

March 2026



**Northern
Endurance
Partnership**



Compliance Statement

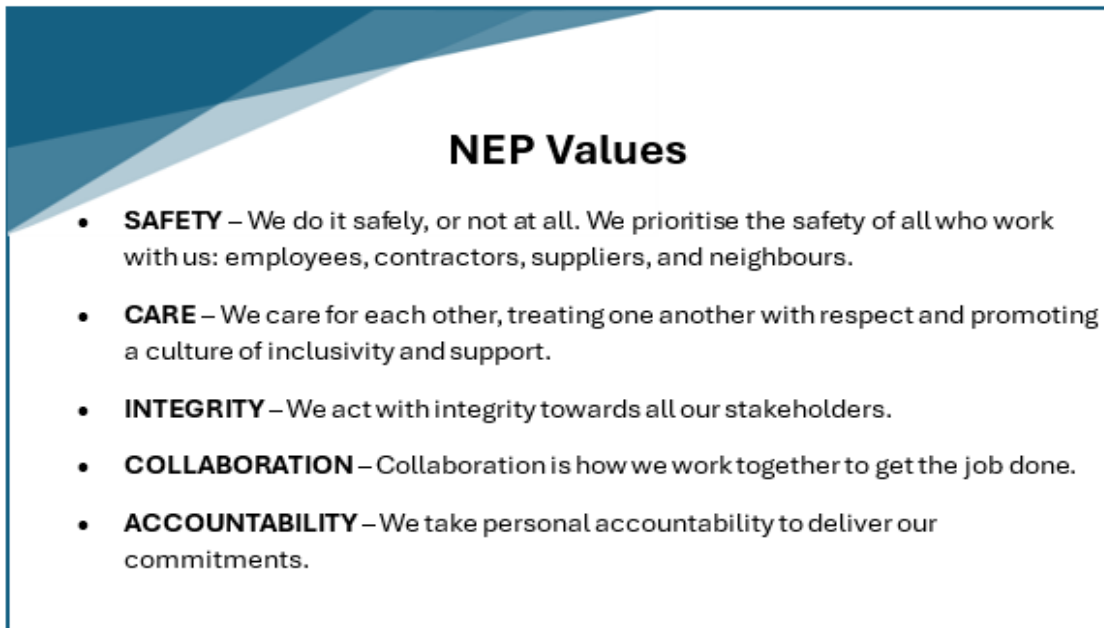
Net Zero North Sea Storage Limited
Compliance Statement

Business Separation Requirements and Confidential Information Controls
Aligned to Standard Condition B7 (Carbon Dioxide Transport & Storage Licence)

Foreword

This Compliance Statement (Statement), which is made on behalf of the Board of Net Zero North Sea Storage Limited, trading as Northern Endurance Partnership (NEP), sets out how we comply with our compliance obligations. It describes the governance structures, systems of control, and operational arrangements NEP has put in place to ensure we meet our legal, regulatory, and contractual duties, and to mitigate potential or perceived risks across our business.

NEP is a UK-based carbon transportation and storage company with a mission to safely and permanently store CO₂, from Teesside and the Humber to support the net zero journey and drive economic prosperity. We are developing the UK's first and largest CO₂ transportation and storage infrastructure, enabling industrial decarbonisation and supporting the creation of a commercially sustainable carbon storage market. Our **Vision** is to **pioneer CO₂ Transportation & Storage**, inspiring others to follow and enabling a scalable, secure, and sustainable future. We are committed to delivering this vision in a way that reflects our core **Values**:

A graphic titled "NEP Values" with a blue and white background. The title is centered at the top. Below it is a bulleted list of five values: SAFETY, CARE, INTEGRITY, COLLABORATION, and ACCOUNTABILITY, each with a brief description.

