



**Northern
Endurance
Partnership**



Compliance Statement

May 2025

Statement of Compliance in relation to Net Zero North Sea Storage Limited

1. Introduction

- Net Zero North Sea Storage Limited (“**Licensee**”) is the legal entity of the Northern Endurance Partnership, which is developing onshore and offshore infrastructure needed to transport CO₂ from carbon capture projects across Teesside and Humber – collectively known as the East Coast Cluster - to secure storage under the North Sea.
- This Compliance Statement sets the practices, procedures, and systems which the Licensee has adopted (or intends to adopt) to ensure compliance with Standard Condition B7 of the Carbon Dioxide Transport and Storage Licence (the “**Licence**”).
- Licensee will confirm in its annual Compliance Report that the Compliance Statement continues to be complete and accurate in all material respects.
- This Compliance Statement will be reviewed on a regular basis and updated and submitted to OFGEM for approval where the descriptions are no longer complete and accurate in all material respects, where material changes are required to secure compliance with the specified duties, or to reflect newly implemented control and mechanisms.
- Licensee will make a copy of the approved Compliance Statement available on the Northern Endurance Partnership website.

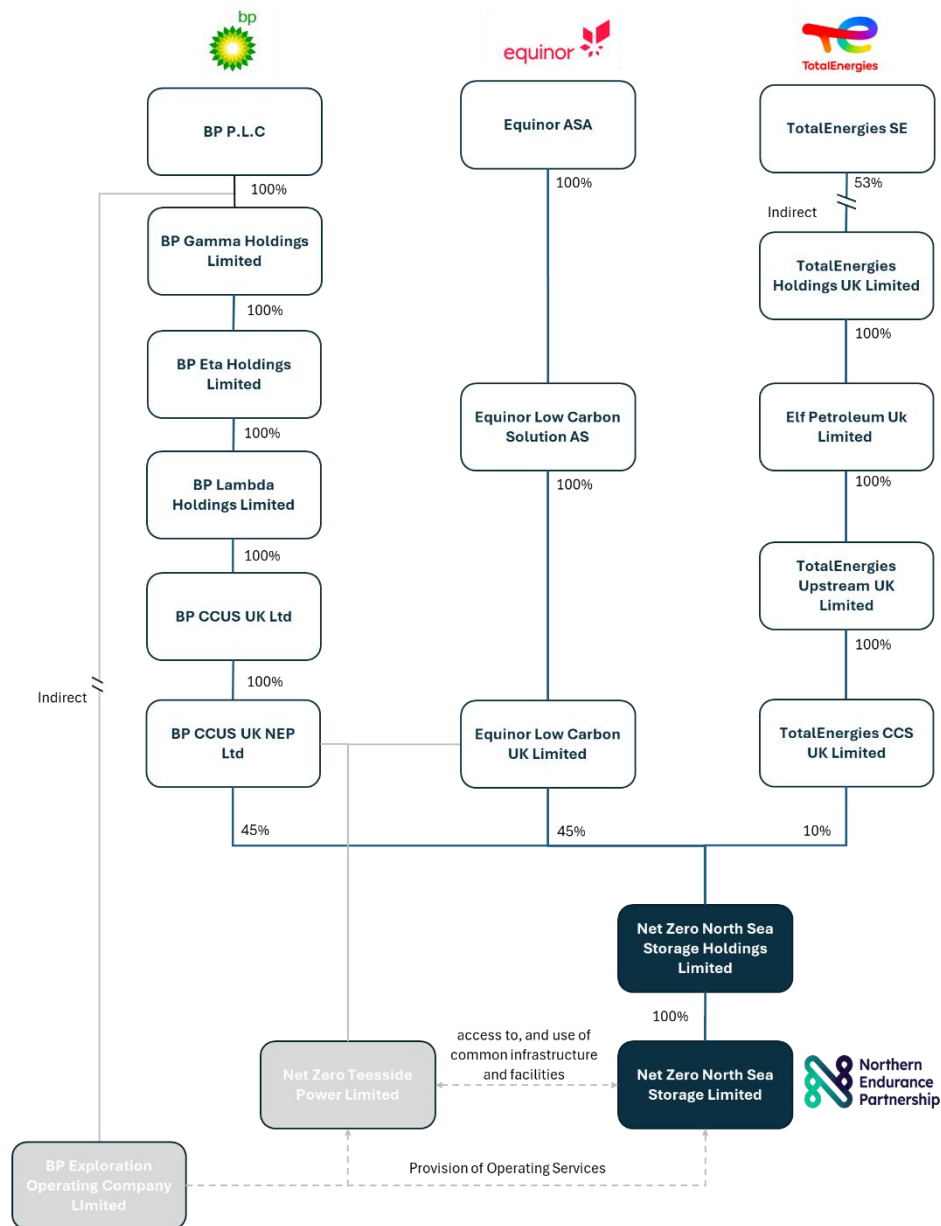
2. Standard Condition B7: Independence of the T&S Business and restricted use of Confidential Information

