employees*

The Directors recognise that employees are fundamental to the future growth and success of the Company. That success depends on looking after our employees. Our Flexible First approach to remote working is having a positive impact on our colleagues as well as our business - from increasing colleague wellbeing and engagement, to opening the door for career opportunities that otherwise wouldn't have been possible. The Board is mindful that decisions and oversight often have to balance the differing needs of stakeholders, for example employee safety considerations during the first half of 2021 arising from COVID-19 restrictions balanced against ensuring continued customer product value. The decisions taken by the Board were designed to prioritise and protect the health and safety of our employees in the face of the global public health risk.



*(c) The need to foster the company's business relationships with suppliers, customers and others*

The Directors recognise the benefits of engaging with a broad range of stakeholders and developing and delivering our strategy depends on building and maintaining constructive relationships across them. The Board's actions during 2021 have ensured that levels of customer debt were managed carefully to ensure that we were as supportive of our customers as we could possibly be. This included freezing direct debit payments for customers over the winter and providing extra support including launching a £4m Fuel Fund, via the independent British Gas Energy Trust charity, to target our most vulnerable customers. The company made a total contribution of £8.3m (2020: £6.0m) to the British Gas Energy Trust during 2021.

In addition, the Directors appreciate the importance for business strategy of the need to increase flexibility in our energy customer billing systems. A new strategic partnership was signed with Ensek in August 2021 which will help facilitate the transition to a lower cost to serve platform, increase the ease to which customers should be able to interact with us and allow the launch of more innovative products to improve the customer experience.

*(d) The impact of the company's operations on the community and the environment*

The Directors appreciate that collaboration with charities and community groups helps to create stronger communities and provide insights that enable the Board to understand the Group's impact on the community and environment, and the consequences of its decisions in the long-term. Further information about how the Centrica Group engages with communities and NGOs can be found on pages 30-31 and pages 56-57 of the Group's Annual Report and Accounts 2021.

*(e) The desirability of the company maintaining a reputation for high standards of business conduct*

The Board adheres to Centrica Group's "Our Code" code of conduct which all Centrica Group employees are subject to setting out the high standards and behaviours we expect from those that work for us or with us.

*(f) The need to act fairly as between members of the company*

After weighing up all relevant factors, the Directors consider which course of action best promotes the long-term success of the Company, taking into consideration the impact on stakeholders. In doing so, the Directors act fairly as between the Company's members. However, the Directors are not required to balance the Company's interests with those of other stakeholders, and this can sometimes mean that certain stakeholder interests may not be fully aligned.

## **Centrica Business Solutions UK Limited (formerly ENER-G Combined Power Ltd)**

### **Section 172(1) Statement**

In promoting the success of the Company, the Directors must consider the interests of stakeholders and the other matters required by section 172(1) (a) to (f) of the Companies Act, 2006.

This Section 172(1) Statement describes the relevant items for the Company. The Company is a subsidiary of Centrica plc and its activities support the wider strategy of the Centrica Group. Where appropriate, for example, in matters of long-term strategy, decision-making is aligned with that of the ultimate parent company Board, ensuring that stakeholders of the Company have been rigorously considered.

### **General confirmation of Directors' duties**

Directors are fully aware of and understand their statutory duties under the Companies Act, 2006. Day to day authority is delegated to executives, and the Directors are supported by management in setting, approving and overseeing the execution of the business strategy and related policies. The executives consider the Company's activities, such as reviewing financial and operational performance, business strategy, key risks, stakeholder related matters, governance, and legal and regulatory compliance and make decisions.

Section 172(1) of the Act provides that each Director must ensure that they act in the way they consider, in good faith, would most likely promote the Company's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to section 172(1) (a) to (f) as described below.

*(a) The likely consequences of any decision in the long term*

Centrica plc is conscious that decisions made by all Group companies could have an impact on other stakeholders where relevant. By considering the Group's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, the Group aims to ensure that the decisions of all Group companies, including the Company, are consistent and appropriate in all circumstances. Decisions regarding payment of any dividends by subsidiary companies of Centrica plc are taken at a Group level based upon the expertise and professional guidance of the Group's financial controllers, taking into account a range of factors, including: the long-term viability of the Company; its expected cash flow and financing requirements; the ongoing need for strategic investment in the Company; and the expectations of the ultimate parent company's shareholders as a supplier of long-term equity capital to the Company.

*(b) The interests of the company's employees*

The Directors recognise that employees within the Group are fundamental to the future growth and the success of Centrica and therefore consider the interests of the Company's employees by applying the applicable Group policies.

*(c) The need to foster the company's business relationships with suppliers, customers and others*

Centrica plc recognises the benefits for all Group companies of engaging with a broad range of stakeholders and that developing and delivering the Group's strategy depends on building and maintaining constructive relationships. In ensuring the Company fosters the business relationships with suppliers, customers and others, the Company and its Directors are therefore supported by the overarching programme of extensive engagement with such stakeholders that is conducted across the wider Centrica Group. The Board's actions during 2021 have ensured that the Company continued to foster existing and create new business relationships with counterparties in the markets in which it operates. For example, significant contracts generating new revenue were negotiated and agreed with strategically important customers in all the Company's priority sectors, including long term energy performance healthcare contracts, capital sales and operations and maintenance contracts in industry, retail, leisure, food & beverages, construction contracts in power generation, and innovative electric vehicle schemes in transport. Supply chain frameworks were also put in place with various key suppliers and sub-contractors to support delivery of the Company's obligations to its customers. The breadth of stakeholder considerations in our operating or commercial trading companies is set out on pages 8 to 9 of Centrica plc's Annual Report and Accounts 2021.

