Sustainability continued

Building resilience for the future

Using the Task Force on Climate-related Financial Disclosures ("TCFD") as a framework, Ceres reports against the climate-related risks and opportunities that face our business.

As a technology company at the forefront of the energy transition, the climate transition represents a strong business opportunity for Ceres; however, climate-related risks are inherently global and will affect businesses across their value chains and operations. Therefore, it is essential to evaluate climate risks thoroughly to ensure resilience to a changing environment. Ceres' technology has an opportunity to have a global impact, but we must continue to align our operations and technology designs with our sustainability values.

Below is our climate-related financial disclosure, consistent with the TCFD's recommendations and Recommended Disclosures pursuant to UK Listing Rule 6.6.6R(8). In completing this report, we have used the TCFD guidance material, including the TCFD technical supplement on the use of scenario analysis, the TCFD Guidance on Metrics, Targets, and Transition Plans, and the TCFD Guidance for All Sectors, to cover the four pillars of recommended climate-related financial disclosures. This is Ceres' first time reporting against the financial impact of climate-related disclosures - representing full disclosure against all 11 pillars. Due to the high-growth, pre-profitability nature of the Company, we have ensured that our disclosure is credible and realistic, commensurate with the size of our business.

Governance	Strategy	Risk management	Metrics and targets
Recommended disclosures			
a) Board's oversight	a) Identify climate-related risks and opportunities	a) Risk identification and assessment process	a) Climate-related metrics to assess climate-related risks and opportunities
b) Management's role	b) Impact on the organisation's businesses, strategy and financial planning	b) Risk management process	b) Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks
	c) Resilience of the organisation's strategy	c) Integration into the organisation's overall risk management	c) Climate-related targets and performance against targets

Compliant Partially compliant Non-compliant

1 Governance

Disclose Ceres' governance around climate-related risks and opportunities.

a. Describe the Board's oversight of climate-related risks and opportunities.

The Board is responsible for the Company's risk framework, which includes climate-related risks and opportunities. In 2023, Ceres formalised the review of ESG risks and actions by the establishment of an ESG Committee of the Board ("ESG Committee"). The ESG Committee oversees the development and execution of sustainability targets and key performance indicators ("KPIs"). The Committee is crucial in shaping and monitoring our sustainability vision and strategy to address future skills and operational and governance needs. Such considerations not only guide current decision-making processes, but also facilitate developments that are robust enough for an uncertain future and to enable a better one. It meets at least three times a year and otherwise as required. The Chair reports formally to the Board after each meeting on all matters within its duties and responsibilities. For more information on the duties and responsibilities of the ESG Committee of the Board, please see the ESG Committee Report on page 91. The Company's non-financial and sustainability information statement as required by Section 414CA and Section 414CB of the Companies Act 2006 can be found on page 95 of the Directors' report.

b. Describe management's role in assessing and managing climate-related risks and opportunities.

The Company's Chief Financial Officer Stuart Paynter chairs an Operational ESG Committee, tasked with identifying, managing and executing against sustainability objectives. This Committee includes members from finance, legal, operations, people and sustainability functions ensuring a holistic approach to sustainability. Meeting at least quarterly, the Operational ESG Committee facilitates a regular review and alignment of ESG initiatives across the organisation. The CFO reports the Committee's progress to the ESG Committee after each meeting, ensuring transparency and accountability. ESG metrics are incorporated into KPIs for Executive remuneration, better reflecting our Company culture by aligning Executive interests with those of other stakeholders, and increasing ESG performance and ESG risk management. Though the responsibility falls to management, the operations function of the business, from procurement and the supply chain, to manufacturing and test, to health and safety and facilities, are all deeply involved in evaluating, monitoring and improving our sustainable behaviours and actions.

2 Strategy

Disclose the actual and potential impacts of climate-related risks and opportunities on the Company's business, strategy and financial planning, where such information is material.

a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.