- Standard Condition B7 requires that the Licensee must at all times:
 - a. maintain managerial and operational independence of the T&S Business from any businesses carried out by any Associate of the Licensee; and
 - b. maintain managerial and operational systems that prevent any Associate of the Licensee from having access to Confidential Information except and to the extent that such information:
 - i. is made available on an equal basis to any User or Prospective User of the T&S Network; or
 - ii. is of a type that is Corporate Information.

3. Managerial and operational independence

- Licensee has been established as an incorporated joint venture, with its own unique identity and sole function to design, construct, and operate carbon transportation and storage system in the North-East of England.
- Licensee with its own management, staff and Board has autonomy in decision making on matters related to its licensed duties and the day-to-day operation of the T&S Business in accordance with its Articles of Association and Shareholders Agreement.
- Ultimate Controller Undertakings have been provided on behalf of the Holding Company and the Shareholders pursuant to the Licence.
- Licensee is governed by its Board which comprises representation from each of its Shareholders together with two Sufficiently Independent Directors.
- Licensee's directors are duty bound to act in the best interests of the Licensee and have an obligation to declare any potential conflicts of interest at the earliest opportunity, which will be reviewed and, if deemed manageable, acknowledged by the Compliance Officer and Board.
- The managing director will be a direct employee of the Licensee.
- Licensee has contracted the Operator to provide construction and operating services as explained in Section 6.1 below. Licensee has oversight over the Operator, who reports to the Licensee on a regular basis and acts under its delegated authority.
- Operator Personnel are not responsible for any commercially strategic decisions, commercial engagement with Users or any commercial matters related to the CCS Network Code.
- To ensure independence, bp CCUS NEP UK Ltd (in its capacity as shareholder of the Holding Company) and bp Exploration Operating Company Ltd. (in its capacity as Operator) have separate reporting lines in respect of their shareholder and Operator organisations up to the level of senior vice president.

- Licensee ownership structure is illustrated below:



4. Confidential Information Protection

4.1 Premises

- Licensee currently operates out of a dedicated office in Aberdeen and shared office premises in London and is currently seeking additional dedicated office premises in the Teesside area.

- Access to the primary office accommodation in Aberdeen is restricted to Licensee Personnel and guests only. Operator Personnel do not have access to Licensee dedicated offices unless escorted by Licensee Personnel.
- A limited number of London based Licensee Personnel currently work in shared premises where controls have been implemented to ensure physical separation from Associate Personnel and to prevent disclosure of Confidential Information. Licensee Personnel are prohibited from sitting in adjacent desks to any User or a Prospective User and use a closed-door bookable office or meeting room whenever Confidential Information is discussed or presented. The requirement for dedicated office premises in London will be revisited if the number of London based Licensee Personnel increases.
- All locations operate a clean desk policy.
- All physical Confidential Information is securely stored in premises or parts of premises occupied solely by the Licensee, and only accessible by Licensee Personnel.

4.2 Systems

- Licensee uses its own independent IT systems and document storage. No IT system support is provided by, or shared with, an Associate of the Licensee.
- All Licensee Personnel (excluding directors) are provided with a dedicated laptop that is used solely for Licensee business.
- Access to Licensee's IT systems for recording, processing, or storing data is restricted to Licensee Personnel, with the following exceptions:
 - Associate Personnel have access to a limited number of Licensee SharePoint libraries used for storage and transfer of Corporate Information between Licensee and Associates of the Licensee.
 - Operator Personnel have access to a limited number of Licensee SharePoint libraries used for temporary storage and information transfer between Licensee and Operator.
- Access to Licensee's IT system by anyone other than Licensee Personnel is controlled by the Compliance Officer.

4.3 Services

- Licensee Personnel (excluding directors and part-time Seconddees) do not provide services to any Associate of the Licensee.