*(d) The impact of the company's operations on the community and the environment*

Centrica plc appreciates that collaboration with charities and community groups helps to create stronger communities and provides insights that enable the Group to understand the impact of all Group companies on the community and environment, and the consequences of its decisions in the long term. In ensuring the Company takes into account the impact of its operations on the community and the environment, the Company and its Directors are supported by the overarching programme of extensive engagement with the community and wider environment that is conducted across the wider Centrica Group. Further information about how the Centrica Group engages with communities and NGOs can be found on pages 30 to 31 of Centrica plc's Annual Report and Accounts 2021.

*(e) The desirability of the company maintaining a reputation for high standards of business conduct*

The Board adheres to Centrica Group's "Our Code" code of conduct which all Centrica Group employees are subject to setting out the high standards and behaviours we expect from those that work for us or with us.

*(f) The need to act fairly as between members of the company*

The Company's activities support the wider strategy of the Centrica Group and, owing to the fact the Company is a wholly owned subsidiary of Centrica plc, the Directors are required only to balance the interests of corporate shareholders that are themselves wholly owned subsidiaries of Centrica plc, rather than any third party members.

## Centrica Energy Limited

### Section 172(1) Statement

In promoting the success of the Company, the Directors must also consider the interests of stakeholders and the other matters required by section 172(1) (a) to (f) of the Companies Act.

This Section 172 Statement describes how the Directors have taken into account wider stakeholders in their decision making during the year. Whilst the Company is an independent subsidiary of Centrica plc, the Company activity supports the wider strategy of the Centrica Group. Where appropriate, for example in matters of long-term strategy, decision making is aligned with that of the parent company Board, ensuring that the Company's stakeholders have been rigorously considered.

### General confirmation of Directors' duties

Directors are fully aware of and understand their statutory duties under the Act. The Board has a clear framework for determining the matters within its remit. Day to day authority is delegated to executives and the Directors engage with management in setting, approving and overseeing execution of the business strategy and related policies. The executives consider the Company's activities, such as review financial and operational performance, business strategy, key risks, stakeholder-related matters, governance, and legal and regulatory compliance, and make decisions. Section 172(1) of the Act provides that each Director must ensure that they act in the way they consider, in good faith, would most likely promote the Company's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to section 172(1) (a) to (f) as described below.

#### *(a) The likely consequences of any decision in the long term*

The Directors understand the Company's business and the evolving environment in which it operates, including the challenges of a highly competitive marketplace, regulatory intervention and climate change. The Directors remain conscious that decisions made could have an impact on other stakeholders where relevant. By considering the Group's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, we aim to make sure that our decisions are consistent and appropriate in all the circumstances. An example of this is the management of margin cash, which the business has to operate within limits set by the Group. The Directors have particularly considered this when evaluating agreements to be entered into by the Company, such as documentation in connection with acquisitions, disposals and parent company guarantees.

Each year the Directors make an assessment of the strength of the Company's balance sheet and future prospects relative to market uncertainties and make decisions about the payment of a dividend. In determining whether to make a dividend payment, the Directors consider a range of factors including: the long-term viability of the Company; its expected cash flow and financing requirements; the ongoing need for strategic investment in the Company; and the expectations of the ultimate parent company's shareholders as supplier of long-term equity capital to the Company.

#### *(b) The interests of the company's employees*

The Directors recognise that employees are fundamental to the future growth and success of any company. That success depends on looking after our employees. The Board is mindful that decisions and oversight often have to balance the differing needs of stakeholders, and ensures this is taken into consideration when making critical decisions. An example of this during the year in review is the management's commitment to actions arising from the quarterly Our Voice Survey 2021.

#### *(c) The need to foster the company's business relationships with counterparties*

The Directors recognise the benefits of engaging with a broad range of stakeholders and developing and delivering Centrica's strategy depends on building and maintaining constructive relationships across them all. The Company continued to foster existing and create new business relationships with counterparties in the markets in which it operates.

#### *(d) The impact of the company's operations on the community and the environment*

The Directors appreciate that collaboration with charities and community groups helps to create stronger

communities and provide insights that enable the Board to understand the Company's impact on the community and environment, and the consequences of its decisions in the long term. Further information about how the Centrica Group engages with communities and NGOs can be found on pages 30-31 of the Group's Annual Report and Accounts 2021.

*(e) The desirability of the company maintaining a reputation for high standards of business conduct*

The Board adheres to Centrica Group's "Our Code" code of conduct which all Centrica Group employees are subject to setting out the high standards and behaviours we expect from those that work for us or with us.

*(f) The need to act fairly as between members of the company*

After weighing up all relevant factors, the Directors consider which course of action best promotes the long-term success of the Company, taking into consideration the impact on stakeholders. In doing so, the Directors act fairly as between the Company's members. However, the Directors are not required to balance the Company's interests with those of other stakeholders, and this can sometimes mean that certain stakeholder interests may not be fully aligned.

## **Centrica Energy Marketing Limited**

### **Section 172(1) Statement**

In promoting the success of the Company, the Directors must consider the interests of stakeholders and the other matters required by section 172(1) (a) to (f) of the Companies Act, 2006 (the Act).

This Section 172(1) Statement describes the relevant items for the Company. The Company is a subsidiary of Centrica plc and its activities support the wider strategy of the Centrica Group. Where appropriate, for example, in matters of long-term strategy, decision-making is aligned with that of the ultimate parent company Board, ensuring that stakeholders of the Company have been rigorously considered.