Given the challenging global backdrop, Ceres' strategy is designed to be resilient amidst uncertainty whilst fostering a more sustainable future. We integrate this strategy within our operations and product designs, aiming to support industry decarbonisation with sustainability-centric technology. The level of risk varies with factors such as the temperature increase and the time horizon. To manage and mitigate such climate-related risks, we have conducted a scenario analysis, evaluating the impact of climate-related risks and opportunities at three temperatures and three time horizons: 1.5°C, 2.0°C and 3.0°C temperature increases compared to pre-industrial times over the short term (until 2030), medium term (to 2040) and long term (to 2050). Ceres has identified six climate-related risks, four transition and two physical risks; and two climate-related opportunities, as outlined on page 32.

b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.

Climate-related risks are inherently global, affecting businesses across their value chains and operations. Climate change can disrupt global markets, leading to the scarcity of critical skills, resources and materials, each of which could increase Ceres' operational costs and detrimentally affect our partners' supply chains and disrupt production. Following TCFD guidance on evaluating risks and opportunities, we have categorised the risks and opportunities and taken into consideration the impact across Ceres' operations in the UK, the production of our technology by our partners and the impact on Ceres' potential royalty revenue in the future, our supply chain and potential supply chains of our partners. Consideration of financial impact was quantified as direct impact on Ceres' business strategy and operations in 2030, for which we have a credible line of sight of expenses. Beyond that, as a high-growth company, we rely exclusively on the climate scenarios to evaluate impact. For more, see our scenario analysis on page 31.

Ceres embeds its technology with global partners who design and manufacture products and systems at scale for various applications. Operating from our UK base, Ceres focuses on innovation and R&D while transferring technology under licence. This approach presents both risks and opportunities, especially as a clean energy company. Our current disclosure reflects our business model and small asset footprint while considering the direct impact on Ceres' operations and through our manufacturing partners. The innovations and sustainability initiatives being implemented across our operations and technology development are significantly amplified when scaled up through our partners' production capacities, driving substantial reductions in overall emissions, maximising our positive impact on creating a cleaner world.

c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

Ceres has completed its third iteration of climate-related scenario analysis, available on page 31. We use independent climate scenarios, defined by the Network for Greening the Financial System ("NGFS"), to provide credible data to support environmental and climate risk management across industries. For a full description of our climate-related risks and opportunities and Ceres' resiliency to them, see our scenario analysis on page 31.

Sustainability continued

3 Risk management

Disclose how Ceres identifies, assesses and manages climate-related risks.

a. Describe the organisation's processes for identifying and assessing climate-related risks.
Climate change is a significant risk, prompting the Executive Committee to compile a cross-disciplinary ESG risk register within the corporate risk management procedure. This register encompasses various ESG issues, each evaluated over different time periods. Each risk is assigned a severity rating, probability of occurrence and potential impact on the business. Once risks are identified, proposed responses and post-mitigation severity analyses are conducted.

The ESG Committee regularly reviews the risk register, escalating significant risks to the Audit and Risk Committee for inclusion in the Board-level risk register. High-impact risks are presented to the Board and integrated into business, strategic and financial planning, following the same escalation procedure for high-impact short-term climate-related risks identified through scenario analysis - also referred to as our climate-related risk radar. Additionally, the ESG Committee conducts a materiality analysis every two years to identify and prioritise key ESG issues through stakeholder engagement.

b. Describe the organisation's processes for managing climate-related risks.
Existing and emerging regulatory requirements related to climate change are considered in both our response as a business but also with regard to opportunities for the business. For example, changing legislation on air quality and emissions is driving the move towards the adoption of greener technology solutions.

Climate adaptation risks are also considered at a site level. In 2025, we used Integrated Management Systems ("IMS") to cover the business' main sites, our Technology Innovation Centre in Horsham and Manufacturing Innovation Centre in Redhill, and hosted ISO 9001 and ISO 14001 management systems. We continue to monitor our energy utilisation and areas of improvement with specific annual initiations in alignment with the UK Energy Savings Opportunity Scheme ("ESOS"). We have also sought to collaborate with the licence partners and understand their mitigation and adaptation plans for their key manufacturing sites for our technology.

