

Scotland Gas Networks plc

Southern Gas Networks plc

## Statement of Compliance

Restriction on use of certain information and  
independence of the Transportation Businesses

1 April 2026



**SGN**

Your gas. Our network.

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## 1. Introduction

This statement is required by Standard Special Condition A33 of the gas transportation licences of Southern Gas Networks plc (SoGN) and Scotland Gas Networks plc (ScGN) and sets-out how the licensees comply with the licence requirements on the restriction on use of certain information and independence of the transportation businesses.

This statement has been approved by the Authority under the terms of the licence condition.

In accordance with the terms of the gas transportation licences, this statement sets out how SoGN and ScGN maintain the full managerial and operational independence of the regulated transportation business from any relevant supplier, shipper, electricity generation business, or trading business, its meter-related service business, and its meter reading business.

This statement applies to each of Scotia Gas Networks (SGN) licensed gas transportation businesses in Great Britain, and the final approved statement may be revised only with the approval of the Authority (Ofgem).

SGN will use its best endeavours to ensure compliance with the terms of this statement.

## 2. Standard Special Condition A33 – Restriction on Use of Certain Information and Independence of the Transportation Business

Standard Special Condition A33, in summary, requires that:

1. The licensee shall put in place and at all times maintain managerial and operational systems which prevent any relevant supplier, relevant shipper, electricity generation business, any trading business, its meter-related services business, or its meter reading business from having access to confidential information except and to the extent that such information:

(a) is made available on an equal basis to any gas or electricity supplier, gas shipper, electricity generator or any meter asset manager;

(b) appertains to a customer who at the time to which the information relates was a customer of the relevant supplier; or

(c) unless the Authority otherwise consents in writing.

2. The licensee shall at all times manage and operate the transportation business in a way calculated to ensure that it does not restrict, prevent, or distort competition in the supply of electricity or gas, the shipping of gas, the generation of electricity, any trading business, or the supply of meter-related services or meter reading.

3. The licensee shall have in place a statement, approved by the Authority, describing the practices, procedures and systems, which the licensee has adopted to secure compliance with the above paragraphs.

## 3. Standard Special Condition A34 – Appointment of Compliance Officer

Standard Special Condition A34 of the transportation licence requires that SoGN and ScGN shall appoint a “Compliance Officer” for the purpose of facilitating compliance with Standard Special Condition A33. In summary, the duties and tasks of the Compliance Officer shall include (the full list of duties are set out in the licence condition attached to this Statement):

- (a) providing relevant advice and information to the licensee for the purpose of ensuring its compliance with Standard Special Condition A33;
- (b) monitoring the effectiveness of the practices, procedures and systems adopted by the licensee in accordance with this Statement;
- (c) investigating any complaint and advising upon any remedial action; and
- (d) reporting annually to the directors of the licensee, as to his activities during the year.

Our Compliance Officer is required to provide an annual report on our compliance with the relevant licence condition and the effectiveness of controls we have in place. This can be found at <https://www.sgn.co.uk/reports-publications>.

## 4. Managerial and Operational Independence

To maintain the requisite managerial and operational independence of its transportation businesses, Scotia Gas Networks Limited (SGN) has been established as a legally separate company with its own Board of Directors.

Southern Gas Networks plc and Scotland Gas Networks plc are wholly owned subsidiaries of SGN. The company is jointly owned by Braeburn EquityCo Limited (37.5%), UK Gas Distribution 2 Limited [Brookfield] (37.5%) and Speyside Bidco Limited (25%).