### **General confirmation of Directors' duties**

Directors are fully aware of and understand their statutory duties under the Act. Day to day authority is delegated to executives, and the Directors are supported by management in setting, approving and overseeing the execution of the business strategy and related policies. The executives consider the Company's activities, such as reviewing financial and operational performance, business strategy, key risks, stakeholder-related matters, governance, and legal and regulatory compliance and make decisions.

Section 172(1) of the Act provides that each Director must ensure that they act in the way they consider, in good faith, would most likely promote the Company's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to section 172(1) (a) to (f) as described below.

*(a) The likely consequences of any decision in the long term*

Centrica plc is conscious that decisions made by all Group companies could have an impact on other stakeholders where relevant. By considering the Group's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, the Group aims to ensure that the decisions of all Group companies, including the Company, are consistent and appropriate in all circumstances. Decisions regarding payment of any dividends by subsidiary companies of Centrica plc are taken at a Group level based upon the expertise and professional guidance of the Group's financial controllers, taking into account a range of factors, including: the long-term viability of the Company; its expected cash flow and financing requirements; the ongoing need for strategic investment in the Company; and the expectations of the ultimate parent company's shareholders as a supplier of long-term equity capital to the Company.

*(b) The interests of the company's employees*

Although the Directors recognise that employees within the Group are fundamental to the future growth and success of Centrica, the Company has no direct employees therefore the consideration of the interests of the Company's employees has not applied to the decisions made by the Directors.

*(c) The need to foster the company's business relationships with suppliers, customers and others*

Centrica plc recognises the benefits for all Group companies of engaging with a broad range of stakeholders and that developing and delivering the Group's strategy depends on building and maintaining constructive

relationships. In ensuring the Company fosters the business relationships with suppliers, customers and others, the Company and its Directors are therefore supported by the overarching programme of extensive engagement with such stakeholders that is conducted across the wider Centrica Group. The breadth of stakeholder considerations in our operating or commercial trading companies is set out on pages 8 to 9 of Centrica plc's Annual Report and Accounts 2021.

*(d) The impact of the company's operations on the community and the environment*

Centrica plc appreciates that collaboration with charities and community groups helps to create stronger communities and provides insights that enable the Group to understand the impact of all Group companies on the community and environment, and the consequences of its decisions in the long term. In ensuring the Company takes into account the impact of its operations on the community and the environment, the Company and its Directors are supported by the overarching programme of extensive engagement with the community and wider environment that is conducted across the wider Centrica Group. Further information about how the Centrica Group engages with communities and NGOs can be found on pages 30 to 31 of Centrica plc's Annual Report and Accounts 2021.

*(e) The desirability of the company maintaining a reputation for high standards of business conduct*

The Board adheres to Centrica Group's "Our Code" code of conduct which all Centrica Group employees are subject to setting out the high standards and behaviours we expect from those that work for us or with us.

*(f) The need to act fairly as between members of the company*

The Company's activities support the wider strategy of the Centrica Group and, owing to the fact the Company is a wholly owned subsidiary of Centrica plc, the Directors are required only to balance the interests of corporate shareholders that are themselves wholly owned subsidiaries of Centrica plc, rather than any third party members.

## **Centrica Hive Limited (formerly Centrica Connected Home Ltd)**

### **Section 172(1) Statement**

In promoting the success of the Company, the Directors must consider the interests of stakeholders and the other matters required by section 172(1) (a) to (f) of the Companies Act, 2006.

This Section 172(1) Statement describes the relevant items for the Company. The Company is a subsidiary of Centrica plc and its activities support the wider strategy of the Centrica Group. Where appropriate, for example, in matters of long-term strategy, decision-making is aligned with that of the ultimate parent company Board, ensuring that stakeholders of the Company have been rigorously considered.

### **General confirmation of Directors' duties**

Directors are fully aware of and understand their statutory duties under the Companies Act, 2006. Day to day authority is delegated to executives, and the Directors are supported by management in setting, approving and overseeing the execution of the business strategy and related policies. The executives consider the Company's activities, such as reviewing financial and operational performance, business strategy, key risks, stakeholder-related matters, governance, and legal and regulatory compliance and make decisions.

Section 172(1) of the Act provides that each Director must ensure that they act in the way they consider, in good faith, would most likely promote the Company's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to section 172(1) (a) to (f) as described below.

*(a) The likely consequences of any decision in the long term*

Centrica plc is conscious that decisions made by all Group companies could have an impact on other stakeholders where relevant. By considering the Group's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, the Group aims to ensure that the decisions of all Group companies, including the Company, are consistent and appropriate in all circumstances. An example of this is the management of margin cash, which the business has to operate within limits set by the Group. The Directors have particularly considered this when evaluating agreements to be entered into by the Company, such as documentation in connection with acquisitions, disposals and parent company guarantees. Another example is that the EV charging was integrated into our Hive Smart Home platform which supports our customers advance towards net zero. Decisions regarding payment of any dividends by subsidiary

companies of Centrica plc are taken at a Group level based upon the expertise and professional guidance of the Group's financial controllers, taking into account a range of factors, including: the long-term viability of the Company; its expected cash flow and financing requirements; the ongoing need for strategic investment in the Company; and the expectations of the ultimate parent company's shareholders as a supplier of long-term equity capital to the Company.

*(b) The interests of the company's employees*

The Directors recognise that employees within the Group are fundamental to the future growth and the success of Centrica and therefore consider the interests of the Company's employees by applying the applicable Group policies.