With regard to the supply chain, sustainability risks, including natural and climate-related hazards, are embedded into supplier risk assessments. This process enables the definition of risk mitigation action plans with suppliers, as well as prioritising multi-sourcing strategies. The Company continually monitors events and critical supplier locations to shorten reaction time and minimise business impact to both us, our suppliers and our partners.

c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.
On top of the climate-related risks Ceres may face as a business, we are also conscious of the impact of climate-related risks on our partners. As a licensing business, once our partners reach commercial scale, climate-related risks may influence our partner's productivity, thereby resulting in a financial impact on Ceres due to disruption in royalties. Assessment of these risks is encompassed in our scenario analysis as part of our climate-related risk radar, available on page 31. High-impact short-term risks are escalated to the Audit and Risk Committee for review. Risks are assessed as either a new principal risk, falling within a current principal risk or requiring ongoing monitoring. Actions are taken as needed in accordance with our corporate governance procedures.

4 Metrics and targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities, where such information is material.

a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management processes.
Metrics to assess climate-related risks and opportunities include climate risk and environmental profiling data, including life cycle analysis, energy use and carbon emissions intensity. ESG metrics are incorporated into KPIs for Executive remuneration, better reflecting our Company culture by aligning Executive interests with those of other stakeholders, and increasing ESG performance and enhancing ESG risk management. Though the responsibility falls with management, the operations function of the business, from procurement and the supply chain, to manufacturing and test, to health and safety and facilities, are all deeply involved in evaluating, monitoring and improving our sustainable behaviours and actions.

As part of our continuous efforts to enhance energy efficiency, Ceres continues to make progress against its targets with the Energy Savings Opportunity Scheme ("ESOS"), in compliance with our energy management. This aims to identify areas of improvement through enhanced monitoring and review solutions.

Ceres recognises the importance of water conservation in the light of the growing global water strain. Our technology, which generates green hydrogen from green electricity, involves the hydrolysis of water into hydrogen and oxygen. Despite our modest water consumption of 5,330m^3 last year, as our partners expand to multi-gigawatt capacities globally by 2030, this will lead to significant water utilisation. Therefore, it is imperative to understand the impact of our technology on water use. To address this, we have included an evaluation of the water impacts of our electrolyser technology at scale in our sustainability roadmap as a future action.

b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions, and the related risks.
Each year, Ceres discloses our greenhouse gas ("GHG") emissions for Scope 1, 2 and limited Scope 3 SECR emissions reporting. A full disclosure of Scope 3 emissions for 2024 is available in our sustainability report and our full Scope 3 emissions for 2025 will be published later this year on our website. By onboarding the emissions management system Sweep, Ceres is standardising our emissions reporting to allow for more rapid data collection to further mitigate emissions and their associated risks.

c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.
In 2025 Ceres committed to near-term targets approved by SBTi to reduce our absolute Scope 1 and 2 GHG emissions by 42% by 2030 from a 2022 base year. Ceres Power Limited also commits to reduce Scope 3 GHG emissions by 53% per million GBP gross profit by 2030 from a 2022 base year. We continue to review our progress and assess the investment and actions required to meet these targets. This has provided greater depth of understanding of the emissions of Ceres' operations and our supply chain, the latter representing 97% of our total emissions.

As a pre-profitability company, we have developed initiatives and plans that balance affordability with impact.

Since our supply chain constitutes a large proportion of our emissions, supply chain engagement and sustainable procurement will play a key role in meeting these targets. We are also onboarding a life cycle analysis tool in-house to provide ongoing insight into where emissions reductions can be achieved.

Scenario analysis

Ceres has evaluated the climate-related risks and opportunities affecting our operations. Through scenario analysis, we quantify potential risks and uncertainties under various plausible climate futures. Following TCFD guidelines, our risks and opportunities are categorised into transition or physical risks and assessed across three scenarios: Net Zero 2050, Delayed Transition and Current Policies, covering the short (to 2030), medium (to 2040) and long (to 2050) term. These scenarios, defined by NGFS, provide credible data to support environmental and climate risk management across industries.

