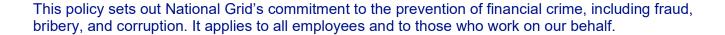
Anti-Financial Crime Policy

National Grid plc



An Introduction from Laurice Arroyo, Chief Compliance Officer.

At National Grid, we are committed to upholding the highest standards of ethical conduct and corporate integrity. We foster a culture of transparency and accountability, guided by our core values: *Do the right thing*, *Find a better way*, and *Make it happen*.

We operate a zero-tolerance culture to bribery, corruption, and all forms of financial crime, including fraud, money laundering, market abuse, and the funding of terrorist activity. We take our responsibilities seriously and strive to act fairly and transparently in all our dealings, cooperating with governmental and law enforcement authorities when required.

Our approach goes beyond meeting legal and regulatory obligations. We proactively identify and manage risks through internal procedures, systems, and controls, ensuring that effective standards of fraud prevention and awareness are maintained by employees and third parties acting on our behalf.





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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 (e.g., payments or gifts given to facilitate a particular process, such as a planning application approval) and kickbacks (e.g., an illegal commission paid to someone in exchange for preferential treatment, such as awarding a contract).
- 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 to exploit them for personal or commercial gain, whether through slavery, servitude, forced and compulsory labour, and human trafficking.

Aim of the Policy

Through our Anti-Financial Crime 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 legislation and our ethical standards.
- Enables the recognition and reporting of suspicions or concerns relating to financial crime, so they
 can be 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.

Scope

This policy applies to all individuals working with or on behalf of the organisation, whether temporary, fixed term, or permanent, as well as consultants, contractors, vendors, trainees, remote workers, and others associated with National Grid or its subsidiaries. It also extends to Officers, Trustees, Board members, and Committee members at any level. Group-wide policies and standards apply across the National Grid Group, including employees assigned to or engaged in activities related to Joint Ventures. We are committed to ensuring that suspicious activity, behaviours, or concerns are reported appropriately.

Our Responsibilities

As employees we will never:

 Offer or accept any bribe, kickback or facilitation payment (except for appropriate hospitality and small gifts as detailed in our Code of Ethics and accompanying guidance).

- Give, promise to give, or offer a payment, gift, or hospitality:
 - With the intention of obtaining a business advantage or personal benefit, or as a reward for a business advantage or personal benefit already received, or
 - o 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.
- Make charitable donations or sponsorships to individuals or organisations with the expectation that a business advantage will be received or to reward an advantage already given,
- · Offer or accept any other disguised form of bribery or inducement,
- 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, or
- Engage in any activity that might lead to a breach of the Policy.

As a Company, we will always seek to prevent financial crime by:

- Practicing due diligence for prevention of money laundering, corruption, the financing of terrorism, tax
 evasion and modern slavery by screening third parties, asking relevant commercial questions and
 looking for unusual occurrences during routine business transactions, such as cash payments or
 unusual payments.
- Filing and maintaining clear and verifiable:
 - financial records for all expenses and receipts including those claimed under the Business and Travel Expenses Policy, and
 - o accounts, invoices, memoranda and other documents and records relating to dealings with third parties (e.g., clients, suppliers, business partners, and government officials).
- 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 all types of
 securities.
- Reporting information or concerns we may have about any financial crime or potential financial crime, or if we suspect that a breach of 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 by the United Nations (UN),
 European Union (EU), UK Office of Financial Sanctions (OFSI), HM Treasury or the US Office of Foreign
 Assets Control (OFAC), among others.
- Carrying out appropriate background checking and screening to ensure that (to the best of our knowledge) 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 person¹ or has been involved in financial crime.

- Educating our employees and those working on our behalf on the standards we expect, through our ethics programmes and our Code of Ethics and Supplier Code of Conduct.
- Promptly investigating reported concerns and reporting to the relevant regulators when required.

How to Report a Concern

For advice on this policy or to report a concern or a suspected non-compliance, please contact the Chief Compliance Office: Maggie Hewer or Alison Jerham. Employees can also report concerns via our confidential internal and external speak up helplines, via email at businessconduct@nationalgrid.com or by using our external provider EthicsPoint. Full details can be found in our Code of Ethics. All concerns are managed in accordance with National Grid's Speak Up policy.

Monitoring, Investigations and Governance

Monitoring & Continuous Improvement

We operate a Financial Crime Risk Assessment process to evaluate, mitigate, and monitor the risk of financial crime. The assessments are conducted by our Compliance team in coordination with the business and process owners on an annual basis.

Investigations & Response

Concerns or incidents related to potential financial crime are investigated and corrective actions are taken as appropriate.

Governance & Resources

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

Training and Communication

We provide training on this policy as part of the induction process for all new employees and have a programme of continual training that focuses on our Code of Ethics and related policies. This training is applicable to all employees.

The key principles of this policy are set out in our Supplier Code of Conduct to ensure that anyone working on our behalf is aware of our policies and expectations.

We provide regular related communications to our employees as part of our Ethics programme and to reinforce the requirements and expectations of all our employees.

¹ A *sanctioned person* is any individual or entity listed by national or international authorities as subject to sanctions, including asset freezes, travel bans, or trade restrictions, due to involvement in activities such as terrorism, human rights violations, or threats to international peace and security.

Related Documents

The following documents support our adherence to our fraud and bribery controls:

- National Grid Code of Ethics.
- Supplier Code of Ethics.
- Responsible Business Charter.

Relevant Legislation

This policy is intended to ensure compliance with applicable legislation, including but not limited to the following:

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.

US:

- Anti-bribery laws of all US states in which National Grid subsidiaries do business.
- Foreign and Corrupt Practices Act 1977.
- Sarbanes-Oxley Acy 2002.

UK:

- Anti-Terrorism, Crime and Security Act 2001.
- Fraud Act 2006.
- Bribery Act 2010.
- Companies Act 2006.
- Theft Act 1968/1978.
- 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.
- Economic Crime and Corporate Transparency Act 2023 (ECCTA).

Contact Information

The National Grid plc Chief Compliance Officer is accountable for this policy, monitoring its effectiveness and reviewing its implementation on an annual basis.

Internal Business Conduct helplines

• UK Freephone: 0800 328 7212

• UK Email: <u>business.conducthelp@nationalgrid.com</u>

US Toll-Free: 1-888-867-6759

• US Email: <u>businessconduct@nationalgri</u>d.com

External Helplines (available 24/7)

• UK Freephone 0800 298 6231

• UK Email: report@seehearspeakup.co.uk

• US Toll-Free: 1-800-465-0121

• US Email: https://nationalgrid.alertline.com/gcs/welcome