*(c) The need to foster the company's business relationships with suppliers, customers and others*

Centrica plc recognises the benefits for all Group companies of engaging with a broad range of stakeholders and that developing and delivering the Group's strategy depends on building and maintaining constructive relationships. In ensuring the Company fosters the business relationships with suppliers, customers and others, the Company and its Directors are therefore supported by the overarching programme of extensive engagement with such stakeholders that is conducted across the wider Centrica Group. The breadth of stakeholder considerations in our operating or commercial trading companies is set out on pages 8 to 9 of Centrica plc's Annual Report and Accounts 2021.

*(d) The impact of the company's operations on the community and the environment*

Centrica plc appreciates that collaboration with charities and community groups helps to create stronger communities and provides insights that enable the Group to understand the impact of all Group companies on the community and environment, and the consequences of its decisions in the long term. In ensuring the Company takes into account the impact of its operations on the community and the environment, the Company and its Directors are supported by the overarching programme of extensive engagement with the community and wider environment that is conducted across the wider Centrica Group. Further information about how the Centrica Group engages with communities and NGOs can be found on pages 30 to 31 of Centrica plc's Annual Report and Accounts 2021.

*(e) The desirability of the company maintaining a reputation for high standards of business conduct*

The Board adheres to Centrica Group's "Our Code" code of conduct which all Centrica Group employees are subject to setting out the high standards and behaviours we expect from those that work for us or with us.

*(f) The need to act fairly as between members of the company*

The Company's activities support the wider strategy of the Centrica Group and, owing to the fact the Company is a wholly owned subsidiary of Centrica plc, the Directors are required only to balance the interests of corporate shareholders that are themselves wholly owned subsidiaries of Centrica plc, rather than any third party members.

## **Centrica LNG Company Limited**

### **Section 172(1) Statement**

In promoting the success of the Company, the Directors must also consider the interests of stakeholders and the other matters required by section 172(1) (a) to (f) of the Companies Act 2006.

This Section 172 Statement describes how the Directors have taken into account wider stakeholders in their decision making. Whilst the Company is an independent subsidiary of Centrica plc, the Company's activity supports the wider strategy of British Gas and the Centrica Group. Where appropriate, for example in matters of long-term strategy, decision making is aligned with that of the parent company Board, ensuring that stakeholders of the Company have been rigorously considered.

### **General confirmation of Directors' duties**

Directors are fully aware of and understand their statutory duties under the Companies Act 2006. The Board has a clear framework for determining the matters within its remit. Day to day authority is delegated to executives and the Directors engage with management in setting, approving and overseeing execution of the business strategy and related policies. The executives consider the Company's activities, such as review

financial and operational performance, business strategy, key risks, stakeholder-related matters, governance, and legal and regulatory compliance, and make decisions. Section 172(1) of the Act provides that each Director must ensure that they act in the way they consider, in good faith, would most likely promote the Company's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to section 172(1) (a) to (f) as described below.

*(a) The likely consequences of any decision in the long term*

The Directors remain conscious that decisions made could have an impact on other stakeholders where relevant. By considering the Group's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, we aim to make sure that our decisions are consistent and appropriate in all the circumstances.

Each year the Directors make an assessment of the strength of the Company's balance sheet and future prospects relative to market uncertainties and make decisions about the payment of a dividend. In determining whether to make a dividend payment, the Directors consider a range of factors including: the long-term viability of the Company; its expected cash flow and financing requirements; the ongoing need for strategic investment in the Company; and the expectations of the ultimate parent company's shareholders as supplier of long-term equity capital to the Company.

*(b) The interests of the company's employees*

The Directors recognise that employees are fundamental to the future growth and success of any company. That success depends on looking after our employees. The Board is mindful that decisions and oversight often have to balance the differing needs of stakeholders, and ensures this is taken into consideration when making critical decisions. An example of this during the year in review is the management's commitment to actions arising from the quarterly Our Voice Survey 2021.

*(c) The need to foster the company's business relationships with suppliers, customers and others*

The Directors recognise the benefits of engaging with a broad range of stakeholders and developing and delivering our strategy depends on building and maintaining constructive relationships across them all. The Company continued to foster existing and create new business relationships with counterparties in the markets in which it operates. For example, the Company entered into a number of agreements during Q3 and Q4 2021 with independent commodity traders for the sale by the Company of 22 cargoes for delivery at Sabine Pass (USA) during 2022-2025. Further information about how the Centrica Group engages with its customers and with suppliers can be found on page 9 of the Group's Annual Report and Accounts 2021.

*(d) The impact of the company's operations on the community and the environment*

The Directors appreciate that collaboration with charities and community groups helps to create stronger communities and provide insights that enable the Board to understand the Company's impact on the community and environment, and the consequences of its decisions in the long term. Further information about how the Centrica Group engages with communities and NGOs can be found on page 9 of the Group's Annual Report and Accounts 2021.

*(e) The desirability of the company maintaining a reputation for high standards of business conduct*

The Board adheres to Centrica Group's "Our Code" code of conduct which all Centrica Group employees are subject to setting out the high standards and behaviours we expect from those that work for us or with us.

*(f) The need to act fairly as between members of the company*

After weighing up all relevant factors, the Directors consider which course of action best promotes the long-term success of the Company, taking into consideration the impact on stakeholders. In doing so, the Directors act fairly as between the Company's members. However, the Directors are not required to balance the Company's interests with those of other stakeholders, and this can sometimes mean that certain stakeholder interests may not be fully aligned.



## Centrica LNG UK Limited

### Section 172(1) Statement

In promoting the success of the Company, the Directors must consider the interests of stakeholders and the other matters required by section 172(1) (a) to (f) of the Companies Act, 2006 ('the Act').

