

# Anti-Financial Crimes Policy

National Grid plc



This policy sets out National Grid's commitment to prevent financial crime and corruption. It applies to all employees and those who work on our behalf.

## An Introduction from Alison Kay, Group General Counsel and Company Secretary

At National Grid, we take our responsibilities for achieving the highest standards of ethical behaviour very seriously and it is important to me and my colleagues in our leadership team that we promote a culture of openness and integrity. As a minimum, we will meet our legal compliance obligations, but we strive to go further to understand and manage our risks and consistently apply good practice controls, through our values of 'do the right thing' and 'find a better way'.

We are committed to the prevention of financial crime, such as money laundering, the funding of terrorist activity, bribery and corruption, fraud and market abuse, and through risk-based internal procedures, systems and controls, we strive to ensure that high standards of crime prevention and awareness are maintained by all employees and others working on our behalf. We have a zero-tolerance approach to bribery or any form of corrupt practices and will at all times operate fairly and transparently and will cooperate with governmental and law enforcement authorities in connection with any matters involving National Grid.



A handwritten signature in black ink that reads "Alison Kay".

Alison Kay

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## 1. What is Financial Crime?

- *Bribery and Corruption*: Inducements or rewards offered, promised or provided to gain any commercial, contractual, regulatory or personal advantage, or the misuse of power to influence an action. This may involve the inappropriate offering, giving or receiving of gifts, hospitality or endorsements, and facilitation payments and kick-backs.
- *Fraud*: Wrongful or criminal deception intended to result in financial or personal gain, or loss to another party.
- *Money laundering and financing terrorism*: Transforming the proceeds of crime into legitimate money or assets. Terrorist activity may be facilitated or sponsored by the proceeds of money laundering or from other fraudulent activities including credit card fraud and may include bypassing sanctions or other controls.
- *Tax evasion*: Illegal practice of not paying taxes, by not reporting income, reporting expenses not legally owed, or by not paying taxes owed.
- *Market abuse*: Buying or selling a security, including shares in a company, by someone who has access to material non-public information about that security.
- *Modern Slavery*: Deprivation of a person's liberty by another in order to exploit them for personal or commercial gain, whether through slavery, servitude, forced and compulsory labour, and human trafficking.

## 2. Aim of the Policy

Through our anti-financial crimes policy and associated procedures, we aim to deter, detect and investigate all forms of financial crime. This policy:

- Sets out the behaviours we expect to ensure compliance with relevant pieces of legislation and our ethical standards;
- Enables the recognition and reporting of suspicions or concerns relating to financial crime so that they can be properly investigated and corrective actions taken, to protect the reputation and integrity of National Grid;

- Explains how our organisational governance maintains effective accountability and oversight for financial crime risk and compliance.

### 3. Our Responsibilities

It is not acceptable for any employee or any person working on our behalf to:

- Offer or accept any bribe, kick-back or facilitation payment (except for appropriate hospitality and small gifts as detailed in our Code of Ethical Business Conduct).
- Give, promise to give, or offer, a payment, gift or hospitality
  - with the expectation or hope that a business advantage will be received, or to reward a business advantage already given
  - to a government or regulatory official, agent or representative.
- Accept a payment, a gift or hospitality that you know or suspect is offered with the expectation that it will obtain a business advantage.
- Maintain accounts “off book” to facilitate or conceal improper payments.
- Threaten or retaliate against another employee or person working on our behalf who has refused to commit a bribery offence or who has raised concerns under this Policy.
- Engage in any activity that might lead to a breach of this Policy.

It is the duty of every employee or any person working on our behalf to prevent financial crime by:

- Practicing due diligence for prevention of money laundering, corruption, the financing of terrorism, tax evasion and modern slavery by asking relevant commercial questions and looking for unusual occurrences during routine business transactions, such as cash payments or unusual payments, for example to a third party or any official.
- Filing and maintaining clear and verifiable:
  - financial records for all expenses and receipts including those claimed under the Business and Travel Expenses Policy and
  - accounts, invoices, memoranda and other documents and records relating to dealings with third parties (e.g. clients, suppliers and business partners).
- Guarding against the misuse of confidential information in securities trading and complying fully with the laws prohibiting insider trading and stock tipping. Restricted persons (Persons discharging managerial responsibilities (defined as the Board of Directors of National Grid plc and members of the Group Executive Committee) and certain employees, who have been notified of their designation through an “insider list” or “business confidential list”, must pre-clear any planned transactions in company securities.
- Reporting any information which is within his or her knowledge about any financial crime or potential financial crime, or if he or she suspects that a conflict with this policy has occurred or may occur in the future.