NEP Values

- **SAFETY** – We do it safely, or not at all. We prioritise the safety of all who work with us: employees, contractors, suppliers, and neighbours.
- **CARE** – We care for each other, treating one another with respect and promoting a culture of inclusivity and support.
- **INTEGRITY** – We act with integrity towards all our stakeholders.
- **COLLABORATION** – Collaboration is how we work together to get the job done.
- **ACCOUNTABILITY** – We take personal accountability to deliver our commitments.

This Statement outlines how NEP ensures compliance across all areas of our business, including governance, risk management, policy implementation, and assurance. It describes the practices, procedures, and systems we have adopted (or intend to adopt) to ensure our people, processes, and information are managed responsibly and in line with our obligations under the TRI Licence, Shareholders' Agreement, and applicable laws and standards.

Our Compliance Statement is reviewed annually and updated as required to reflect changes in our operations, obligations, or risk profile. I am responsible for ensuring that we comply with the duties set out in this Statement and for reporting on our compliance.

Please take the time to read our Statement. Compliance is not just a requirement - it is a reflection of how we work, every day.



Rich Denny

Managing Director, NEP

Introduction

This Statement sets out the systems of control and governance arrangements by which NEP secures compliance with Standard Condition B7 (Independence of the T&S Business and restricted use of Confidential Information). It explains how NEP:

- Maintains legal, managerial and operational separation from Associates;
- Protects Confidential Information and manages Commercially Sensitive Information (CSI) under NEP's CSI Protocol;
- Ensures Directors discharge their responsibilities under the Licence, including safeguarding the independence of the T&S Business.
- Operates secure premises, systems and processes;
- Oversees secondments and movement of people to avoid unfair commercial advantage;
- Provides training, monitoring and incident response; and
- Reviews and reports annually to the Board and Ofgem.

NEP is strengthening its approach during 2026 through a Compliance Improvement Programme (Section 5). Where controls are noted as “planned” or “to be established”, these are scheduled for delivery in 2026 and will be reflected in future updates.