- Until such time as the Licensee is fully staffed with dedicated direct employees, some positions are being filled with Secondees in accordance with Licence derogations.
- Licensee is supported by a legal advisor employed by an external law firm.
- Licensee has its own dedicated contracts for the provision of IT support, legal, accounting and audit services.

4.4 Information Sharing Protocol

- All Licensee information that is not published or otherwise legitimately in the public domain, is classified as Confidential Information.
- Licensee shall implement the following controls to manage access by Associate Personnel to the Licensee's Confidential Information, in order to ensure compliance with the Licence:
 - All documents shall be assigned a confidentiality classification.
 - Confidential Information shared with Associate Personnel shall be limited to information of a type that would usually be disclosed in the context of and limited to normal business reporting or governance and oversight of a company ("Corporate Information").
 - When Corporate Information includes Commercially Sensitive Information, it shall only be shared with Associate Personnel who have made a personal undertaking, and demonstrated to the Compliance Officer's satisfaction that they:
 1. do not have responsibility or authority for the commercial decision-making and operations of other activities carried out by the recipient or its Affiliates that compete with the T&S Business.
 2. shall only use Commercially Sensitive Information to the extent strictly necessary for the purpose of exercising the Recipient's rights under the Shareholders Agreement.
 3. understand the CSI Protocol and confidentiality provisions of the Shareholders Agreement.
- All documents containing Commercially Sensitive Information shall be clearly labelled by the Licensee, stored on the Licensee's SharePoint libraries, and shared via link only (where possible to do so).
- Training will be provided to all Licensee Personnel on the Information Sharing Protocol and the obligations imposed by Standard Condition B7 of the Licence.

- The Licensee shall only share Confidential Information with third parties (other than Associates of the Licensee, and Operator) where there is a business or regulatory requirement to do so, and where there are appropriate contractual arrangements in place with the recipient or regulatory provisions to protect the confidentiality of the shared information. These contractual arrangements include:
 - use of such Confidential Information only for a purpose relevant to the T&S Business;
 - secure storage of the Confidential Information;
 - prior approval of the Licensee to the recipient of the Confidential Information to publish or disclose such information to a third party.

5. Staff Transfers

- On the conclusion of any secondment/employment at the Licensee and prior to the transfer of any Licensee Personnel to any businesses conducted by any Associate of the Licensee, the Licensee will complete an off-boarding checklist involving:
 - Exit briefing to remind leaver of their obligations under the terms of the licence and their contract of employment.
 - Removal of access and deletion of online account and e-mail.
 - Removal of access to Licensee's SharePoint and IT systems.
 - Return of Licensee provided IT equipment.

6. License Derogations

6.1 Construction and Operating Services

- Licensee has been granted a number of derogations to allow the Operator (an Associate of the Licensee) to provide a range of construction and operating services to support the development and operation of the T&S Network by the Licensee, which will entail Operator to have access to various information and access to the Licensee's premises, systems, equipment and facilities to the extent reasonably necessary to allow it to perform the relevant services under the COSA and the WCA.
- Licensee shall implement the following controls to protect Confidential Information shared with the Operator:
 - Licensee maintains its own independent IT system and document storage, separate from that of the Operator.

- Operator access to Licensee IT systems is limited to a single SharePoint library used solely for temporary storage and information transfer between Licensee and Operator.
 - Documents containing Commercially Sensitive Information, shall be labelled as “Commercially Sensitive Information” by Licensee Personnel prior to sharing.
 - Compliance Officer may provide direction to Operator in relation to the CSI Protocol.
- Licensee has provided training to Licensee Personnel on the exchange of information with the Operator Personnel, and the Compliance Officer has confirmed with the Operator that Operator has provided training to Operator Personnel on the management, protection, and usage of the Licensee’s Confidential Information.
 - Licensee has contractual provisions in place to ensure that access by the Operator to Licensee's premises, systems, equipment, and facilities is only to the extent reasonably necessary to allow them to perform the relevant services under the COSA and the WCA.
 - Operator access to Licensee office premises shall only be under the supervision of a member of the Licensee’s personnel.
 - As per the COSA, the Operator has provided and will provide on an annual basis a certificate to the Licensee in which a director of the Operator certifies (on behalf of the Operator) that the Operator is in compliance with the business separation principles provided in the COSA (“Compliance Certificate”). This includes the obligation of the Operator of maintaining satisfactory mechanisms and processes to restrict access to information by bp CCUS UK NEP Limited in its capacity as Shareholder.