This Section 172(1) Statement describes the relevant items for the Company. The Company is a subsidiary of Centrica plc and its activities support the wider strategy of the Centrica Group. Where appropriate, for example, in matters of long-term strategy, decision-making is aligned with that of the ultimate parent company Board, ensuring that stakeholders of the Company have been rigorously considered.

### General confirmation of Directors' duties

Directors are fully aware of and understand their statutory duties under the Act. Day to day authority is delegated to executives, and the Directors are supported by management in setting, approving and overseeing the execution of the business strategy and related policies. The executives consider the Company's activities, such as reviewing financial and operational performance, business strategy, key risks, stakeholder-related matters, governance, and legal and regulatory compliance and make decisions.

Section 172(1) of the Act provides that each Director must ensure that they act in the way they consider, in good faith, would most likely promote the Company's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to section 172(1) (a) to (f) as described below.

#### *(a) The likely consequences of any decision in the long term*

Centrica plc is conscious that decisions made by all Group companies could have an impact on other stakeholders where relevant. By considering the Group's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, the Group aims to ensure that the decisions of all Group companies, including the Company, are consistent and appropriate in all circumstances. Decisions regarding payment of any dividends by subsidiary companies of Centrica plc are taken at a Group level based upon the expertise and professional guidance of the Group's financial controllers, taking into account a range of factors, including: the long-term viability of the Company; its expected cash flow and financing requirements; the ongoing need for strategic investment in the Company; and the expectations of the ultimate parent company's shareholders as a supplier of long-term equity capital to the Company.

#### *(b) The interests of the company's employees*

Although the Directors recognise that employees within the Group are fundamental to the future growth and success of Centrica, the Company has no direct employees therefore the consideration of the interests of the Company's employees has not applied to the decisions made by the Directors.

#### *(c) The need to foster the company's business relationships with suppliers, customers and others*

Centrica plc recognises the benefits for all Group companies of engaging with a broad range of stakeholders and that developing and delivering the Group's strategy depends on building and maintaining constructive relationships. In ensuring the Company fosters the business relationships with suppliers, customers and others, the Company and its Directors are therefore supported by the overarching programme of extensive engagement with such stakeholders that is conducted across the wider Centrica Group. In quarter two of 2021 the Company extended its existing Term Sales Agreement with a UK gas transmission and distribution company for a further two years until 31 March 2023. The breadth of stakeholder considerations in our operating or commercial trading companies is set out on pages 8 to 9 of Centrica plc's Annual Report and Accounts 2021.

#### *(d) The impact of the company's operations on the community and the environment*

Centrica plc appreciates that collaboration with charities and community groups helps to create stronger communities and provides insights that enable the Group to understand the impact of all Group companies on the community and environment, and the consequences of its decisions in the long term. In ensuring the Company takes into account the impact of its operations on the community and the environment, the Company and its Directors are supported by the overarching programme of extensive engagement with the community and wider environment that is conducted across the wider Centrica Group. Further information

about how the Centrica Group engages with communities and NGOs can be found on pages 30 to 31 of Centrica plc's Annual Report and Accounts 2021.

*(e) The desirability of the company maintaining a reputation for high standards of business conduct*

The Board adheres to Centrica Group's "Our Code" code of conduct which all Centrica Group employees are subject to setting out the high standards and behaviours we expect from those that work for us or with us.

*(f) The need to act fairly as between members of the company*

The Company's activities support the wider strategy of the Centrica Group and, owing to the fact the Company is a wholly owned subsidiary of Centrica plc, the Directors are required only to balance the interests of corporate shareholders that are themselves wholly owned subsidiaries of Centrica plc, rather than any third party members.

## **Centrica Offshore UK Limited**

### **Section 172(1) Statement**

In promoting the success of the Company, the Directors must consider the interests of stakeholders and the other matters required by section 172(1) (a) to (f) of the Companies Act.

This Section 172(1) Statement describes the relevant items for the Company. The Company is a subsidiary of Centrica plc and its activities supports the wider strategy of the Centrica Group. Where appropriate, for example, in matters of long-term strategy, decision-making is aligned with that of the ultimate parent company Board, ensuring that stakeholders of the Company have been rigorously considered.

### **General confirmation of Directors' duties**

Directors are fully aware of and understand their statutory duties under the Act. Day to day authority is delegated to executives, and the Directors are supported by management in setting, approving and overseeing the execution of the business strategy and related policies. The executives consider the Company's activities, such as reviewing financial and operational performance, business strategy, key risks, stakeholder-related matters, governance, and legal and regulatory compliance and make decisions.

Section 172(1) of the Act provides that each Director must ensure that they act in the way they consider, in good faith, would most likely promote the Company's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to section 172(1) (a) to (f) as described below.

*(a) The likely consequences of any decision in the long term*

Centrica plc is conscious that decisions made by all Group companies could have an impact on other stakeholders where relevant. By considering the Group's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, the Group aims to ensure that the decisions of all Group companies, including the Company, are consistent and appropriate in all circumstances. Decisions regarding payment of any dividends by subsidiary companies of Centrica plc are taken at a Group level based upon the expertise and professional guidance of the Group's financial controllers, taking into account a range of factors, including: the long-term viability of the Company; its expected cash flow and financing requirements; the ongoing need for strategic investment in the Company; and the expectations of the ultimate parent company's shareholders as a supplier of long-term equity capital to the Company.

*(b) The interests of the Company's employees*

Although the Directors recognise that employees within the Group are fundamental to the future growth and success of Centrica, the Company has no direct employees; therefore, the consideration of the interests of the Company's employees has not applied to the decisions made by the Directors.