Section 1 — Legal and Functional Separation

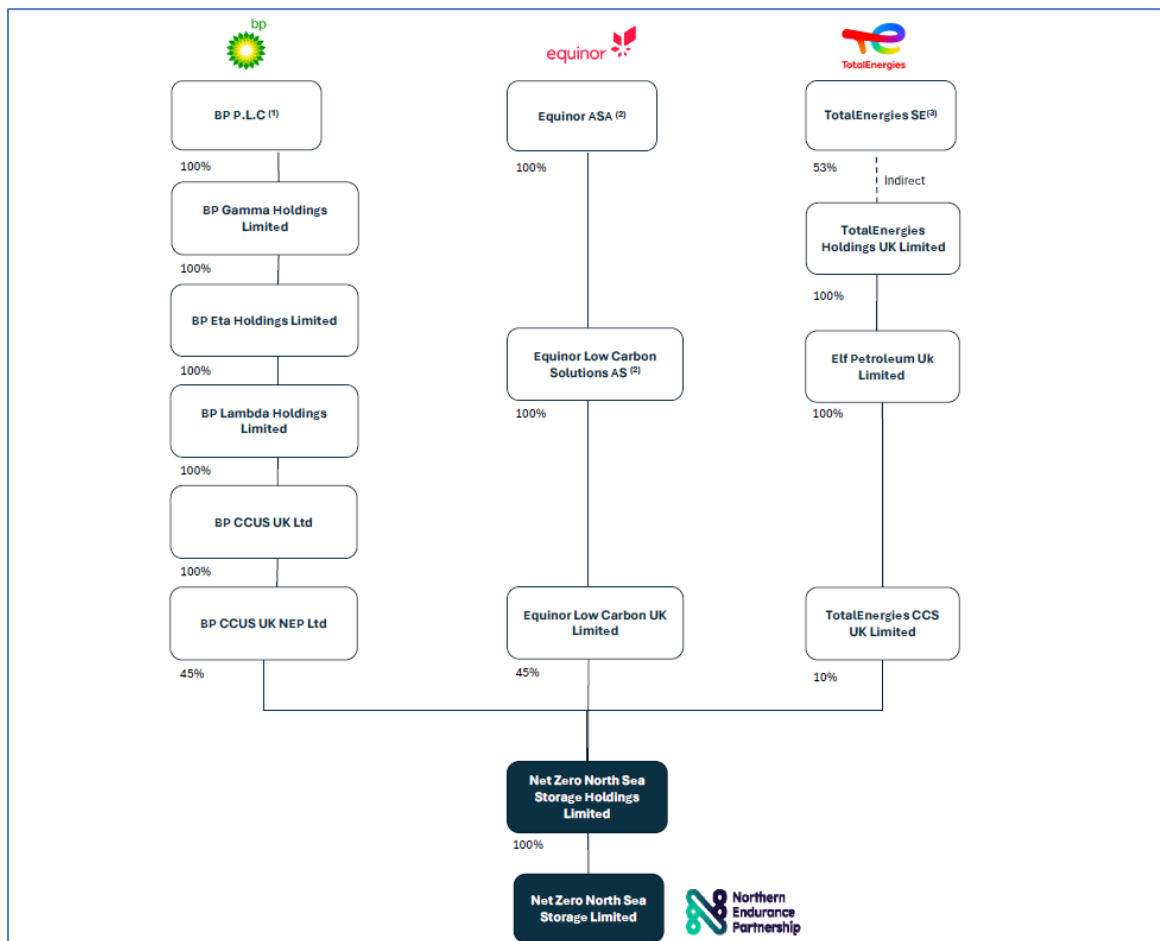
1.1 Governance and Independence

NEP is an incorporated joint venture established solely to design, construct and operate carbon dioxide transportation and storage systems in the UK. NEP is governed by its Board, which includes shareholder representation and Sufficiently Independent Directors (SIDs). Directors act in the best interests of NEP and must declare and manage conflicts of interest. The Managing Director and leadership team have autonomy in decisions relating to licensed duties and the day-to-day operation of the T&S Business. Ultimate Controller undertakings are in place, and NEP maintains oversight over the Operator through contractual arrangements and formal reporting.

1.2 Managerial and operational independence

- NEP is established as an incorporated joint venture with a clear and sole purpose: to design, construct and operate the carbon transportation and storage system for the East Coast Cluster.
- NEP maintains autonomy over decisions relating to its licensed duties and the day-to-day operation of the T&S Business, in accordance with its Articles of Association and Shareholder Agreement.
- The Holding Company and Shareholders have provided Ultimate Controller Undertakings as required under the Licence.
- NEP is governed by a Board comprising shareholder representatives and two Sufficiently Independent Directors, ensuring balanced and independent oversight.

- Directors are required to act in the best interests of NEP and must declare any actual or potential conflicts of interest to the Compliance Officer and the Board for review and mitigation.
- The Managing Director is directly employed by NEP, supporting its managerial independence.
- Licensee ownership structure is illustrated below:



(Operational separation from Associates and the Operator, including information barriers, access controls, and arm’s-length arrangements, is addressed in Sections 1.3–1.6.)

1.3 Separation from Associates and Operator

NEP maintains managerial and operational independence from businesses carried out by Associates. Access by Associates and Operator Personnel to NEP premises, systems, information and resources is subject to appropriate controls and governed by NEP’s Information Sharing Protocol and CSI Protocol. The CSI Protocol also governs how Operator Personnel working under the Construction and Operating Services Agreement (COSA) and the Wells Construction Agreement (WCA) may share Confidential System Information within bp to ensure that such information is handled, circulated and protected as required under the Licence.

The Operator provides construction and operating services under arm's-length agreements (COSA and WCA). Operator Personnel are not ordinarily responsible for commercially strategic decisions, commercial engagement with Users, or matters related to the CCS Network Code. Access by the Operator to NEP premises, systems, equipment and facilities is only to the extent reasonably necessary to perform contracted services, under NEP supervision and with labelled CSI where applicable.

