

# Northern Gas Networks Holdings Limited UK Tax Strategy

# Scope

Northern Gas Networks Holdings Limited (NGNH) is a limited company registered in England and Wales and is the head of the UK group containing 5 Group companies.

NGNH is wholly owned by a consortium of:

Beta Central Profits Limited

PG (April) Limited

SAS Trustee Corporation (Australia)

NGNH is committed fully to complying with statutory tax obligations, including payment and reporting of taxes as required by UK tax laws and regulations. Tax governance and risk management are the responsibilities of the Executive Committee of the Board of NGNH and internal controls are in place to ensure adherence to established guidelines and principles for taxation. Tax compliance and management are dealt with by experienced and qualified staff with assistance of professional firms where appropriate and necessary.

NGNH makes all required disclosures to HM Revenue and Customs (HMRC) to support the amounts of tax concerned.

In September 2016, new legislation was introduced which requires large businesses to publish their tax strategies. In that regard, the publication of this tax strategy is considered as complying with the requirements of paragraphs 19(2) and 19(4) of Schedule 19 to Finance Act 2016 for all the UK subsidiaries included within the NGNH Group as at 31 March 2026.

The UK Tax Strategy is effective for the financial year ending 31 March 2026 and will remain in effect until it is revised. The UK Tax Strategy comprises the following four components:

## (a) Tax governance and approach to tax risk

NGNH are committed fully to complying with tax laws and regulations in the UK and applicable jurisdictions.

The ultimate responsibility for the tax strategy and compliance rests with the NGNH Board. The Board reviews and approves all significant investment and business operating decisions directly or delegates the appropriate authority.

The NGNH Audit Committee considers significant tax related matters as part of its monitoring of internal controls and financial reporting arrangements.

The Finance Director is the member of the Senior Management Team with responsibility for tax matters. Day-to-day management of NGNH is delegated to the Tax and Treasury Manager. The tax staff reporting to the Tax and Treasury Manager are appropriately experienced and qualified individuals.

Tax advice and assistance are sought from professional firms where appropriate and necessary. Significant tax matters are reported to the Board on a timely basis and instructions are sought where appropriate and necessary. The NGNH tax affairs are conducted in a business-like manner in accordance with the Group's commitment to corporate responsibility.

## (b) Relationship with HM Revenue and Customs (“HMRC”)

NGNH seeks to maintain a transparent and collaborative relationship with HMRC on tax matters and keep HMRC aware of significant transactions and business developments. Communications with HMRC are conducted in a professional and courteous manner.

NGNH endeavours to obtain clearance from HMRC, where appropriate, at the earliest opportunity on tax treatment of complex transactions or uncertain issues. Discussions with HMRC are held as required to review past, present and future tax matters. Disputed matters are resolved through open discussion and negotiation with HMRC and where appropriate and necessary, legal opinions on tax positions are obtained from professional firms or Tax Counsel. NGNH will be prepared to litigate in cases where the technical basis of a decision presented by the relevant Tax Authority is incorrect or not in line with its understanding or interpretation of the particular law or regulation.

## (c) Tax management

NGNH considers tax as part of its overall business decision-making process. When entering into commercial transactions, the group seeks to apply tax incentives, reliefs and exemptions available under tax laws and regulations in the UK. Transaction arrangements that are artificial or without any business substance are prohibited.

NGNH requires its businesses to have in place reasonable processes and procedures that will identify and mitigate the criminal facilitation of the evasion of UK or foreign taxes by its employees or other persons acting on its behalf.

## (d) Tax risk management and attitude to tax planning

Decisions are made to maximise after-tax returns whilst complying with laws and regulations in the UK. Staff with appropriate experience and qualifications are engaged in taking the responsibilities for taxation affairs and where necessary, tax advice from professional firms are sought to support the decision-making process.

NGNH seeks to reduce tax compliance risk, such as submission of late or inaccurate tax returns, by establishing processes, controls and checking procedures in the internal control system. Our robust policies and procedures across the business reflect our conservative approach to risk. We maintain our tax risk control framework and work constantly to improve and monitor tax risk throughout our business which inevitably reduces overall risk.

The above UK Tax Strategy is published on the website of NGNH for information and compliance with Schedule 19 to Finance Act 2016 in the UK.

*Publication date: 25<sup>th</sup> July 2025*

## **Appendix to UK Tax Strategy**

Northern Gas Networks Holdings Limited

Northern Gas Networks Limited

Northern Gas Operations Limited

Northern Gas Networks Finance Limited

Northern Gas Networks Pension Trustee Limited