Each scenario includes assumptions about policy responses, technology adoption and physical climate impacts, such as investment in hydrogen projects or the frequency and intensity of heatwaves. These assumptions help determine the impact on Ceres. The three temperature scenarios in our analysis are:

1. Net Zero 2050: Limits global warming to 1.5°C through stringent climate policies and innovation, achieving global net zero CO_2 emissions around 2050.
2. Delayed Transition: Assumes annual emissions do not decrease until 2030, with strong policies required to limit warming to below 2°C, peaking at a 1.8°C increase by the end of the century.
3. Current Policies: Maintains only currently implemented policies, resulting in high physical risks and a final estimated temperature increase of 2.9°C by the end of the century.

According to TCFD guidelines, it is crucial to quantify the financial impact of climate-related risks and opportunities on a company's financial performance through revenue and costs, or financial position through assets and liabilities. With this analysis, Ceres achieves full compliance with TCFD guidelines.

Quantifying the financial impact of climate-related risks is challenging for Ceres due to our high growth and lack of stable historical data. Therefore, we focus our financial analysis on climate-related risks in the short term until 2030, where we have reasonable visibility through financial planning. Beyond 2030, we rely on climate scenarios to guide potential risk impacts but cannot credibly quantify their financial impact. Together, this constitutes our climate-related risk radar.

For the 2030 financial analysis, we assessed the potential impact of climate-related risks on Ceres. This includes analysing the climate-related risks to Ceres' operations as well as those of our partners. If our partners or their suppliers experience climate-related disruptions in manufacturing, it could reduce revenues from sales of products embedded within our technology, thereby affecting royalty revenue to Ceres. Our analysis identified one high financial impact risk for Ceres through to 2030: technology adoption risks related to Ceres' technology, aligning with one of our Company's principal risks. No other significant financial impacts from climate-related risks were identified for 2030.

Our climate-related risk analysis aligns with our corporate risk analysis. High-impact short-term risks are escalated to the Audit and Risk Committee for review. Risks are categorised as new principal risks, within current principal risks, or requiring ongoing monitoring. Actions are taken as needed according to our corporate governance procedures.

Ceres embeds our technology with global partners who design and manufacture products and systems at scale for various applications. Operating from our UK base, Ceres focuses on innovation and R&D, transferring technology under licence. This positioning presents both risks and opportunities, especially as a clean energy company. Our current disclosure reflects our business model and small asset footprint while considering the direct impact on Ceres through our manufacturing partners. Although we cannot complete a detailed financial analysis over the medium and long term, as an asset-light growth company, Ceres has a flexible cost base and minimal assets that could be adversely affected by climate-related risks. We work with our partners to understand their business continuity planning in the context of their partnership with Ceres, as well as that of our suppliers and our partners' suppliers.

Scaling technology has an environmental cost, but any increase in our footprint will be significantly outweighed by the positive impact our technology will have on global decarbonisation efforts.