1.4 Shared Services and Arm's-Length Controls

NEP uses dedicated contracts for IT support, legal, accounting and audit services. Where Associates require access to Corporate Information for governance purposes, such access is appropriately limited, controlled by the Compliance Officer, and provided on an arm's-length basis with appropriate contractual protections.

1.5 Physical Separation

NEP operates dedicated office premises and maintains appropriate physical-segregation and visitor controls. Shared locations (e.g., London) apply appropriate segregation controls, closed-door offices for confidential discussions, and clean desk policies. Confidential physical documents are stored securely in NEP-only areas, as appropriate.

1.6 Systems and Data Separation

NEP operates independent IT systems and document storage. Access to NEP systems is restricted to NEP Personnel, with limited, controlled exceptions for Associates and Operator Personnel to specific SharePoint libraries for Corporate Information or temporary transfers. The Compliance Officer may approve and review non-NEP access as necessary, with periodic access-rights reviews. Data classification and document management, standalone printers and clear-desk standards apply.

Section 2 — Information Governance and CSI Protocol

2.1 Information Classification

All NEP information not published or legitimately in the public domain is classified as Confidential Information. Documents are assigned a confidentiality classification. Commercially Sensitive Information (CSI) is clearly labelled and stored in NEP SharePoint. Sharing of CSI with Associates is limited to individuals who have provided undertakings confirming they have no responsibility or authority for competing commercial decision-making and will only use CSI strictly for permitted purposes.

2.2 Information Sharing Protocol

NEP's Information Sharing Protocol sets the procedures and controls governing the sharing of Confidential Information, including Corporate Information flow to Associates and temporary access for the Operator. Sharing is via controlled links where possible, with audit trails and Compliance Officer oversight.

2.3 Training and Awareness

Annual and onboarding training for NEP Personnel covers Standard Condition B7 obligations, CSI Protocol, data management, information classification and incident reporting. Refresher communications and targeted briefings are issued to reinforce controls and responsibilities.

2.4 Incident Management and Breach Response

If a potential breach of licence obligations or information controls is detected, employees must immediately inform their manager and the Compliance Officer, and quarantine the information if applicable. The Compliance Officer will triage, engage Legal/IT, restrict access, record the incident, and report to the Audit, Risk & Compliance Committee. Action plans, remediation and lessons learned are tracked to closure.

Section 3 — Recruitment and Movement of People

3.1 Secondees and Staffing

Until NEP is fully staffed with dedicated employees, certain roles may be filled by secondees under licence derogations. All secondees have secondment agreements and signed undertakings enforceable by NEP, confirming compliance with licence requirements, information protection and reporting under NEP management.

3.2 New Starters and Induction

All new starters receive structured induction and training on NEP's licence obligations, business separation, CSI Protocol, Ethics & Compliance, data management and information handling.

3.3 Movement between NEP and Associates

Movements of personnel between NEP and Associates - whether permanent transfers or secondments - are treated as sensitive in both directions. The Compliance Officer reviews each case, assesses any potential conflicts or information risks, and may apply measures such as cooling-off periods or restricted duties. Before any movement takes effect, system access is adjusted, data is removed, and relevant obligations are restated.

3.4 Offboarding

A formal offboarding checklist applies to leavers and secondees. It includes exit briefings on licence obligations, removal of accounts and access, SharePoint/system revocation, and return of equipment.

Section 4 — Compliance Approach

4.1 Periodic Review and Publication

This Statement is reviewed at least every 12 months. NEP will confirm in its annual compliance report that the Statement remains complete and accurate in all material respects, and will revise and submit updates to Ofgem as required. This Statement is intended to describe how NEP meets its existing obligations under the Licence and does not create, extend or impose any additional obligations beyond those required by the Licence. The approved Statement will be published on NEP's website and may be updated from time to time to ensure it remains accurate and up to date.

4.2 Compliance Officer

NEP has appointed a Compliance Officer (Head of Risk, Compliance & Internal Audit) to facilitate compliance with licence obligations. The Compliance Officer is a member of the Leadership Team and tasked with ensuring appropriate corporate governance is maintained by NEP. The Compliance Officer provides advice and training, monitors effectiveness of controls, investigates complaints and potential breaches, and reports to the Audit, Risk & Compliance Committee.