6.2 Net Zero Teesside Power Limited (NZN)

- Licensee has been granted a number of derogations to be allowed access to, and use of, common infrastructure and facilities owned by NZN, and to allow NZN to provide certain services to the Licensee, which will entail the exchange of Confidential Information and sharing of premises, systems, equipment and facilities between the Licensee, NZN and the Operator.
- Licensee confirms that the exchange of Confidential Information, and access to premises, systems, equipment, and facilities between the Licensee, NZN and the Operator is done in accordance with the Licence derogations. The Operator annually certifies to the Licensee that segregation controls (training, document management system, segregation declaration and general manager guidance

mechanisms) have been implemented to share and use Confidential Information, and to prevent unauthorised access to such Confidential Information.

6.3 Secondments

- Licensee has been granted derogations to allow certain arrangements with the Shareholders for the provision of certain personnel, under secondment arrangements.
- All Secondtees will have a secondment agreement governing their responsibilities and obligations in their role with the Licensee.
- All Secondtees were informed of their duties under the Licence and the respective derogations at the beginning of their services to the Licensee, and have signed undertakings enforceable by the Licensee, pursuant to which the Secondtee undertakes to comply with the Licence requirements in relation to Confidential Information and reporting and supervision under the Licensee's management.

6.4 Captive Insurance Policies

- Licensee has been granted derogations to enter into insurance policies with certain Shareholder captives ("Captive Insurance Policies") on the same terms as the independent insurance policies with third-party insurance providers the ("Independent Insurance Policies").
- Licensee confirms that it has only shared with the Shareholder captives such Confidential Information as is reasonably necessary for the purposes of procuring the Captive Insurance Policies, making any future claims under the Captive Insurance Policies, and discharging the Licensee's ongoing duty of disclosure under the Captive Insurance Policies.
- Licensee confirms that pursuant to the Captive Insurance Policies, it maintains rights sufficient that Shareholder captives only utilise such Confidential Information for the purposes of implementing and managing the Licensee's Captive Insurance Policies and do not disclose such information to parties outside the Shareholder captives, and it will monitor compliance with those rights.
- Licensee confirms the Captive Insurance Policies are on the same terms as the Independent Insurance Policies, and on an arm's length basis and on normal commercial terms.

7. Appointment of Compliance Officer to ensure compliance

- Licensee has appointed a Compliance Officer for the purpose of facilitating compliance with the relevant Licence obligations. The duties and tasks of the Compliance Officer include:

- providing relevant advice and information to the Licensee on Licensee's compliance with certain Licence obligations, including under Standard Condition B7.
- monitoring the effectiveness of the practices, procedures and systems adopted by the Licensee in accordance with its Compliance Statement.
- offering advice in relation to ad-hoc compliance issues that may arise.
- investigating any complaint or representation made available to them in accordance with Standard Condition B7.15 and recommending and advising on the remedial action that any such investigation has demonstrated to be necessary or desirable.
- providing information about Licence compliance for the purpose of the Compliance Report.
- investigating and reporting any complaints and potential breaches under Standard Condition B7 of the Licence to the Audit, Risk & Compliance Committee.
- The Compliance Officer is a member of the Licensee leadership team and will report to the chair of the Audit, Risk & Compliance Committee.
- The Compliance Officer is not engaged in the management or operation of the Licensee.

8. Breach reporting and complaints

- Licensee provides mechanisms for Licensee Personnel and third parties to raise any compliance incidents or concerns in connection with policies, procedures, processes, or systems access.
- In the event the Compliance Officer or any member of Licensee becomes aware of a potential Licence breach or incident/concern, it shall be reported to, and investigated by, the Compliance Officer.
- Any intentional breach of the Licensee policies, procedures, processes & protocols will be assessed on a case-by-case basis dependant of the nature of the breach and the party in breach:
 - breach by direct employees of the Licensee, will be treated as a disciplinary matter.
 - breach by Secondedees, will be reported to and handled by relevant Shareholder.

- breach by third parties, shall be jointly handled by the Compliance Officer and such third party, supported by the relevant Licensee manager and Licensee legal advisor.
- Licensee Personnel can ask the Compliance Officer for guidance or clarification on compliance matters.

