

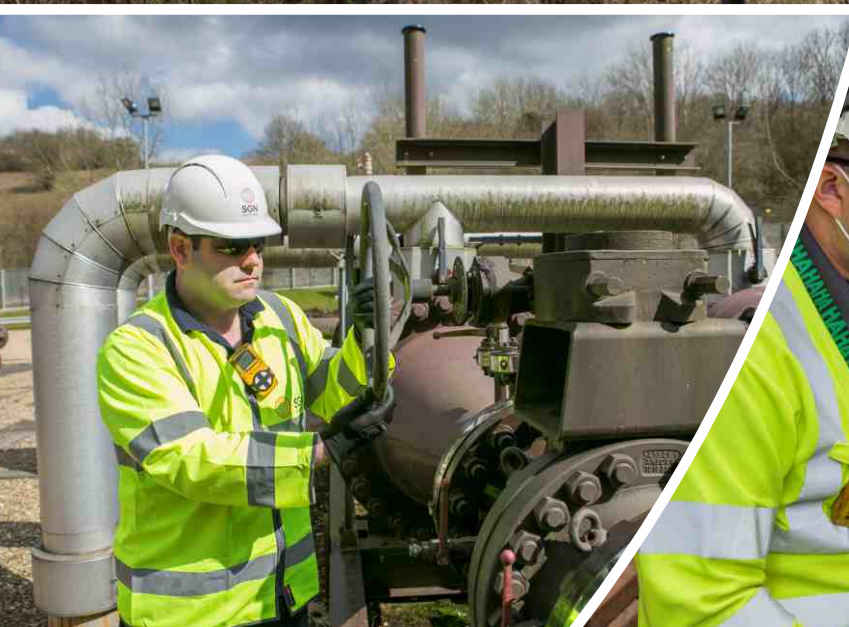


Stakeholder Engagement Submission 2020/21



SGN
Your gas. Our network.





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SGN management statement

This document fairly presents SGN's stakeholder engagement activities for the period 1 April 2020 to 31 March 2021, which we are responsible for designing and implementing. The criteria used for making this assessment, we believe, are suitable for evaluating our reporting. This document:

- was prepared to appropriately describe our stakeholder engagement strategy, the way in which we keep stakeholders informed, how we enable timely input and feedback to inform decision-making and the variety of mechanisms we use to engage, tailored to stakeholder needs
- includes relevant details of changes to SGN's stakeholder engagement management activities in the period 1 April 2020 to 31 March 2021, and
- does not omit or distort information relevant to the scope of the stakeholder engagement management and activities being described.

This submission has been compiled and submitted in accordance with our data assurance process, which complies with Ofgem's data assurance licence conditions.

John Morea, Chief Executive Officer

Welcome from John Morea, Chief Executive Officer

Covid-19's impact on 2020/21 has led to a turbulent, difficult and often distressing year for all of us. But I'm proud that our front-facing teams have stepped up to the challenge, fully equipped to recognise our customers' changing needs and providing the necessary support required to maintain our high standards of customer service, especially for the growing numbers of customers that have become vulnerable because of the pandemic. As one of the few organisations with the privilege of entering our customers' homes, our frontline teams have made 40% more referrals for support this year, compared to 2019/20 and as a result, there has been a 48% increase in the number of services requested for vulnerable customers. Our vulnerable customer base will have grown this year, and we are determined to continue to innovate and excel for them in the years ahead.

It's testament to our robust and mature strategy that we've been able to use our established framework, evolved with our approach to engagement over the entire GD1 period, to define and deliver the necessary changes to our approach without compromising our overall objectives for engagement.

This year we have further embedded our Stakeholder, Environment and Customer Committee (SECC) Board sub committee, adopting the Wates principles of higher standards of corporate governance around our approach to stakeholder engagement. We have also established new, important governance panels to ensure we stay focused on what matters to our stakeholders. Our SECC, Environmental Advisory Panel and our Vulnerability Steering Group are all independently chaired and tasked by the Board and I to hold us to account in these areas.

And this year has shown us, if ever more evidence was needed, of the critical importance of working with relevant partners, who have provided valuable insight on the impact that Covid-19 has had on our customers' lives and to reach vulnerable customers and communities quickly and effectively. Working with charities, community groups, other utilities, and our extensive supplier community has helped us to understand, develop, share and apply best practice.

Beyond the pandemic, we've experienced more direct impact of climate change on our network, with raging rivers swollen by exceptional and sustained rainfall stripping away riverbanks to leave critical high pressure gas pipes exposed. We're progressing opportunities to work with partners to minimise our impact and improve the sustainability of our supply chain.

Delivering our strategy and performing for stakeholders in 2020/21 has been tough. It's testament to the resilience, commitment, and determination of SGN's whole workforce that we ended the year with the highest customer satisfaction scores of any GDN, adding to the prestigious Utility of the Year award we received this year. I'm pleased to submit this report which demonstrates our commitment to stakeholders and how we are delivering the best outcomes for customers.



Foreword by Jayne Scott, Stakeholder Advisory Panel (SAP) Chair

As Chair of SGN's Stakeholder Advisory Panel (SAP) I am very pleased to endorse this submission which demonstrates that SGN has continued to make significant progress in how the company engages with customers and stakeholders to inform its business decision-making processes.

This last year has been unlike any other as a result of Covid-19. As the pandemic took hold, SGN had to respond very quickly to the different restrictions put in place by the UK and Scottish Governments. An equally fast response was also required to amend how SGN carried out its programme of stakeholder engagement which was enacted very efficiently and with regular input from stakeholders, including the SAP.

In the South East and South London, SGN's operation was hit particularly hard with Covid-19's second wave and the more transmissible Kent Variant, with large numbers of staff self-isolating. At the same time, operational teams in the Kent area proactively addressed the challenges of an EU exit, collaborating with stakeholders on an integrated approach to mitigate disruption. Maintaining operational capability, SGN redeployed staff from its other regions, which necessarily involved detailed and rapid stakeholder engagement with its staff and trade unions.

SGN has continued to listen carefully to feedback provided by the SAP to ensure customer and stakeholder engagement continues to mature and drive SGN's business. SGN's Executive Team engage proactively with the SAP and there is good senior attendance (including the CEO) at SAP meetings.

Key areas of focus for the SAP have included:

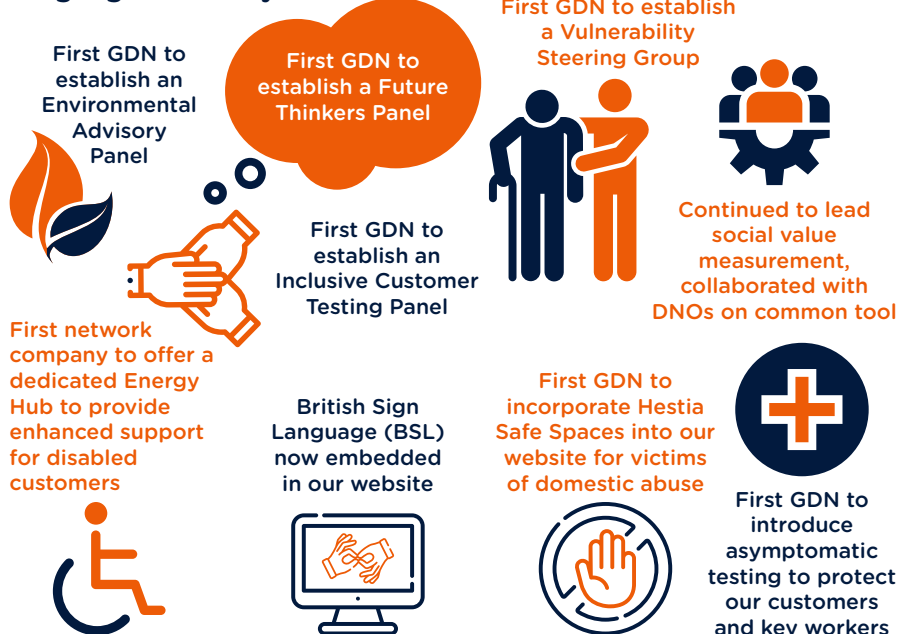
- Considering the changes required to SGN's engagement strategy as a result of the pandemic and providing feedback on SGN's revised stakeholder engagement plan.
- Challenging the company to consider timescales to deliver a revised stakeholder engagement plan and ensuring a full programme of engagement activity was successfully delivered as set out in this submission.
- Engaging with SGN on the establishment and progress of the Vulnerability Steering Group and the Environmental Advisory Panel.
- Reviewing the pre-initiative assessment tool and process to ensure they were updated to keep them relevant to evolving challenges and stakeholder needs.
- Holding a session on the company's future energy strategy and challenging the underlying assumptions to ensure SGN's strategy remains relevant and considers all emerging issues as UK and Scottish Government energy policies evolve.

Throughout this programme of work, the SAP has been able to track how SGN has responded to feedback and is satisfied that good progress continues to be made. In addition, SAP members attended a number of stakeholder engagement sessions and provided feedback on future engagement forums, digitally and in person.

In summary, the SAP is very pleased to highlight the proactive approach adopted by SGN to respond to Covid-19. The lessons learned from the move to digital platforms meant they continued to undertake high quality engagement, and will ensure stakeholder and customer interests underpin SGN's planning for the future.



Highlights of the year



Over **28,000** stakeholders and customers engaged through strategic mechanisms

59% increase in stakeholders and customers engaged for the first time

First placed GDN for customer satisfaction

7,912 proactive Careline calls to vulnerable customers

Achieved **full compliance with the AA1000 Stakeholder Engagement Standard**, the global benchmark for conducting high quality stakeholder engagement

Retained the **Carbon Trust Standard** for achieving a **6.6%** reduction on our carbon footprint

Total reach of **3,455,174** through our social media platforms and website

Funding secured for our world-first **H100 Fife green hydrogen** to homes project

Delivering continuous performance improvement

Ofgem feedback on 2019/20 report:

SGN's submission could have benefitted from more clarity on how stakeholder engagement has influenced the company's strategic direction.

How we have addressed this:

Our three strategic commitments (delivering a safe & efficient service, making a positive impact, and building a shared net zero future) have been shaped by our stakeholders and customers, and continue to underpin our business planning.

We describe how stakeholders have continued to shape our strategic focus this year on page 5. Page 4 sets out how stakeholders are at the centre of our decision-making at all levels.

SGN's submission could have benefitted from more clarity on how initiatives are determined and what input stakeholder feedback has on decision-making.

Our six stage engagement process on page 3 sets out how we listen with purpose to stakeholders, tailor our response, assess the viability of projects and measure & evaluate the benefits.

Page 8 explains how we assess our initiatives and measure the outcomes to determine what we deliver with input from stakeholders.

The submission provided various examples of partnerships, although there was lack of clarity on what was being achieved.

Page 7 sets out our partnership principles and the process we use to monitor and evaluate their effectiveness. Our Part 2 submission identifies the outputs and outcomes of our partnership projects, and where relevant, social return on investment (SROI).

Simplify governance structure

Page 4 sets out our governance and leadership, external advice & challenge, and internal accountability for engagement.

In regard to heat and future energy solutions, while SGN has been participating, the Panel had expected to see SGN take a leading role

The information on pages 4 and 5 details the proactive engagement by our Executive and leadership team, which includes leading the conversation on decarbonisation.

Part 2 discusses a selection of Energy Futures projects, including a number where our influence extends beyond simply gas distribution to also consider generation, storage, transport and use of hydrogen downstream of the meter.

Our H100 Fife project referenced in Part 2 is a world first and has now secured funding to move into full construction.

Fewer examples of helping challenging groups and little detail on project benefits. No information to explain how substantial benefits arrived at.

Pages 8 and 9 detail how we assess and determine what we deliver, and measure the value we create. We explain how we evaluate through the whole project lifecycle and the tools and techniques we apply, including social return on investment. This is detailed by initiative (a number of which target challenging groups) where relevant in Part 2.

Improving satisfaction from our stakeholders

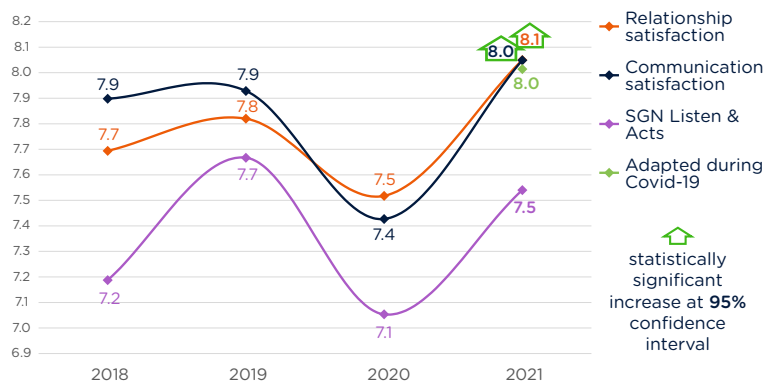
This year, our External Stakeholder Satisfaction Survey (SSAT) showed:

Relationship satisfaction increased significantly from 7.5 last year, to an **all-time high of 8.1** this year.

Communication satisfaction increased significantly from 7.4 last year, to an **all-time high of 8.0** this year.

In terms of satisfaction with 'how SGN has adapted during Covid-19', stakeholders recognised our efforts and rated us an average of 8 out of 10.

After a slight dip in performance in 2020, relationship satisfaction and communication satisfaction scores increased significantly to an **all-time high**



Our Internal Stakeholder Satisfaction Survey has shown:

89% of our business has been helped to identify their stakeholders

A **significant increase** in the proportion of colleagues who stated the stakeholder team helped them engage with their stakeholders - **90% up to 97%**

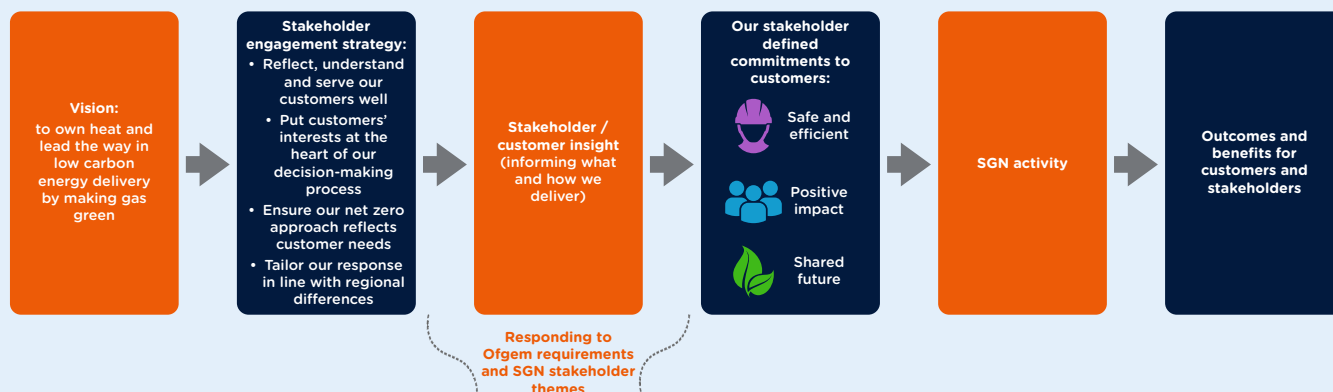
Overall satisfaction with support provided by the stakeholder team has increased significantly to an average of **9 out of 10**, with **over half (55%) scoring a perfect 10**

Over the last few years, we have commissioned PwC to periodically undertake an independent gap analysis of our approach to stakeholder engagement against AccountAbility's AA1000 Stakeholder Engagement Standard.