4.3 Oversight and Governance

The Audit, Risk & Compliance Committee (ARC) provides oversight of licence compliance, including business separation and information governance. Sufficiently Independent Directors provide independent oversight, and the Board approves the annual compliance report and any certificates required by the licence.

4.4 Operating Model — “Design → Operate → Assure” and Lines of Defence

NEP frames compliance through:

- Design: Policies, protocols and procedures.
- Operate: Day-to-day controls (classification, access, premises, Operator boundaries).
- Assure: Monitoring, testing and reporting.

Lines of Defence (2026):

- First line — Management & Functional Leads (operate controls).
- Second line — Compliance Officer and delegated assurance support (Internal Audit & Risk Lead).
- Third line — As part of NEP's Internal Audit planning, NEP will assess whether, and in which areas, independent external third-line assurance is required. External third-line assurance is

already in place for NEP's financial functions, and any further requirements will be determined proportionately as the organisation matures.

4.5 Compliance Monitoring

NEP undertakes monitoring and testing of controls during the year. The Compliance Officer coordinates risk assessments, access reviews, control tests and remediation. Findings and action plans are reported to the ARC, with a summary included in the annual compliance report.

4.6 Complaints and Representations

Employees and third parties may raise incidents or concerns through established mechanisms. Complaints are investigated by the Compliance Officer, with appropriate remediation tracked and reported to governance forums.

4.7 Annual Compliance Reporting

NEP prepares an annual compliance report describing compliance with specified duties and implementation of practices set out in this Statement. The report is approved by the Board and submitted to Ofgem.

4.8 Internal Audit & Risk Lead (to be established in 2026)

NEP is recruiting an Internal Audit & Risk Lead (IARL) who will report to the Compliance Officer and strengthen NEP's second-line oversight and assurance capability. Once established, the IARL will help develop NEP's risk-based monitoring and assurance framework; test the design and operating effectiveness of controls (access management, document classification, CSI handling, Operator boundaries, premises segregation, onboarding/ offboarding); support incident investigations and root-cause analysis; and prepare assurance insights for escalation to the ARC.

Section 5 — Compliance Improvement Programme (2026)

5.1 Purpose

The Programme identifies and prioritises enhancements required to fully embed NEP's business separation and information governance obligations under Standard Condition B7. Actions are scheduled for delivery during 2026 and will be reflected in future versions of the Compliance Statement.

5.2 Improvement Themes

NEP confirms ongoing compliance with all applicable Licence obligations; the Improvement Themes represent proactive steps to build on strong foundations and further develop our operational capabilities as NEP continues to mature.

Theme 1 — Information Governance Controls (in progress)

- Implement document classification and labelling standards; controlled link-sharing; periodic access reviews.

Theme 2 — People & Movement Controls (to be established)

- Introduce sensitive-movement protocol for Associate ↔ NEP moves, with cooling-off periods as required.
- Standardise secondee undertakings and mandatory induction modules.

Theme 3 — Incident Management Framework (to be established)

- Create NEP Information Governance Incident Response Plan (quarantine, triage, roles, SLAs, templates).
- Track lessons learned and remediation, integrate with ARC reporting cycles.

Theme 4 — Monitoring & Assurance (to be established)

- Develop a risk-based compliance monitoring plan and evidence retention model.
- Perform quarterly SharePoint access audits; random CSI label checks; physical premises audits.

Theme 5 — Establish Internal Audit & Risk Function (in progress)

- Recruit IARL; design initial assurance workplan; conduct first control tests; report to ARC.

5.3 Delivery Timeline & Ownership

Early 2026/27 Financial Year — ARC sub-group established; Compliance Officer Charter; CSI labelling rules approved; IARL recruitment underway.

Mid 2026/27 Financial Year — SharePoint segregation delivered; Incident Response Plan drafted; first access review cycle executed.