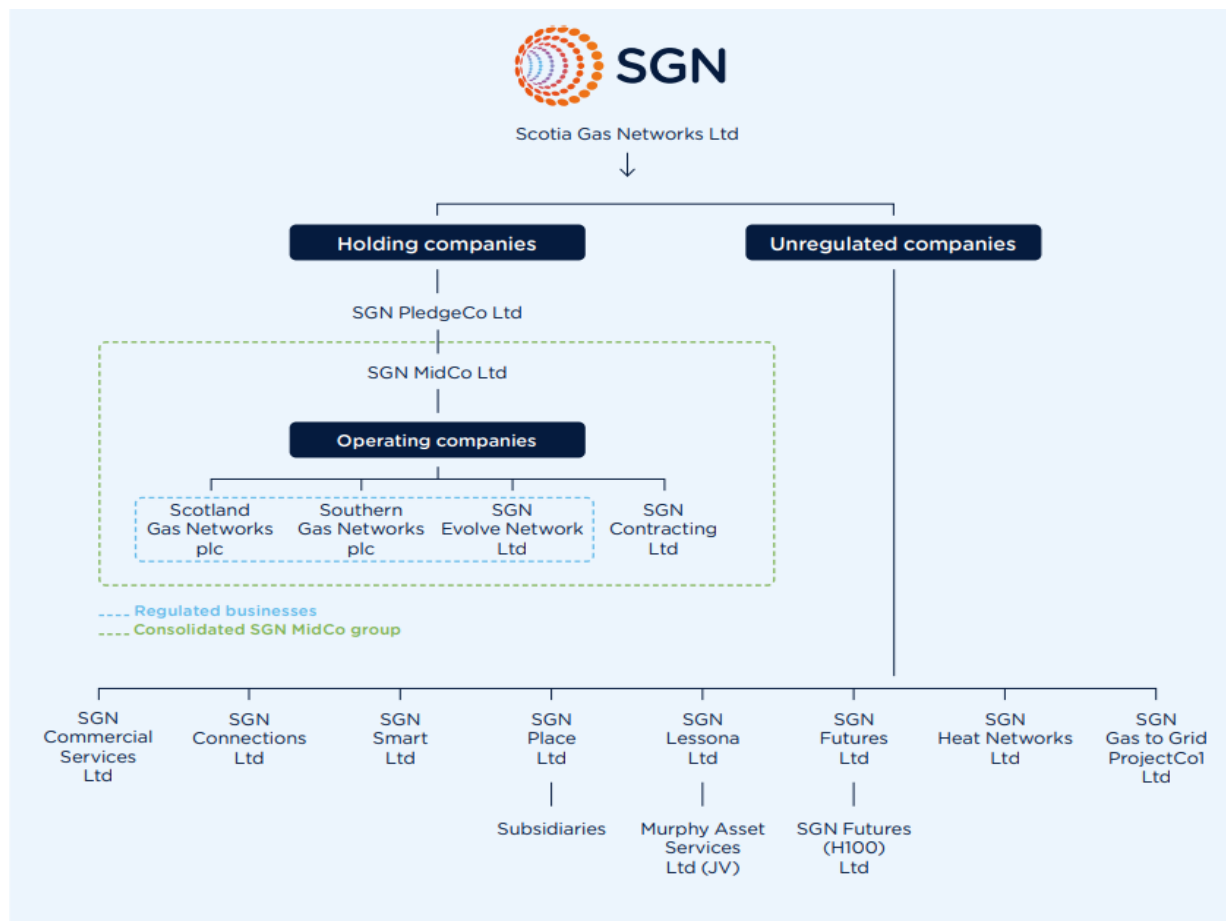
Brookfield Super-Core Infrastructure Partners (Brookfield) is an asset management company which manages funds that own a majority stake in BUUK Infrastructure No 1 Limited (BUUK). In Great Britain (GB), BUUK installs 'last mile' gas connections as a Utility Infrastructure Provider (UIP) and is also an Independent Gas Transporter (IGT). There is a vertical relationship between BUUK and SGN as a Gas Distribution Network (GDN), as installers and adopters such as BUUK need to request and seek permission from SGN to connect to SGN's networks. The merger was given Phase 1 clearance by the Competition and Markets Authority on 1 March 2022.

In addition, each licence is held in a legally separate subsidiary of SGN. This means that the legal entities holding the gas transportation licences are separate. Plus:

- No shareholder has a controlling interest in SGN.
- There are two sufficiently independent directors appointed to the SGN Board.

To the extent that any potential conflict situation should arise, controls are in place to enable this to be identified in advance and for steps to be taken to prevent a conflict from occurring.

In 2022 the corporate structure was changed to reflect business developments, further enhancing separation between the regulated business (including Southern Gas Networks plc and Scotland Gas Networks plc) and the non-regulated businesses. The current structure is shown below:



SGN has its own management structure and employs its own staff.

In addition, each of SGN’s licensed transportation businesses is legally separate from its metering business, with Intergroup Master Services agreement (**MSA**) in place for services provided.