In our most recent assessment this year, we have turned all 26 elements of the standard to green. This indicates we are fully in line with the current standard, illustrating our journey of continuous improvement and that stakeholder engagement is now fully embedded within our organisation.

Section 2	Section 3	Section 4 - Stakeholder engagement process			
Commit and integration	Purpose, scope and stakeholders	Plan	Prepare	Invite stakeholders to engage	Review and improve
2.1 Commit to AA1000 principles	3.1 Purpose of engagement	4.1.1 Profile and map stakeholders	4.2.1 Mobilise resources	4.3.1 Invite stakeholders to engage	4.4.1 Monitor and evaluate engagement
2.2 Organisational governance	3.2 Scope of engagement	4.1.2 Determine engagement level and method	4.2.2 Build capacity	4.3.2 Brief stakeholders	4.4.2 Learn and improve
2.3 Organisational strategy	3.3.1 Mandate and ownership	4.1.3 Establish and communicate boundaries of disclosure	4.2.3 Identify and prepare for engagement risks	4.3.3 Engage	4.4.3 Develop and follow up on action plan
2.4 Operational management	3.3.2 Stakeholder identification	4.1.4 Draft engagement plan		4.3.4 Document the engagement and its outputs	4.4.4 Report on engagement
		4.1.5 Establish indicators		4.3.5 Develop an action plan	
				4.3.6 Communicate engagement outputs and action plan	

Our enhanced strategy to integrate stakeholder needs with our ambition



The golden thread: how stakeholder insights have driven action to deliver outcomes for customers and stakeholders aligned to our company vision.

SGN's corporate vision is to own heat and lead the way in low carbon energy delivery by making gas green.

Our stakeholders have asked us to deliver our vision around their strategic priorities which form the basis of our three commitments to customers.

This year we revalidated our vision and commitments with stakeholders, confirming that they remain relevant in the context of the pandemic.

Our three commitments:



1 We will deliver a safe and efficient service by acting safely, keeping the gas flowing and keeping costs down.

We will make a positive impact on society, by supporting vulnerable communities and providing excellent service.



3 We will build a shared net zero future by accelerating decarbonised energy solutions and minimising our environmental impact.

By overlaying these customer commitments with our well-established stakeholder engagement strategy, we ensure our activity is always aligned with what stakeholders and customers want and delivers the outcomes and measurable benefits desired.

Our stakeholder engagement mission, supporting delivery of our corporate vision, is:

We make better decisions in the interests of our customers and stakeholders when we place all their requirements, and distinct and evolving priorities, at the heart of every level of our decision-making

Our well-established stakeholder strategy responds directly to feedback from our stakeholders, including our Stakeholder Advisory Panel and our Customer Engagement Group, and is owned by our Board, through its sub committee and leadership team. It ensures our activities stay aligned with stakeholders' priorities in a dynamic customer environment; that we remain transparent in our operations, and we adhere to evolving policy and legislative frameworks guiding delivery.

There are two elements and six objectives (see box) in our stakeholder strategy:

1. We will continue to learn and improve stakeholder engagement in our everyday business as usual activities.
2. We will work collaboratively to solve long-term complex challenges, such as the energy transition and social disadvantage for vulnerable households.

Our engagement objectives



To deliver measurable benefits:

We will engage directly with customers and stakeholders to embed their interests in our decision-making and deliver valued, measurable benefits, working with partners where we can to maximise the impact of our approach.



To focus on material issues:

We ask our customers and stakeholders what they want to engage on, to allow them to have a say in the issues that matter and impact them most, now and in the future.



To drive inclusivity and diversity:

Our engagement will be broad and inclusive, fully reflecting the communities we serve. We will seek out the diverse perspectives of hard-to-reach groups to understand their challenges and concerns and ensure our communications are clear and easily accessible for all.



To provide ongoing opportunities for challenge and collaboration:

Engagement continues to be adapted to meet the changing needs of stakeholders to ensure genuine opportunities for ongoing dialogue, challenge, review, mutual education, collaboration and co-creation.



To be responsive and transparent:

Explaining how the views, concerns and priorities of stakeholders have influenced decision-making, and how we have balanced the needs of different stakeholders.



To continually improve and develop:

Finding new and innovative ways to evolve our approach in response to changing stakeholder needs, accessing feedback from a wide and comprehensive range of sources.

Applying our six stage engagement cycle this year

1 Identify



- Undertaken annual review and audit of our **Stakeholder Relationship Management (SRM)** tool and stakeholder mapping
- Asked trusted stakeholders and employees to suggest new stakeholders
- Used data and insight to identify new stakeholders of importance and influence

2 Tailor



- Used at least **12** different types of engagement mechanism to reach stakeholders and customers
- Asked stakeholders to select their engagement preferences
- Used partner organisations and stakeholders to support us when engaging with hard-to-reach communities
- Adapted to online engagements wherever possible to mitigate the risk of Covid-19

3 Engage with a purpose and listen



Over **40** individual engagement events and surveys, reaching more than **6,850** stakeholders and customers

15 meetings of steering committees and governance groups

- Stakeholder, Environment and Customer Committee (SECC)
- Stakeholder Advisory Panel (SAP)
- Environmental Advisory Panel
- Vulnerability Steering Group
- Customer Engagement Group (CEG)

2,106,184

page views on our website

3,455,174

total reach across all social media platforms

12

stakeholder newsletters issued

24 online workshops, webinars, round tables & exhibitions

- **Four** Future Thinkers Panel sessions
- **Two** Future of Heat specialist events
- **Two** local authority webinars on growth, infrastructure and future energy requirements
- **One** Virtual Coffee Morning to share & discuss resilience planning
- **Three** MP Roundtables, **one** in partnership with SSEN
- **Two** Edinburgh Napier University briefing webinars
- **Two** H100 community engagement events
- **Two** interactive stakeholder exhibitions
- **Two** fuel poverty partner forums
- **Four** national engagement workshops

Our events utilise **live polling**, **online whiteboards** and **virtual breakout rooms** to allow for two way deliberative engagement



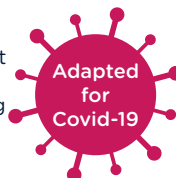
13 bespoke and tailored stakeholder and customer research surveys

- Biomethane stakeholders
- Third Party Connections customers
- Tailored Project Delivery impacted stakeholders
- Internal stakeholders
- Online customer omnibus surveys
- Door-to-door customer surveys
- Energy Futures surveys

One annual Stakeholder Satisfaction Survey, reaching **204** stakeholders

Online Tailored Project Delivery community drop-in sessions, using **virtual whiteboard**