Late 2026/27 Financial Year — Sensitive-movement protocol implemented; induction updated; initial control testing by IARL.

Late 2026/27 Financial Year — Maturity self-assessment; remediation complete; updates incorporated into 2027 Compliance Statement.

Contact

Enquiries regarding this Compliance Statement should be addressed to:

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Appendix 1 — Definitions

- **Affiliate:** Any parent undertaking of the Licensee, any subsidiary undertaking of the Licensee, or any subsidiary undertaking of a parent undertaking of the Licensee.
- **Associate:** In respect of any person, its Affiliate.
- **Commercially Sensitive Information (CSI):** Non-public commercial, technical or other information and data which, if disclosed, would cause a breach of the Licence or give unfair commercial advantage.
- **Compliance Officer:** As defined in Standard Condition B7.11.
- **Compliance Report:** As defined in Standard Condition B7.16.
- **Confidential Information:** Information relating to, or derived from, the T&S Business that is not published or otherwise legitimately in the public domain.
- **Corporate Information:** Information normally disclosed in the context of normal business reporting or governance and oversight.
- **COSA:** T&S Construction and Operating Services Agreement.
- **CSI Protocol:** The protocol included in Schedule 7 of the Shareholders' Agreement.
- **Operator:** BP Exploration Operating Company Limited as the Construction and Operating Services Agreement (COSA) provider to NEP.
- **SharePoint:** Web-based platform used for document management and storage.
- **Sufficiently Independent Directors (SIDs):** Directors appointed in accordance with Standard Condition B8 who do not have executive duties within the T&S Business.
- **T&S Business:** The development and operation of a network for the transportation and storage of carbon dioxide, including compliance with obligations under the Licence and CCS Network Code.

Appendix 2 — Governance Structure (Summary)

NEP Board → Audit, Risk & Compliance Committee (chaired by a SID) → Compliance Officer → Internal Audit & Risk Lead → Management and Functional Leads.

(Note: For administrative purposes, the Compliance Officer reports to NEP's Managing Director as part of NEP's Leadership Team; however, on matters relating to Licence compliance the Compliance Officer has a direct functional reporting line to NEP's Audit, Risk & Compliance Committee, ensuring the independence required under the Licence is maintained.)

Appendix 3 — Version Control

Date	Version	Comments
January 2026	v2.1 (Board Draft)	Full restructure aligned to National Grid best-practice format; added Compliance Improvement Programme; integrated Internal Audit & Risk Lead reporting to Compliance Officer.

Appendix 4 — Licence Derogations and Associated Controls

This appendix summarises the derogations granted to NEP under the T&S Licence and the controls applied to ensure continued compliance with Standard Condition B7.

A. Construction and Operating Services Agreement (COSA) and Wells Construction Agreement (WCA)

- Operator may access NEP premises, systems and equipment only to the extent necessary under COSA/WCA.
- Operator access to offices permitted only under NEP supervision.
- Operator Personnel do not engage in commercial strategy, CCS Network Code matters, or User engagement.
- Annual Operator Compliance Certificate required confirming segregation controls, document management, and restrictions on bp CCUS UK NEP Ltd in its shareholder capacity.

B. Net Zero Teesside (NZE) Derogations

- NEP, NZE and Operator share certain facilities under approved derogations.
- Segregation controls implemented: training, controlled document sharing, system partitioning, access declarations.
- Operator annually certifies NZE-related segregation and information controls.

C. Secondment Derogations

- Secondments permitted where personnel have signed undertakings enforceable by NEP.
- Secondtees receive B7/CSI protocol induction at commencement.
- All secondees operate under NEP supervision and follow NEP document and system requirements.

D. Captive Insurance Policies

- NEP allowed to enter Captive Insurance Policies on same terms as Independent Policies.
- Only minimal necessary Confidential Information shared; use limited strictly to insurance purposes.
- Captives prohibited from onward disclosure; NEP monitors compliance.