Each employee's appointment letter includes clauses on observing the confidentiality requirements of our licence. In addition, staff receive induction material and regular refresher training on the restrictions on using confidential information, and this is backed up by regular and random monitoring and feedback. Deliberate breach of the confidentiality requirements would lead to disciplinary action.

Wherever possible, SGN staff are located in premises separate from any relevant supplier, relevant shipper, electricity generation business, any trading business, its meter-related services business, or its meter reading business. In those instances, where premises are shared with unregulated entities, those staff are located in separate office areas and compliance is achieved by restricting access to regulated areas through doors with automated access controls.

SGN employs its own staff, therefore staff transfers from SGN to any relevant supplier, relevant shipper, electricity generation business, any trading business, its meter-related services businesses, or its meter reading business, are rare. However, if there were a compliance implication, this will be discussed between the Executive team/General Counsel and the Compliance Officer, who will advise on the appropriate action necessary to protect the confidentiality of transportation information and the independence of the transportation businesses.

SGN jointly manages and operates its transportation businesses in Southern England and Scotland. The measures to protect the confidentiality of information apply equally to each.

## 5. Joint Office and Agency

A Joint Office, to oversee governance of the Uniform Network Code, and an Agency (“Xoserve”) has been established by the holders of gas transportation licences.

The Agency manages, on behalf of all of the gas distribution companies who operate under licence, the systems that underpin the competitive retail market. This avoids additional costs arising from suppliers potentially having to interface with several gas transporters, by preserving a single uniform interface between network operators and shippers.

As of 1st April 2017, Xoserve took on the role of Central Data Services Provider (CDSP), with Board representation and operational control being shared amongst the Gas Transporters and the Shippers.

## 6. Systems

Access to systems by staff is restricted to their authorised area through physical access password and session controls. This prevents any relevant supplier, relevant shipper, electricity generation business, any trading business, its meter-related services business, or its meter reading business from having access to confidential information except in the specific circumstances provided for in Standard Special Condition A33.

## 7. Branding

Under the terms of its Licence, SGN is required to maintain the branding of the transportation businesses so that it is fully independent from the branding used by any relevant supplier, relevant shipper, any trading business, its meter-related services business, and its meter reading business.

SGN’s brand architecture is therefore distinct from any relevant supplier, relevant shipper, any trading business, its meter-related services business, and its meter reading business. SGN’s unregulated companies are also branded distinctly differently from the regulated gas transportation businesses.

The branding architecture is applied to vehicles, stationary, staff identity cards and e-mail signatures and can be seen below:



\*Brand Architecture

## 8. Access to Confidential Information

Confidential Information relates to, or is derived from, the transportation business, which is not published or otherwise legitimately in the public domain. Where SGN believes that confidential information held in relation to a relevant supplier, relevant shipper, electricity generation business, any trading business, its meter-related services business, or its meter reading business should not be regarded as confidential, it will make a formal written request to that business to treat the information as non-confidential. Until such consent is granted the information concerned will remain confidential.

## 9. Responsibility and Monitoring

The SGN Board has overall responsibility for compliance.

It is the responsibility of directors and managers to ensure compliance within their own business areas and in accordance with SGN policy. Monitoring of compliance is carried out internally, under an MSA, by the SGN Internal Audit department, in liaison with SGN's General Counsel.

SGN's General Counsel is responsible for investigating any alleged breach of Confidential Information Policy and procedures.

SGN has appointed a Compliance Officer, as required by the gas transportation licences, and works closely with the Compliance Officer in his carrying out of the duties set out in the licence, with regard to compliance. The Compliance Officer utilises SGN Compliance and Internal Audit teams in carrying out his role and has full and open access to all staff, systems, and documentation.

## 10. Investigation of Complaints

A procedure has been agreed with the Compliance Officer for notifying and investigating, any complaints.

## 11. Further Information

Requests for hard copies of this statement or enquiries in relation to this statement should be addressed to:

**Emma- Jane Wright (Group Head of Risk, Audit and Compliance and DPO)**

SGN, 4<sup>th</sup> Floor, NEXUS  
25 Farringdon Street  
London  
EC4A 4AB

Email: [emma-jane.wright@sgn.co.uk](mailto:emma-jane.wright@sgn.co.uk)