Four customer panels and focus groups, held in small online groups



4 Respond



- Updated stakeholders via newsletters, meetings, our website, social media posts and engagement events
- Developed business cases including cost benefit analysis
- Piloted projects to assess viability
- Sought feedback via research and engagement

5 Measure and evaluate



- Scored projects using our **pre-initiative assessment** tool prior to commencing (see page 8)
- Assessed costs and social value to determine **Social Return On Investment (SROI)** (see pages 8 and 9)
- Monitored KPIs and management dashboard reports
- Ran annual **Stakeholder Satisfaction Survey (SSAT)** and post-event feedback surveys after each individual engagement
- Used Willingness to Pay (**WTP**) results to help determine customer priorities

6 Review, refine and improve



- Held steering group meetings at least quarterly
- Reviewed progress at SECC Board meetings
- Used regular Stage Gate Reviews with partners to provide feedback on performance
- Evaluated SROI of relevant initiatives (see pages 8 and 9)
- Used **Acceptability Testing** to gauge customer acceptability and affordability of future plans (conducted pre and post the Covid-19 pandemic)

Keeping stakeholders at the centre of our decision-making processes

Governance and leadership

Responsibility for stakeholder engagement is embedded across our business and governed by a well established structure which oversees, scrutinises and assesses our effectiveness. Accountability for engagement is well defined at every level of our decision-making. This keeps stakeholders at the centre of all business decisions and allows us to share information effectively and consistently.

This year, our CEO and Executive Team have been particularly attentive to ensure they fully understand the impact of the Covid-19 pandemic on our customers and how that relates to their relationship with SGN and their gas supply.

In response to Covid-19, we've enhanced our governance structure to incorporate adaptable and bespoke internal Gold and Silver Command groups, designed to ensure the safety of our customers and workforce during the pandemic and to provide safe, rapid decision-making structures for us to respond to the evolving situation.

In addition to our internal accountability for stakeholder engagement at every level of our organisation, we have established routes for external advice and challenge directly into our decision-making:

- ✓ **Stakeholder, Environment and Customer Board Committee:** oversight by the Non-Executive Chairperson ensures we have due regard for stakeholders' and customers' views and needs
- ✓ **Stakeholder Advisory Panel (SAP):** membership includes external expert stakeholders
- ✓ **Customer Engagement Group (CEG):** external stakeholder experts represent the interests of different customer and stakeholder groups in our business planning process
- ✓ **Vulnerability Steering Group:** external experts help us identify different types of vulnerability, and challenge and shape our activities to support vulnerable customers
- ✓ **Environmental Advisory Panel:** stakeholders on the group advise and challenge us on the steps we are taking to make our operations more sustainable

Internal accountability for engagement

Group in SGN and responsibility	What they do	Outcomes delivered
Board & SECC sub committee* Representation of stakeholder interests in Board level decision-making	Use stakeholder and customer insight to shape our corporate strategy and vision	SGN's vision and strategic approach is reflective of the needs of stakeholders and customers
Executive Leadership Team Internal leadership, ownership and review of performance	Engage with a wide range of senior level stakeholders, ensuring feedback informs business planning and our policies and practices	Senior ownership of performance and delivery that meets stakeholders' expectations
SAP* Senior level internal and external advice and challenge	Advise on emerging issues which require stakeholder input and provide challenge around engagement programme	Outputs demonstrably reflect the needs of stakeholders and customers
Covid-19 Gold and Silver Command  Bespoke and tailored senior level rapid decision-making	Monitor changeable situations to quickly respond to pandemic challenges, and protect our customers and workforce	Completion of adjusted and tailored work programmes with minimal Covid-19 risk
Operational Stakeholder Governance Group Alignment of stakeholder needs with operational performance	Provide oversight of feedback from operational stakeholders and customers, and monitor progress on newly established initiatives	Robust control and management of projects and outcomes that benefit customers and stakeholders
Specialist working groups Joined up development, testing and rollout of new initiatives	Act on feedback and insight from stakeholders and customers, developing new solutions to meet stakeholders' needs	Enhanced solutions and programmes developed in close cooperation with partners
Stakeholder Strategy Team Our strategic approach to engagement and providing engagement support to the wider business	Extend our reach by identifying gaps and undertaking research and engagement to gain new insight from stakeholders and customers	Actionable insight provided to business to improve decision-making and stakeholder outcomes
Local Stakeholder and Community Managers Reflecting and responding to diverse needs of local communities	Map stakeholders to continually identify local and regionally specific stakeholders and their requirements	Local works and delivery programmes are tailored to take stakeholder feedback into account
Business and Operational Leads Ensuring strategy is embedded in topic-led engagement plans and relevant stakeholders are engaged	Identify emerging issues requiring stakeholder input, and identify new stakeholders based on topic specific issues and challenges	Better decision-making by giving consideration to stakeholder feedback and related insight
Frontline engineers and teams Understanding customer needs when undertaking BAU activities	Engage 'on the doorstep' and provide feedback on a diverse range of stakeholder and customer needs via referrals	Better service and experience for customers and stakeholders

 Introduced for Covid-19

*membership includes external stakeholders

How stakeholders continue to shape our strategic focus

Defining senior level decision-making

Our CEO and the senior leadership team have continued with a programme of high level engagement, sitting on over **60** external groups and engaging with **33** senior politicians. This continuous engagement process has influenced our decarbonisation roadmap and has been invaluable in ensuring that we have consistently aligned and adapted our Covid-19 response to keep customers, particularly those most vulnerable, safe and warm throughout the Covid-19 pandemic. Specific examples can be found in Part 2.

• Understanding changes in stakeholders' priorities: reviewing our business plans and strategic priorities

This year, we recognised that the Covid-19 pandemic may have changed our customers' and stakeholders' priorities for us. With that in mind we revisited our future business planning to give customers and stakeholders the opportunity to reconsider what was important in the context of the Covid-19 pandemic and reaffirm their support. We have taken great assurance that the extremely high levels of acceptability we received during the pandemic of 2020 were almost identical to the confidence we received when we had completed the same acceptability testing exercise in 2019.

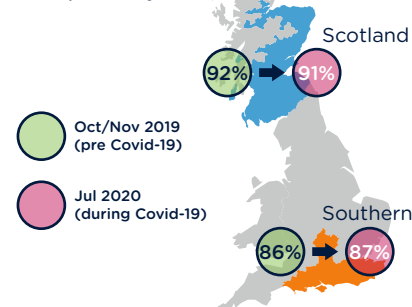
• Understanding changes in stakeholders' priorities: increasing our focus on vulnerability

Feedback from our stakeholder satisfaction survey has told us the importance of 'supporting those who are vulnerable' has increased since last year. Feedback from partners and front-facing teams throughout the Covid-19 pandemic has driven an even greater focus on enhanced training and processes, to ensure our people are better equipped to understand and support a wider range of vulnerabilities, a number of which have been exacerbated by the pandemic. We have introduced new external insight and challenge to ensure we respond to a greater range of vulnerabilities.

