



Know Your Client Policy

1. Purpose: The purpose of this Know Your Client (KYC) policy is to establish procedures that ensure compliance with the UK Carbon Code of Conduct and to prevent any involvement with clients who may be engaged in fraudulent activities or are not aligned with the code's principles.

The requirements of this policy are fulfilled by completion of the UKCCC Project Development Documentation (PDD).

2. Definition of Client: For the purpose of this policy, a client refers to any entity or individual that seeks to engage in carbon-related activities, including but not limited to carbon offsetting, carbon trading, carbon credits, and carbon reduction projects.

3. Client Identification and Verification: To establish a satisfactory due diligence process, the following information should be collected and verified before initiating a business relationship with a new client:

- a. Legal entity name and registered address
- b. Identification and verification of the client's representatives, including their full name, job title, and contact information
- c. Proof of the client's legal existence and registration documents
- d. Source of client's funds or revenue, including the verification of financial statements and tax records
- e. Business activities and services offered by the client

4. Risk Assessment: After collecting the required information, a risk assessment should be conducted to evaluate the risk level associated with engaging with each client. Factors to consider during the risk assessment may include:

- a. Reputation and background of the client and their representatives
- b. Any affiliations with organizations or individuals involved in illegal or fraudulent activities
- c. Compliance with applicable laws and regulations
- d. Past record of environmental and social responsibility
- e. Any indications of money laundering or other financial irregularities

5. Ongoing Monitoring: Once a client has been onboarded, it is essential to continuously monitor their activities. This will help identify any changes or indicators of potential non-compliance with the UK Carbon Code of Conduct. Ongoing monitoring should include:

- a. Regular review of the client's financial statements and reports
- b. Periodic reassessment of the client's risk level
- c. Monitoring news and industry updates related to the client
- d. Immediate reporting of any suspicious activities or indications of non-compliance

6. Reporting and Escalation: If there are any concerns or suspicions about a client's compliance with the UK Carbon Code of Conduct, a reporting and escalation procedure should be followed. This may involve reporting to the appropriate regulatory authorities and, if necessary, terminating the business relationship with the client.

7. Internal Training and Awareness: All employees involved in client onboarding, monitoring, and compliance should receive appropriate training on the UK Carbon Code of Conduct and the KYC policy. Regular updates and awareness campaigns should also be conducted to ensure continued compliance.