Sustainability continued

Ceres' resilience under different, potential future climates

Risk			Impact on Ceres' business	Scenario	Short (to 2030)	Medium (to 2040)	Long (to 2050)	Ceres' actions and opportunities
Transition	Policy and legal risk	Increasing regulation, legislation and carbon pricing on GHG emissions.	Greater costs associated with emissions reduction, monitoring and reporting.	1	🟡	🟢	🟢	Ceres pursues carbon abatement through a SBTi-guided carbon-reduction pathway, including the cost of carbon in forward financial planning. We set a clear strategy to reduce the carbon footprint of our business, assessing and engaging with our supply chain to reduce the carbon intensity of our Scope 3 emissions. Ceres continues to evaluate the global climate regulation and emissions policy landscape.
				2	🟢	🟢	🟢	
				3	🟢	🟢	🟡	
	Policy and legal opportunity	Policy incentives and capital allocation for scaling of clean energy technologies.	Increased funding from public sector and investors to accelerate scaling up of fuel cell and hydrogen technologies.	1	High	High	High	Governments around the world continue to mobilise funds to support the energy transition, such as Japan's commitment to mobilise 15 trillion yen in the next 15 years. Ceres sees increased opportunity in countries as they transition away from coal to natural gas, supported by Ceres' SOFC technology. Ceres will continue to evaluate funding opportunities and explore partnership to progress our SOEC programme.
				2	Mod	High	High	
				3	Low	Mod	Mod	
	Market risk	Global economic, political and physical disruption increases the cost and availability of resources.	Higher operating costs due to increased price and reduced availability of critical skills, resources and materials.	1	🟡	🟡	🟢	We will engage with our supply chain on climate-related and sustainability risks. We will build a robust procurement strategy to ensure multiple sources of key materials and monitor changes in global sustainability regulations influencing resource availability and cost. Ceres will integrate the implication of climate change into the development of assets and partners while building our skills pipeline for a green energy future. Ceres will continue to build a safe, supportive and enjoyable work environment to attract and retain talent.
				2	🟢	🟡	🟡	
				3	🟢	🟡	🔴	
	Reputation risk	Evolving stakeholder perceptions and expectations around climate footprint and business performance.	Lack of transparency and adherence could limit commercial opportunities and threaten access to capital.	1	🟡	🟢	🟢	Ceres will continue to exhibit strong governance and transparent disclosure of ESG performance. Ceres will integrate circular economy principles into design of technology. We will maintain a strong and sustainable shareholder base through our Investor Relations programme.
				2	🟢	🟢	🟢	
				3	🟢	🟡	🟡	
	Technology risk	Uncertainty in market signals due to reliance on incumbent technologies and perceived cost to transition to lower-emission alternatives.	Slower than expected uptake of new technologies due to deprioritisation of decarbonisation, resulting in reduced production and royalties, or limited opportunity for growth due to increased risk aversion supporting competitive electrolyser technologies (e.g. alkaline).	1	🟡	🟢	🟢	Ceres will stay at the leading edge of innovation, with a focus on cost, life and durability, building a flexible technology that meets emissions standards for multiple applications and geographies. Ceres will engage with government to understand expectations and directives surrounding net zero commitments and funding while horizon scanning for future technologies beyond solid oxide.
				2	🔴	🟡	🟢	
				3	🔴	🔴	🟡	
	Technology opportunity	Technology revolution to support the energy transition, requiring huge amounts of renewable energy and green hydrogen.	Prosecute our licensing model to deliver clean energy technology that bridges molecules and electrons.	1	High	High	High	Natural gas remains a key transition fuel in geographies where coal is still heavily used. Power constraints globally are a prime opportunity to support power generation with a cleaner technology. Green hydrogen is predicted to increase significantly by 2040 in sectors which are highly compatible with Ceres' SOEC technology: ammonia, steel and sustainable aviation fuel[1]. We work across the value chain to stimulate interest and adoption of our technologies to take advantage of this market opportunity.
				2	Mod	High	High	
				3	Mod	Mod	Mod	
Physical	Acute risk	Increasing frequency of severe climate events.	Impacts on Ceres' production plant, our partners' plants or their suppliers, thus resulting in lost royalties.	1	🟢	🟡	🟡	Ceres will continue to rely on our strong business continuity planning. We will minimise risk through diversification of licence partners and diversification of applications and geographies.
				2	🟢	🟡	🟡	
				3	🟢	🟡	🔴	
	Chronic risk	Increasing temperatures affecting working conditions.	Increased costs of operations to maintain favourable conditions for production. Capital costs associated with retrofitting assets to provide sufficient temperature control.	1	🟢	🟡	🟡	Ceres will integrate the implication of climate change into the development of environmental resilience planning of asset and manufacturing sites in collaboration with partners. We will support the development of strong and localised supply chains for our operations and our partners' operations.
				2	🟢	🟡	🟡	
				3	🟢	🟡	🔴	

Legend for the climate-related risks table:

- 🟢 Low financial risk
- 🟡 Moderate financial risk
- 🔴 High financial risk

Financial impact: Ceres has analysed the financial risks for near term to 2030, for which we have reasonable line of sight as a growth company. For medium and long term, we continue to rely on climate scenarios to assess potential impact on Ceres.

Scenario 1: Net Zero 2050 is an ambitious scenario that limits global warming to 1.5°C through stringent climate policies and innovation.

Scenario 2: Delayed Transition scenario assumes global annual emissions do not decrease until 2030. Strong policies are then needed to limit warming below 2°C.

Scenario 3: Current Policies assumes that only currently implemented policies are preserved, leading to high physical risks from a temperature increase of 2.9°C.

1. BNEF, New Energy Outlook 2025. April 2025.