9. Contact

- Enquiries in relation to this Compliance Statement should, in the first instance, be addressed to:

NEP Compliance Officer

Net Zero North Sea Storage Limited

Chertsey Road,

Sunbury on Thames,

Middlesex,

TW16 7BP

enquiries@northernendurancepartnership.co.uk

10. Definitions

Affiliate means, in relation to the Licensee, any parent undertaking of the Licensee, any subsidiary undertaking of the Licensee, or any subsidiary undertaking of a parent undertaking of the Licensee.

Associate means, in respect of any person, its Affiliate.

Associate Personnel means staff and agency personnel working for an Associate of the Licensee.

Audit, Risk & Compliance Committee means the Board committee to be assigned to oversee Licensee's compliance with the Licence.

Board means the board of directors of the Licensee as constituted from time to time.

CCS Network Code means the document that sets out the terms that apply to the use of the T&S Network of every T&S Licensee, covers all material commercial and technical aspects relating to connections to and the operation and use of every T&S Licensee's T&S Network, includes procedures for the modification of its terms, and is designed to facilitate the achievement of the relevant objectives (as defined in the Licence).

Commercially Sensitive Information means non-public commercial, technical or other information and data which if disclosed to a Shareholder or a third party would: (a) result in the Licensee committing a breach of the Licence and /or providing an unfair commercial advantage to a Related Party; or (b) result in the Licensee committing a breach of applicable law, including reducing strategic uncertainty and impacting on competitive decision.

Compliance Officer has the meaning given to it in Standard Condition B7.11

Compliance Report has the meaning given to it in Standard Condition B7.16.

Compliance Statement has the meaning given to it in Standard Condition B7.4.

Confidential Information means information relating to, or derived from, the T&S Business that is not published or otherwise legitimately in the public domain.

Corporate Information means information of a type that would usually be disclosed in the context of and limited to normal business reporting or governance and oversight of a company.

COSA means the T&S Construction and Operating Services Agreement entered into by and between the Licensee and BP Exploration Operating Company Limited dated 31st January 2024.

CSI Protocol means the Commercially Sensitive Information protocol included in Schedule 7 of the Shareholders Agreement.

Holding Company means the Licensee's shareholder, Net Zero North Sea Storage Holdings Limited.

Information Sharing Protocol means the internal document developed by the Licensee detailing the procedures and protocols governing the sharing of Confidential Information.

Licensee means Net Zero North Sea Storage Limited.

Licensee Personnel means staff, Secondees, directors and agency personnel working for the Licensee.

NZT means Net Zero Teesside Power Limited.

Operator means BP Exploration Operating Company Limited in its capacity as the provider of a range of construction and operating services to the Licensee.

Operator Personnel means staff and agency personnel working for the Operator.

Prospective User means any person (other than a User) who has applied to connect to the T&S Network pursuant to Section C of the CCS Network Code.

Related Party means a Shareholder or any Associate of a Shareholder.

Secondee means any personnel assigned by any Shareholder to provide services to the Licensee under a secondment agreement.

Shareholder means a shareholder of the Holding Company.

Shareholders Agreement means the agreement entered into by and between the Licensee and Net Zero North Sea Storage Holdings Limited, bp CCUS UK NEP Limited, Equinor Low Carbon UK Limited, and TotalEnergies CCS UK Limited.

SharePoint means a web-based platform used for document management and storage.

Standard Condition means a standard condition of the Licence.

Sufficiently Independent Directors means the directors appointed by the Licensee in accordance with Standard Condition B8 of the Licence which are not an employee of the Licensee, or director or employee of an Associate of the Licensee, and that do not have any executive duties within the T&S Business.

T&S Business means the development and operation of a network for the transportation and storage of carbon dioxide, including compliance with the Licensee's obligations under the Licence, compliance with all decommissioning obligations, and compliance with and discharge of the Licensee's obligations and rights relating to the maintenance, administration and modification of the CCS Network Code.

T&S Licensee means any holder of a licence granted under section 7 of the Energy Act 2023 or under section 7 (as modified by section 16 and Schedule 1) of the Energy Act 2023.

T&S Network means the Licensee's onshore transportation system and/or offshore transportation and storage system, and includes any part of them, the location of which is described in the Licence.

User means a person other than the Licensee, or any other holder of a licence issued under section 7 of the Energy Act 2023 who is for the time being bound by the CCS Network Code.

WCA means the Wells Construction Master Agreement entered into by and between the Licensee and BP Exploration Operating Company Limited dated 3 November 2024.