*(c) The need to foster the Company's business relationships with suppliers, customers and others*

Centrica plc recognises the benefits for all Group companies of engaging with a broad range of stakeholders and that developing and delivering the Group's strategy depends on building and maintaining constructive relationships. In ensuring the Company fosters the business relationships with suppliers, customers and others, the Company and its Directors are therefore supported by the overarching programme of extensive engagement with such stakeholders that is conducted across the wider Centrica Group. The breadth of

stakeholder considerations in our operating or commercial trading companies is set out on pages 8 to 9 of Centrica plc's Annual Report and Accounts 2021.

*(d) The impact of the Company's operations on the community and the environment*

Centrica plc appreciates that collaboration with charities and community groups helps to create stronger communities and provides insights that enable the Group to understand the impact of all Group companies on the community and environment, and the consequences of its decisions in the long term. In ensuring the Company takes into account the impact of its operations on the community and the environment, the Company and its Directors are supported by the overarching programme of extensive engagement with the community and wider environment that is conducted across the wider Centrica Group. Further information about how the Centrica Group engages with communities and NGOs can be found on pages 30 to 31 of Centrica plc's Annual Report and Accounts 2021.

*(e) The desirability of the Company maintaining a reputation for high standards of business conduct*

The Board adheres to Centrica Group's "Our Code" code of conduct which all Centrica Group employees are subject to setting out the high standards and behaviours we expect from those that work for us or with us.

*(f) The need to act fairly as between members of the Company*

The Company's activities support the wider strategy of the Centrica Group and, owing to the fact the Company is a wholly owned subsidiary of Centrica plc, the Directors are required only to balance the interests of corporate shareholders that are themselves wholly owned subsidiaries of Centrica plc, rather than any third party members.

## **Centrica Services Limited**

### **Section 172(1) Statement**

In promoting the success of the Company, the Directors must consider the interests of stakeholders and the other matters required by section 172(1) (a) to (f) of the Companies Act, 2006.

This Section 172(1) Statement describes the relevant items for the Company. The Company is a subsidiary of Centrica plc and its activities support the wider strategy of the Centrica Group. Where appropriate, for example, in matters of long-term strategy, decision-making is aligned with that of the ultimate parent company Board, ensuring that stakeholders of the Company have been rigorously considered.

### **General confirmation of Directors' duties**

Directors are fully aware of and understand their statutory duties under the Companies Act 2006. Day to day authority is delegated to executives, and the Directors are supported by management in setting, approving and overseeing the execution of the business strategy and related policies. The executives consider the Company's activities, such as reviewing financial and operational performance, business strategy, key risks, stakeholder-related matters, governance, and legal and regulatory compliance and make decisions.

Section 172(1) of the Act provides that each Director must ensure that they act in the way they consider, in good faith, would most likely promote the Company's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to section 172(1) (a) to (f) as described below.

*(a) The likely consequences of any decision in the long term*

Centrica plc is conscious that decisions made by all Group companies could have an impact on other stakeholders where relevant. By considering the Group's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, the Group aims to ensure that the decisions of all Group companies, including the Company, are consistent and appropriate in all circumstances. Decisions regarding payment of any dividends by subsidiary companies of Centrica plc are taken at a Group level based upon the expertise and professional guidance of the Group's financial controllers, taking into account a range of factors, including: the long-term viability of the Company; its expected cash flow and financing requirements; the ongoing need for strategic investment in the Company; and the expectations of the ultimate parent company's shareholders as a supplier of long-term equity capital to the Company.

*(b) The interests of the company's employees*

The Directors recognise that employees within the Group are fundamental to the future growth and the success of Centrica and therefore consider the interests of the Company's employees by applying the applicable Group policies.

*(c) The need to foster the company's business relationships with suppliers, customers and others:* Centrica plc recognises the benefits for all Group companies of engaging with a broad range of stakeholders and that developing and delivering the Group's strategy depends on building and maintaining constructive relationships. In ensuring the Company fosters the business relationships with suppliers, customers and others, the Company and its Directors are therefore supported by the overarching programme of extensive engagement with such stakeholders that is conducted across the wider Centrica Group. The breadth of stakeholder considerations in our operating or commercial trading companies is set out on pages 8 to 9 of Centrica plc's Annual Report and Accounts 2021.

*(d) The impact of the company's operations on the community and the environment*

Centrica plc appreciates that collaboration with charities and community groups helps to create stronger communities and provides insights that enable the Group to understand the impact of all Group companies on the community and environment, and the consequences of its decisions in the long term. In ensuring the Company takes into account the impact of its operations on the community and the environment, the Company and its Directors are supported by the overarching programme of extensive engagement with the community and wider environment that is conducted across the wider Centrica Group. Further information about how the Centrica Group engages with communities and NGOs can be found on pages 30 to 31 of Centrica plc's Annual Report and Accounts 2021.

*(e) The desirability of the company maintaining a reputation for high standards of business conduct*

The Board adheres to Centrica Group's "Our Code" code of conduct which all Centrica Group employees are subject to setting out the high standards and behaviours we expect from those that work for us or with us.

*(f) The need to act fairly as between members of the company*

The Company's activities support the wider strategy of the Centrica Group and, owing to the fact the Company is a wholly owned subsidiary of Centrica plc, the Directors are required only to balance the interests of corporate shareholders that are themselves wholly owned subsidiaries of Centrica plc, rather than any third party members.

## **Centrica Storage Limited**

### **Section 172(1) Statement**

In promoting the success of the Company, the Directors must consider the interests of stakeholders and the other matters required by section 172(1) (a) to (f) of the Companies Act.