Enhanced training for our people

- NSPCC 'You Make the Call' training
- Disability Awareness programme
- RNIB blind and visual impairment awareness training
- RAD deaf and hard of hearing awareness training
- Refreshed and enhanced our Vulnerable Circumstances training
- Mental Health Awareness training

Informed acceptability



Sources of external challenge and insight

- Vulnerability Steering Group
- Inclusive Customer Testing Panel

Enhancing how we serve vulnerable customers

Our strategy to serve vulnerable customers has been developed with stakeholders and continues to evolve in line with stakeholder advice, insight and experience. The strategy is delivered around four themes:

1. Treating vulnerability through a holistic and needs-based approach, using our network of partners to provide timely, relevant and tailored services and support for vulnerable customers
2. Listening to and developing our people to facilitate greater understanding of vulnerable customer's needs, ensuring they feel empowered to help customers they identify as being in a vulnerable situation
3. Contributing in the community, through targeted support for fuel poor households and improving life opportunities and outcomes for young people and underprivileged groups

This year we've added a fourth focus area:

4. Understanding the impacts of Covid-19 in different customer groups and adapting our behaviour and processes accordingly

Identifying and mapping our stakeholders

We continue to adopt a data driven approach, capturing and analysing our engagement activities using our digital Stakeholder Relationship Management (SRM) tool. We use this to record stakeholder engagement activity and the topics each stakeholder has prioritised or is interested in, the geographical areas in which they operate and their communication preferences. Our SRM tool is available to external facing colleagues, and ensures insight is easily accessible across the organisation.

We use our annual stakeholder satisfaction survey to ask stakeholders to select their priorities and the areas they consider most important. We record past engagements in our SRM tool along with preferences stakeholders have shared so we can continually test and validate our strategic priorities. This ensures we match stakeholder needs with focused and relevant communication and engagement activities.

Last year we assessed and analysed our stakeholder coverage with our SAP, who have agreed the categories and our structured approach.

We continue to structure our engagement around twelve main categories of stakeholder groups to address the needs of a broad and inclusive range of customers. Our stakeholder mapping diagram indicates those stakeholders that have grown in importance this year due to the impact of the pandemic and reflects the differences between our Scottish and Southern stakeholders:

Stakeholder engagement increase from 19/20 to 20/21

Increase in amount of engagement this year	Very high High Medium	Domestic Customers <ul style="list-style-type: none"> • Domestic customers • Micro businesses • Future gas customers 	Consumer Welfare Advocacy Groups/Providers <ul style="list-style-type: none"> • Consumer groups (CA, CAS, etc) • Charities – health & safety • Charities – energy/fuel poverty • Charities – vulnerability • Registered Social Landlords (RSLs) • Private and Community Interest Companies 	Scottish Central & Local Government <ul style="list-style-type: none"> • Local authorities (Scotland) • Scottish Government • Transport Scotland • Politicians • LHEES partners 	UK Central & Local Government <ul style="list-style-type: none"> • BEIS • Government departments • Local authorities (Southern) • Politicians • Local Area Energy Plan partners
		Internal Stakeholders <ul style="list-style-type: none"> • Employees / Trade unions • Shareholders / investors • Debt investors 	Regulatory Bodies <ul style="list-style-type: none"> • Ofgem • HSE • Environment Agency • Scottish Environment Protection Agency 	Key Partners in End-to-End Supply Chain <ul style="list-style-type: none"> • Appliance manufacturers • Construction & engineering companies • Service providers / contractors / consultants 	Environmental Experts & Advocacy Groups <ul style="list-style-type: none"> • Sustainability specialists • Environmental charities • NGOs
		Energy Partners <ul style="list-style-type: none"> • GDNs • DNOs • Shippers / Suppliers • Renewable energy sector 	Industry Peers <ul style="list-style-type: none"> • Industry groups / institutions • Research partners / academics • iGTs / UIPs • Other utilities (water, comms, etc) 	Industrial & Commercial Customers <ul style="list-style-type: none"> • Small & Medium Enterprises (SMEs) • Industrial and Commercial (I&C) users • Very large gas customers 	Local Interests <ul style="list-style-type: none"> • Community groups • Emergency & health services • Highways agencies • Public transport providers • Housing providers

Enhanced Resilience relationship for Covid-19

- We've broadened our reach by adding debt investors to reflect their growing interest in the Environmental, Social and Governance aspects of our business (ESG).

We've placed a greater emphasis on engagement with:

- *Our supply chain*, recognising its role in reducing our environmental impact. More information about Supply Chain Sustainability School is in Part 2.
- *Young people / future customers*, responding to stakeholder feedback that we improve their representation. This year we established the industry's first **Future Thinkers Panel** of sixteen 14 to 16 years-olds, and were pleased to see others in our sector now introduce similar forums. Our work around damage prevention and carbon monoxide this year has included engagement with younger people, and our innovative new way of working with students from Edinburgh's Napier University is discussed in Part 2.
- *Innovators and innovative start-up companies*, due to an increased focus on energy data and digitalisation.

Covid-19 has led to strengthening of our relationships with the following stakeholder groups due to their central role, ensuring we've protected our customers, remained responsive to changing guidance and legislation and can support recovery:

- Local resilience partners
- Local and regional authorities
- UK and Scottish Government

Our Vulnerability Steering Group also highlighted the importance of engaging with organisations close to communities suffering the effects of the pandemic.

Continuing to build a broader understanding of diverse perspectives

Creating a more diverse and inclusive workforce

Our stakeholders have asked us to do more to demonstrate our commitment to diversity and inclusion. The makeup of our workforce should reflect the communities we serve, making us more relevant to them and more aligned with their needs and priorities. Our industry has not done well to attract a more ethnically diverse workforce and we are putting in place structures and mechanisms to change that.

This year we received an **Inclusive Employers Standard 2020: Bronze Award** for commitment to inclusion in the workplace. We have held a series of internal workshops called *Let's Talk About Race* which have helped us shape our racial diversity action plan. The workshops have helped us understand how well our workforce represent the communities they serve. We have worked with a number of expert diversity and inclusion (D&I) partners to help us shape our D&I plan and have signed the **Race at Work Charter** to indicate our commitment to improving racial equality. This year we introduced a senior leadership development programme with a focus on inclusion.

We actioned a number of initiatives over the year, designed to attract talent from underrepresented groups. In London, our membership of the **GLA Design Lab programme** is one example of how we have acted on feedback and insight from our Future Thinkers Panel and to actively engage with and provide job opportunities for young non-white males. Ethnic minorities make up 38% of the working population (but just 3% in Scotland), making London a key focus area for attracting and retaining talent from diverse groups.

Engaging with harder-to-reach customers

Our engagement is designed to ensure we get the diversity of perspective from across all our customers, using the following principles to ensure everyone is heard:

- Go where relevant groups congregate and join others' conversations
- Use trusted partners and intermediaries and their platforms to extend our reach
- Ensure engagement is well-timed and accessible, constantly expanding our use of appropriate tools and technology
- Utilise research and insight to identify trends and key challenges

Understanding and tailoring for regional differences

We are the only GDN with two geographically-separate operating regions - two of the largest gas networks positioned at either end of Britain and with considerable regional differences.

Our network of embedded Stakeholder & Community Managers ensure that we accurately reflect the diverse needs and interests of communities in all areas, supported by centralised resources and a governance framework to apply consistent standards of service. This approach facilitates easy sharing of experiences and best practice, allowing us to quickly transfer what we have learnt between regions.

A shared approach example from last year was putting Southern and Scottish stakeholders together in virtual workshops, a combination not possible with face-to-face workshops. Our Resilience Virtual Coffee Morning and our annual workshops included both groups who listened and responded to each other's views on shared topics of interest and best practice.