We commit to:

- Maintaining internal systems of control to comply with sanctions or restrictions on activities with respect to targeted individuals, countries, governments or entities imposed, for example, by the United Nations (UN), European Union (EU), HM Treasury or the US Office of Foreign Assets Control (OFAC).

- Carrying out appropriate background checking and screening to ensure that (to the best of our knowledge) all of our employees and those working on our behalf have the appropriate rights to work and none of our employees or those working on our behalf is a Sanctioned Person or has been involved in financial crimes.
- Educating our employees and those working on our behalf on the standards we expect, through our ethics programmes and our employee and supplier Codes of Conduct.

## 4. How to report concerns

We understand that an open and transparent culture is essential to ensure that employees and those working on our behalf feel comfortable to report suspicious incidents. In the first instance, we would always encourage concerns to be raised with managers within the business. Where that isn't possible, concerns can be raised through our network of Ethics Liaisons/Champions, or our central Ethics and Compliance team. We also have external Business Conduct helplines where concerns can be reported anonymously, if required. The contact information for the internal and external hotlines is provided at the end of this policy.

## 5. Monitoring, Investigations and Governance

We operate a Financial Crime Risk Assessment process to evaluate, mitigate and monitor the risk of financial crime. The assessments are conducted by our Ethics and Compliance team in coordination with the business and process owners on an annual basis. All concerns or incidents related to potential financial crimes are investigated and corrective actions are taken as appropriate. Our regional Ethics and Compliance Committees maintain oversight of risks and investigations and any serious incidents are escalated immediately. The National Grid plc Audit Committee receives bi-annual reports on risks, incidents and improvement plans, together with information on culture and effectiveness of our programmes.

Compliance with policies and procedures is subject to independent review by our internal audit department. Our external auditor also provides independent assurance on financial matters relevant to their responsibilities.

## 6. Related documents

The following documents and procedures help us to adhere to the relevant legislation set out in section 7:

National Grid Code of Ethical Business Conduct

The Acceptable use of Computer and Communications Facilities and Information Assets

Background Checking Policy

Business Travel and Expenses Policy

Delegations of Authority

Employee Volunteering Policy

Global Information Security Policy

Global Procurement Policies

Handling Supplier Publicity Requests

Protection and disclosure of Price Sensitive Information

Responsible Business Policy

## 7. Relevant legislation

This policy is designed to secure compliance with the following legislation:

International:

- Convention on Combating Bribery of Foreign Public Officials in International Business Transactions of the Organisation for Economic Cooperation and Development (OECD)
- United Nations Convention against Corruption

UK:

- Anti-Terrorism, Crime and Security Act 2001
- Fraud Act 2006
- Bribery Act 2010
- Modern Slavery Act 2015
- Criminal Finances Act 2017 (Provisions relating to the criminal facilitation of tax evasion)
- Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2017
- Corporate Governance Code 2018

US:

- Anti-bribery laws of all US states within which National Grid plc and its subsidiaries do business
- Foreign and Corrupt Practices Act 1977
- Sarbanes - Oxley Act 2002

## 8. Contact Information

Policy Owner – NG plc Group General Counsel and Company Secretary

Policy Lead – Group Head of Assurance

### Internal Business Conduct helplines

- UK Freephone: 0800 328 7212
- UK Email: [business.conducthelp@nationalgrid.com](mailto:business.conducthelp@nationalgrid.com)
- US Toll-Free: 1-888-867-6759
- US Email: [businessconduct@nationalgrid.com](mailto:businessconduct@nationalgrid.com)

### External Helplines (available 24/7)

- UK Freephone 0800 298 6231
- UK Email: [report@seehearspeakup.co.uk](mailto:report@seehearspeakup.co.uk)
- US Toll-Free: 1-800-465-0121
- US Email: <https://nationalgrid.alertline.com/gcs/welcome>

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<b>Team</b>	Ethics and Compliance
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### Amendments

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