This Section 172(1) Statement describes the relevant items for the Company. The Company is a subsidiary of Centrica plc and its activities supports the wider strategy of the Centrica Group. Where appropriate, for example, in matters of long-term strategy, decision-making is aligned with that of the ultimate parent company Board, ensuring that stakeholders of the Company have been rigorously considered.

### **General confirmation of Directors' duties**

Directors are fully aware of and understand their statutory duties under the Act. Day to day authority is delegated to executives, and the Directors are supported by management in setting, approving and overseeing the execution of the business strategy and related policies. The executives consider the Company's activities, such as reviewing financial and operational performance, business strategy, key risks, stakeholder-related matters, governance, and legal and regulatory compliance and make decisions.

Section 172(1) of the Act provides that each Director must ensure that they act in the way they consider, in good faith, would most likely promote the Company's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to section 172(1) (a) to (f) as described below.

*(a) The likely consequences of any decision in the long term*

Centrica plc is conscious that decisions made by all Group companies could have an impact on other stakeholders where relevant. By considering the Group's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, the Group aims to ensure that the decisions of all Group companies, including the Company, are consistent and appropriate in all circumstances. Decisions regarding payment of any dividends by subsidiary companies of Centrica plc are taken at a Group level based upon the expertise and professional guidance of the Group's financial controllers, taking into account a range of factors, including: the long-term viability of the Company; its expected cash flow and financing requirements; the ongoing need for strategic investment in the Company; and the expectations of the ultimate parent company's shareholders as a supplier of long-term equity capital to the Company.

*(b) The interests of the Company's employees*

The Directors recognise that employees within the Group are fundamental to the future growth and the success of Centrica and therefore consider the interests of the Company's employees by applying the applicable Group policies.

*(c) The need to foster the Company's business relationships with suppliers, customers and others*

Centrica plc recognises the benefits for all Group companies of engaging with a broad range of stakeholders and that developing and delivering the Group's strategy depends on building and maintaining constructive relationships. In ensuring the Company fosters the business relationships with suppliers, customers and others, the Company and its Directors are therefore supported by the overarching programme of extensive engagement with such stakeholders that is conducted across the wider Centrica Group. The breadth of stakeholder considerations in our operating or commercial trading companies is set out on pages 8 to 9 of Centrica plc's Annual Report and Accounts 2021.

*(d) The impact of the Company's operations on the community and the environment*

Centrica plc appreciates that collaboration with charities and community groups helps to create stronger communities and provides insights that enable the Group to understand the impact of all Group companies on the community and environment, and the consequences of its decisions in the long term. In ensuring the Company takes into account the impact of its operations on the community and the environment, the Company and its Directors are supported by the overarching programme of extensive engagement with the community and wider environment that is conducted across the wider Centrica Group. Further information about how the Centrica Group engages with communities and NGOs can be found on pages 30 to 31 of Centrica plc's Annual Report and Accounts 2021.

*(e) The desirability of the Company maintaining a reputation for high standards of business conduct*

The Board adheres to Centrica Group's "Our Code" code of conduct which all Centrica Group employees are subject to setting out the high standards and behaviours we expect from those that work for us or with us.

*(f) The need to act fairly as between members of the Company*

The Company's activities support the wider strategy of the Centrica Group and, owing to the fact the Company is a wholly owned subsidiary of Centrica plc, the Directors are required only to balance the interests of corporate shareholders that are themselves wholly owned subsidiaries of Centrica plc, rather than any third party members.

## **Dyno-Rod Limited**

### **Section 172(1) Statement**

In promoting the success of the Company, the Directors must consider the interests of stakeholders and the other matters required by section 172(1) (a) to (f) of the Companies Act, 2006.

This Section 172(1) Statement describes the relevant items for the Company. The Company is a subsidiary of Centrica plc and its activities support the wider strategy of the Centrica Group. Where appropriate, for example, in matters of long-term strategy, decision-making is aligned with that of the ultimate parent company Board, ensuring that stakeholders of the Company have been rigorously considered.

### **General confirmation of Directors' duties**

Directors are fully aware of and understand their statutory duties under the Act. Day to day authority is delegated to executives, and the Directors are supported by management in setting, approving and overseeing the execution of the business strategy and related policies. The executives consider the Company's activities, such as reviewing financial and operational performance, business strategy, key risks, stakeholder-related matters, governance, and legal and regulatory compliance and make decisions.

Section 172(1) of the Act provides that each Director must ensure that they act in the way they consider, in good faith, would most likely promote the Company's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to section 172(1) (a) to (f) as described below.

#### *(a) The likely consequences of any decision in the long term*

Centrica plc is conscious that decisions made by all Group companies could have an impact on other stakeholders where relevant. By considering the Group's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, the Group aims to ensure that the decisions of all Group companies, including the Company, are consistent and appropriate in all circumstances. Decisions regarding payment of any dividends by subsidiary companies of Centrica plc are taken at a Group level based upon the expertise and professional guidance of the Group's financial controllers, taking into account a range of factors, including: the long-term viability of the Company; its expected cash flow and financing requirements; the ongoing need for strategic investment in the Company; and the expectations of the ultimate parent company's shareholders as a supplier of long-term equity capital to the Company.

#### *(b) The interests of the company's employees*

The Directors recognise that employees within the Group are fundamental to the future growth and the success of Centrica and therefore consider the interests of the Company's employees by applying the applicable Group policies.