We identified additional relevant stakeholders in this sector by:

- Asking other relevant business areas for their existing stakeholder relationships
- Undertaking desk research to determine which stakeholders are the key influencers
- Reaching out to trusted stakeholders for advice and joining relevant third party engagement activities to build key relationships
- Engaging expert third party assistance to identify relevant stakeholders on our behalf

As a result of all the above, we have now added over **5,400** additional Consumer Welfare/Advocacy Groups & Providers to our SRM tool.

Our stakeholder engagement team assist internal stakeholders by helping them to identify their stakeholders. This year's internal stakeholder survey reported that **89%** of this audience have been helped by the team to identify their stakeholders.

The number of our stakeholders who are rated as '**highly engaged**' this year has **increased by 77%**. We have also seen a **decrease** in the number of passive stakeholders, with those rated as '**not engaged**' in SRM reducing by **50%**. The number of stakeholders on our SRM tool overall increased by **59%**.

Over the past year our operational teams have made **over 100** changes to our planned works in response to stakeholder feedback. This number has actually decreased over the years as the increasing quality our upfront engagement using our Tailored Project Delivery process now often avoids the need to make changes once projects have commenced.

We have a particular focus on reaching vulnerable customers: people who are unable to confidently communicate in English; customers with disabilities, future customers and the elderly.

Over this last year we have built on our relationship with the charity Scope to better understand and serve customers with disabilities. This has led to specific, tailored initiatives which we have written about in Part 2.

Working with Scope, the Royal National Institute for Blind people (RNIB), Royal Association for the Deaf, and Language Line has helped us to adapt and evolve our inclusive services in line with customers' needs. SGN is one of the first network companies to update its website with embedded British Sign Language (BSL). We have enhanced our Language Line service to give our operational teams the option to use video relay with a BSL interpreter on site should they need it.

Scope has assessed and provided feedback on aspects of our website to ensure we are leading on digital inclusion for disabled people. As a result, we have incorporated a number of changes, including redesigning elements of our homepage. We have also introduced a new **Inclusive Customer Testing Panel**, to ensure we represent a broad range of disabilities through a usability review of our channels and literature.

It has been widely reported that one of the many tragic consequences of the pandemic has been a rise in domestic violence. Our strategy has enabled our frontline staff to bring this to our direct attention and we have investigated opportunities for SGN to help with this issue. An immediate response has been to join an initiative called Safe Spaces. We have also introduced safeguarding training in partnership with NSPCC, to support our frontline teams with the skills and confidence to protect families in crisis. We've described these further in Part 2.



Southern

In Southern, more contractors are used on our engineering projects, in contrast to Scotland where more of this work is undertaken by in-house operational teams. This extra dimension in the South can impact on stakeholders' perceptions of SGN and was reflected in our stakeholder relationship satisfaction scores: 7.5 in Southern vs 8.2 in Scotland. When comparing the differences between Scottish and Southern stakeholders in our annual stakeholder survey, 'minimising disruption associated with roadworks' is significantly more important to Southern stakeholders. To address this, we introduced a Red Flag process so that any stakeholders with satisfaction scores lower than 7 (the majority of whom were based in Southern) received a follow-up call within 48 hours to directly address their concerns. This year we have continued to drive greater collaboration around our streetworks to reduce disruption, which is described further in Part 2.



Scotland

A more stretching carbon emissions target in Scotland has required an enhanced approach to our engagement. We have delivered a series of Specialist Heat Panels in response to stakeholder feedback and as a result, our active partnerships in Scotland are currently more than double the collaborations we have in our Southern network, reflecting a stronger drive from Scottish stakeholders to collaborate on our future energy projects. This engagement has led to our Scottish Pathways project with Scottish Government and National Grid, and confirmation that Fife in Scotland is the location of our world-first 100% hydrogen project – H100 Fife. Our Scottish customers have given us the highest satisfaction scores of any gas network.



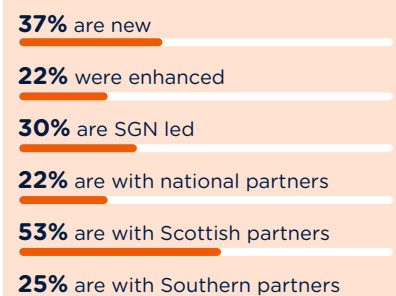
It has been easy to engage in the stakeholder sessions and I have learnt a lot through the webinars” Local authority stakeholder

Broadening our collaboration through effective partnerships

Our strategic approach to building partnerships is founded on the following principles:

- Target appropriate partnerships in the right areas tailored to address the right stakeholder needs.
- Join appropriate collaborations if they deliver effective and aligned outcomes, greater impact or economies of scale.
- Harness the existing reputation and expertise embedded in partners to provide greater tailored support or to enable access to hard-to-reach groups.
- Co-design programmes to ensure truly collaborative solutions and enable shared learning and upskilling.
- Continually review the appropriateness of partnerships and initiatives to ensure they deliver added value and address evolving stakeholder and customer challenges.
- Monitor effectiveness by ensuring robust partnership agreements, with checkpoint reviews and reporting KPIs and progress dashboards.
- Continually gauge the impact of partnerships through an appropriate range of measures, including social return on investment.

Changes in our partnerships this year



Our agile response to the pandemic

Our stakeholders encouraged us to look at the hard-to-reach category through a Covid-19 lens, to identify any new considerations or if the needs of existing groups have been amplified. Our Vulnerability Steering Group also advised us that during the pandemic the overall number of vulnerable customers has grown due to increased social isolation, job losses and growing mental health issues, and for many who were already vulnerable, their situation has worsened. Our response has been to extend our strategy to address vulnerabilities amplified by Covid-19: health & wellbeing, digital exclusion, and supporting ethnic minorities in areas of deprivation, in particular if English isn't their first language.

We've also strengthened our customer tools and expanded training for our front-facing teams to provide extra support when faced with increased vulnerabilities. We've introduced an enhanced **Covid-19 Careline** service, a dedicated customer team who have proactively contacted **7,912** PSR and potentially vulnerable customers to offer additional support and referrals to appropriate partners.

Much of our engagement and communication around increased support during the pandemic has been on digital channels. We know this means some people without access can miss out on this extra support. We've therefore increased our direct interaction with customers relating to our works by introducing Covid-specific **online customer omnibus surveys**, and **over 6,600 customer doorstep surveys** to capture feedback and understand concerns relating to Covid-19, informing our approach as we restarted our planned works as lockdown was eased.

Strengthening our resilience

With flexibility, resilience and care we've continued to serve our customers and colleagues during the pandemic. The most comprehensive and enduring change has been the virtually complete transfer of office staff to home working, where we've achieved a rapid transition to maintain our levels of service. We've engaged with key stakeholders, learning and sharing best practice to ensure we've continued to deliver more for our customers. For example, our Customer Experience team continually engaged with the Customer Contact Association, the Scottish Government Contact Centre Group and a range of other relevant partners, to ensure an efficient transition to home working. As a result, we were able to share best practice on our procedure for setting up home working with SSEN.

We safely remobilised our operations by developing our 'SGN Safe Workplaces' guidance and risk assessments, closely collaborating with

BEIS to ensure alignment with national guidance on managing the safe return of staff to workplaces. In close cooperation with trade unions, we introduced asymptomatic testing six weeks before the government announced its requirement, making us the first GDN to sign up to asymptomatic testing to protect customers and key workers. Throughout the height of the pandemic, our established focus on data led decisions meant we were able to apply data from our own workforce to tailor local responses to regional lockdowns and emerging variants. Creating our own workforce infection map allowed us to identify hot spots around our regions and improve the guidance we delivered to local teams according to actual local risk.