#### *(c) The need to foster the company's business relationships with suppliers, customers and others*

Centrica plc recognises the benefits for all Group companies of engaging with a broad range of stakeholders and that developing and delivering the Group's strategy depends on building and maintaining constructive relationships. In ensuring the Company fosters the business relationships with suppliers, customers and others, the Company and its Directors are therefore supported by the overarching programme of extensive engagement with such stakeholders that is conducted across the wider Centrica Group. The breadth of stakeholder considerations in our operating or commercial trading companies is set out on pages 8 to 9 of Centrica plc's Annual Report and Accounts 2021.

#### *(d) The impact of the company's operations on the community and the environment*

Centrica plc appreciates that collaboration with charities and community groups helps to create stronger communities and provides insights that enable the Group to understand the impact of all Group companies on the community and environment, and the consequences of its decisions in the long term. In ensuring the Company takes into account the impact of its operations on the community and the environment, the Company and its Directors are supported by the overarching programme of extensive engagement with the community and wider environment that is conducted across the wider Centrica Group. Further information about how the Centrica Group engages with communities and NGOs can be found on pages 30 to 31 of Centrica plc's Annual Report and Accounts 2021.

#### *(e) The desirability of the company maintaining a reputation for high standards of business conduct*

The Board adheres to Centrica Group's "Our Code" code of conduct which all Centrica Group employees are subject to setting out the high standards and behaviours we expect from those that work for us or with us.

#### *(f) The need to act fairly as between members of the company*

The Company's activities support the wider strategy of the Centrica Group and, owing to the fact the Company is a wholly owned subsidiary of Centrica plc, the Directors are required only to balance the interests of corporate shareholders that are themselves wholly owned subsidiaries of Centrica plc, rather than any third party members.

## Pioneer Shipping Limited

### Section 172(1) Statement

In promoting the success of the Company, the Directors must consider the interests of stakeholders and the other matters required by section 172(1) (a) to (f) of the Companies Act, 2006 ('the Act').

This Section 172(1) Statement describes the relevant items for the Company. The Company is a subsidiary of Centrica plc and its activities support the wider strategy of the Centrica Group. Where appropriate, for example, in matters of long-term strategy, decision-making is aligned with that of the ultimate parent company Board, ensuring that stakeholders of the Company have been rigorously considered.

### General confirmation of Directors' duties

Directors are fully aware of and understand their statutory duties under the Act. Day to day authority is delegated to executives, and the Directors are supported by management in setting, approving and overseeing the execution of the business strategy and related policies. The executives consider the Company's activities, such as reviewing financial and operational performance, business strategy, key risks, stakeholder-related matters, governance, and legal and regulatory compliance and make decisions.

Section 172(1) of the Act provides that each Director must ensure that they act in the way they consider, in good faith, would most likely promote the Company's success for the benefit of its members as a whole, and in doing so have regard (among other matters) to section 172(1) (a) to (f) as described below.

#### *(a) The likely consequences of any decision in the long term*

Centrica plc is conscious that decisions made by all Group companies could have an impact on other stakeholders where relevant. By considering the Group's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, the Group aims to ensure that the decisions of all Group companies, including the Company, are consistent and appropriate in all circumstances. Decisions regarding payment of any dividends by subsidiary companies of Centrica plc are taken at a Group level based upon the expertise and professional guidance of the Group's financial controllers, taking into account a range of factors, including: the long-term viability of the Company; its expected cash flow and financing requirements; the ongoing need for strategic investment in the Company; and the expectations of the ultimate parent company's shareholders as a supplier of long-term equity capital to the Company.

#### *(b) The interests of the company's employees*

Although the Directors recognise that employees within the Group are fundamental to the future growth and success of Centrica, the Company has no direct employees therefore the consideration of the interests of the Company's employees has not applied to the decisions made by the Directors.

#### *(c) The need to foster the company's business relationships with suppliers, customers and others*

Centrica plc recognises the benefits for all Group companies of engaging with a broad range of stakeholders and that developing and delivering the Group's strategy depends on building and maintaining constructive relationships. In ensuring the Company fosters the business relationships with suppliers, customers and others, the Company and its Directors are therefore supported by the overarching programme of extensive engagement with such stakeholders that is conducted across the wider Centrica Group. The Company continued to foster existing and create new business relationships with counterparties in the markets in which it operates. For example, in Q1 the Company chartered-out its time-chartered vessel Gaslog Windsor to a Japanese marine transportation company for a period of 410 days. The breadth of stakeholder considerations in our operating or commercial trading companies is set out on pages 8 to 9 of Centrica plc's Annual Report and Accounts 2021.

#### *(d) The impact of the company's operations on the community and the environment*

Centrica plc appreciates that collaboration with charities and community groups helps to create stronger communities and provides insights that enable the Group to understand the impact of all Group companies on the community and environment, and the consequences of its decisions in the long term. In ensuring the Company takes into account the impact of its operations on the community and the environment, the Company and its Directors are supported by the overarching programme of extensive engagement with the community and wider environment that is conducted across the wider Centrica Group. Further information



about how the Centrica Group engages with communities and NGOs can be found on pages 30 to 31 of Centrica plc's Annual Report and Accounts 2021.

*(e) The desirability of the company maintaining a reputation for high standards of business conduct*

The Board adheres to Centrica Group's "Our Code" code of conduct which all Centrica Group employees are subject to setting out the high standards and behaviours we expect from those that work for us or with us.

*(f) The need to act fairly as between members of the company*

The Company's activities support the wider strategy of the Centrica Group and, owing to the fact the Company is a wholly owned subsidiary of Centrica plc, the Directors are required only to balance the interests of corporate shareholders that are themselves wholly owned subsidiaries of Centrica plc, rather than any third party members.