Our experienced Gold and Silver Command structure continues to listen to local communities and respond to our employees' concerns.



I would also like to take this opportunity to thank you and your team for the way you have responded to the pandemic over the past year. I know you have been in regular contact with officials and ministers and I understand that your approach has been to work within the letter and the spirit of our guidance throughout.” Andrew Hogg, Deputy Director for Energy Industries, Scottish Government, in a letter to John Lobban, SGN Managing Director of Scotland and Northern Ireland, March 2021.

Adapting our approach to broaden our engagement

Our engagement objective this year has been to do everything we can to remain as accessible as we would normally be and deliver engagement events which were as efficient and rewarding as traditional events. We consulted our SAP and sought advice, including from other networks, on how best to achieve this.

We quickly adapted our engagement approach to comply with Covid-19 protocols, introducing innovative new tools such as virtual whiteboards, as well as expanding on other existing communication channels to offer information via emails, stakeholder newsletters, letters, phone, two-way texting and Facebook.

In addition to the enhanced inclusivity programmes outlined in our hard-to-reach section (see page 6), we've ensured we've remained as accessible as possible with our digital engagement, continually adapting to the changing needs of our stakeholders.

Initially our response was to mirror our stakeholders who largely adopted the Zoom platform. However, not all stakeholders had Zoom access, including Scottish local authorities, so following confirmation we adapted our engagement platform to also use MS Teams where it was preferable.

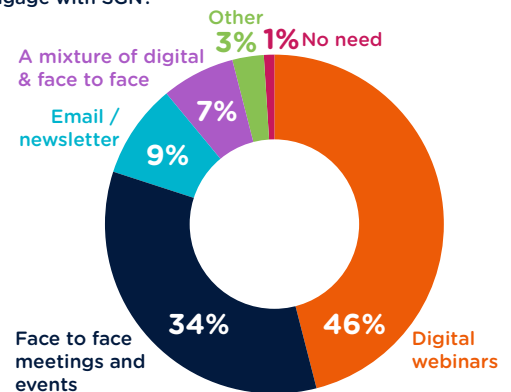
- To offer a comparable face-to-face experience to our traditional engagement and continue to be interactive, we adopted an interactive **digital whiteboard**
- To further increase interaction and **networking** we've used **breakout rooms**
- To make best use of stakeholders' time, we delivered **shorter events** more frequently and hosted **collaborative** events on shared objectives
- We've continued to ask invitees to inform us of any **accessibility requirements**
- We've offered accessibility information up front to all attendees e.g. **closed captioning**
- We ensure video platforms always allow **phone-based attendance** as an **alternative**
- We always check platforms are readable by a **screen reader** for visually impaired attendees
- We **record** all our stakeholder engagement sessions
- We provide **transcripts** after events where necessary
- We offer optional **technical familiarisation sessions** in advance
- We offer a dedicated **point of contact** and calls in advance for any **accessibility support**
- We've explicitly allowed everyone to **input in different ways: live chat, verbal, whiteboard, polling and surveys**
- We've adopted different ways stakeholders can interact with us and view information about our projects: **podcasts, interactive exhibitions and virtual site walks**

As our engineers continued to visit people in their homes and interface with remote communities during the pandemic, we continually asked for their feedback and conducted a specific survey to capture their insight. Their first-hand reports have been invaluable in tailoring our enhanced additional services for vulnerable customers which we've written about in Part 2.

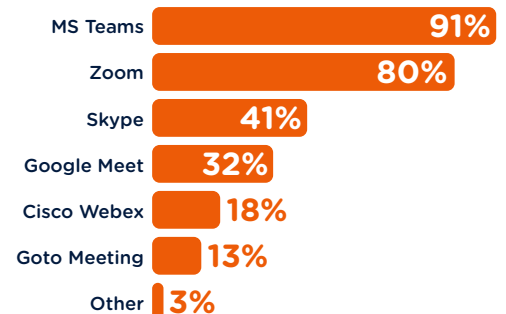
We've reflected on the new challenges faced by our stakeholders and customers and responded to their preferences for future engagement as we move out of the pandemic. **46%** of our stakeholders have told us they would prefer to continue to engage digitally in future, although **34%** still desire face-to-face engagement when permitted. Stakeholders have also told us that MS Teams is easier to access, followed by Zoom and then Skype. We have therefore adopted these platforms.

Stakeholders' engagement preferences post Covid-19 show a slight preference for digital webinars (46%) and MS Teams is the most favoured platform (91%)

Once the Covid-19 pandemic has ended, how would you most prefer to engage with SGN?



Which of these platforms can you access for webinars and online meetings at work?



“

SGN has struck a good balance between developing digital services and engagement but still delivered adapted in person services where necessary.”
Industry Group stakeholder

Assessing our initiatives and measuring outcomes

We place strong value on having a robust decision-making framework in place to help ensure we are making the best decisions for our customers and stakeholders.

Our approach to effective decision-making

1. Critically evaluate feedback and insight to identify our stakeholders' and customers' wants and needs
2. Engage with our stakeholders to identify projects and partnerships of potential value
3. Use our pre-initiative assessment tool to evaluate the expected benefits of a new idea, its alignment with our strategic commitments, and the expected outputs that will be achieved
4. Evaluate the social value of the project, generating Social Return On Investment (SROI) values to identify the amount of benefit received for every pound spent
5. Based on 1-4 above, we monitor and update projects throughout their entire life cycle: prior to commencing, during operation, and after completion when evaluating the success and identifying lessons learned.

This year, our **pre-initiative assessment** tool was refreshed and revalidated with our SAP to ensure it continued to reflect the right priorities and stakeholder outcomes.

We triangulate insight from multiple sources to help us assess our initiatives, including customer research (such as Willingness to Pay and Acceptability Testing), stakeholder feedback (from surveys and workshops) and external advice and challenge groups (our SAP, Vulnerability Steering Group, and Environmental Advisory Panel).

Our enhanced approach to measuring outcomes

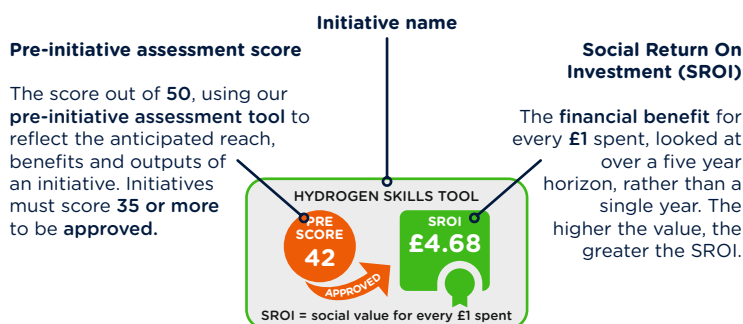
We were the first GDN to partner with social impact research consultancy Simetrica, and have continued to embed their social value guidance into our organisation. Our incorporation of the Simetrica Social Value Bank has enabled our initiative assessments to not only look at the **financial** benefits, such as the cost savings realised by vulnerable customers, but also **health** and **wellbeing** benefits, such as customers feeling part of a community following them receiving in-depth support.

This year, to enhance transparency and comparability we have placed a greater focus than ever on driving towards industry standard approaches to measuring outcomes. Through adopting learnings from the DNOs, including WPD and SPEN, we have made use of the **DNO standard Social Return on Investment (SROI) tool** to inform our social value framework. We recognised a valuable opportunity to incorporate the wellbeing benefits from our Simetrica tool into the industry standard SROI tool. We were aware that this industry standard SROI tool was commissioned by the DNOs and as a result the proxies used are more geared towards the benefits for an electricity distribution company. We addressed this by incorporating additional existing proxies from our Simetrica Social Value bank, that are more geared to our operations as a gas distribution network, into the DNO industry standard SROI tool. This has meant we have been able to incorporate the societal benefits from, for instance, a customer being provided with a Locking Cooker Valve or a CO alarm for their safety, which were not in the industry standard SROI tool previously.

Measuring the benefits

When assessing our initiatives, we can either look at the one year SROI value or the five year SROI. There are cases where the one year SROI is negative, such as our fuel poor gas connections in Scotland (over-and-above the total funded by Ofgem allowances) with **-£0.06** for every £1 spent (in large part due to the high up front costs). However, over a five year period the same initiative returns **£3.39** for every £1 spent. Resultantly, the SROI becomes materially beneficial for our customers and stakeholders over the project's lifetime. We look holistically at the benefits over the longer-term for customers and stakeholders, rather than making decisions based purely on the short-term.

In Part 2 of our submission, we have indicated the benefits of relevant initiatives using this device:



The examples provided in Part 2 detail initiatives where the positive results from pre-initiative assessments and associated SROI led to us progressing projects. There are instances where this isn't always the case. For example, we've heard from stakeholders at Sustainability Round Tables and customers at workshops that we should look for ways we can reduce our own carbon emissions, specifically by increasing our use of electric vehicles. We shortlisted an opportunity to become members of climate group focused on electrifying transport. The SROI of becoming part of this organisation was negative, returning **-£0.84** in year 1 and **-£0.25** in year 5. Additionally, the proposal only scored **23/50** using our pre-initiative assessment tool, well short of the required pass mark of **35**. Recognising the importance of using bill payers' money to derive the best outcomes for our customers and stakeholders, we chose not to progress this initiative and instead assess other partnerships and initiatives that can generate greater overall value for our customers.

Acting on feedback from stakeholders

The tables below show some examples of how we have acted on stakeholders' feedback and the outcomes we have delivered. Our Part 2 submission details the activities we've undertaken this year to deliver valued outcomes for customers and stakeholders, aligned to each of our three commitments.



Delivering a Safe and Efficient Service

Stakeholders said:

At bilateral meetings, the Hampshire & Isle of Wight and Kent Local Resilience Forums advised us of their concerns relating to the changes in customs rules coming in with exit from the EU at the end of January 2021 - specifically the real risk of significant traffic congestion and related transport disruption.

We did:

We engaged with a stakeholder working group that included the police, county councils and Highways England. Traffic gridlock was a major concern, so we identified our own route priorities and created the SGN Southern Ops Brexit Contingency Plan. This integrated approach gave our stakeholders the inside track on our works and we gave them the confidence that necessary routes could be kept clear of any planned streetworks. In turn, they understood our need for engineers to retain access to sites, even if surrounding roads were gridlocked.

Outputs and outcomes

We identified **19** planned jobs during Brexit contingency reviews that were moved or tailored to avoid causing additional disruption. Shared insight meant we could plan ahead for sufficient emergency response engineers to be available in order to cope with incidents if there was disruption to major roads. As a result, there was minimal disruption when the Brexit transition eventually took place, and our one hour gas emergency response standard in Southern remained above **98%**



Making a positive impact

Stakeholders said:

As a result of the pandemic, regional community foundations told us of the urgent need for food and care essentials, and the pressures faced by charities to adapt and migrate face-to-face services online to support people in need.

We did:

We made a **£190,000 Covid-relief donation** that was distributed through regional community foundations across our networks. £165,000 of our donation was given at the start of the pandemic as part of a £500K 'fast funding' collaboration between seven utility companies. Our donations were used by charities to provide services for the elderly, address mental and physical health issues, support food banks and improve youth services, in addition to making Covid-19 adaptations to these services and addressing digital exclusion.



Outputs and outcomes

Our regional community foundation partners told us of the significant benefits our donations have made to customers in need:

“

It's at times like these that we are reminded that community really matters. I would like to thank the team at SGN for working with HIWCF, as this support for our We're All Together Fund has enabled us to prioritise the needs of vulnerable and disadvantaged people in local communities, making a big difference to their lives"

Grant Cornwell MBE, Chief Executive, Hampshire and Isle of Wight Community Foundation



Building a shared net zero future

Stakeholders said:

Stakeholders including Scottish Government told us more information and clarity on the role gas networks could play in decarbonising Scotland's energy would help to inform future policy decisions.

We did:

We jointly hosted a shared stakeholder event with National Grid to create a holistic view of hydrogen in Scotland for now and the future. We focused on the role the gas networks could play in different scenarios, identified blockers, and developed prioritisation against each scenario. Stakeholders helped us develop a roadmap and outline the key challenges we might face.

Outputs and outcomes

Reflecting Scottish Government's commitment to support SGN and National Grid adapt a national gas decarbonisation pathway to align with the Scottish Government's net zero targets, funding was secured to develop the Scottish Pathways study, which explored the shape of the Scottish gas network under two scenarios:

- Steady pathway: where a single town and some industry is converted to 100% hydrogen by 2030
- Accelerated pathway: where large parts of the gas distribution network in Scotland is switched to 100% hydrogen by 2030

The study concluded that under the accelerated pathway the gas network would play a significant role in the 2030 decarbonisation target, but the steady pathway would not allow Scotland to achieve its targets.

When we decide not to act

There are also occasions when there are valid reasons why we cannot act on stakeholder requests. The table below captures two illustrative examples of when this has occurred:

Stakeholders said	What this would mean	How we responded
A stakeholder at our Carbon Monoxide (CO) Round Table requested that when our engineers visit customers' homes to investigate a suspected CO issue, that we add testing of appliances for the presence of CO to our process.	We investigated undertaking an initial trial at one of our depots, including upgraded equipment and training, but concluded that appliance testing was outside the remit of our role as a GDN and would require a change in our licence conditions. In addition, turning off and testing appliances that are leaking CO would put our engineers and customers at unnecessary risk.	We provided a detailed explanation to our stakeholder of why we did not go ahead with the trial, setting out the constraints of our licence and the potential risks associated with an investigation.
The Head of the Parish Council wanted us to reopen the road part-way through engineering work on one of our replacement projects.	The team undertook a comprehensive review of our works and assessed all the risks, concluding we would not be able to safely reopen the road early.	We explained the assessment process that we had undertaken to the Parish Council and the safety-based reasons why we were not able to act on their request.



Our award-winning performance

Our efforts have been recognised externally over the course of the year, including by Utility Week who awarded us Utility of the Year for the first time. Judges praised us for delivering engineering excellence and putting our customers first. Other awards included:

- Inclusive Employers Standard 2020: Bronze Award for commitment to inclusion in the workplace
- Network Awards 2020: Engineering Project of the Year for our Erskine Bridge project
- Network Awards 2020: Innovation Project of the Year (Gas) for our Real-Time Networks project
- Network Awards 2020: Cross Vector Project of the Year for our East Neuk project
- UK Business Awards 2020: Bronze Award for Customer-centric Organisation of the Year
- IT Awards: Emerging Tech of the Year for FYLD
- Customer Contact Association (CCA) Award for Excellence in Social Responsibility and Awareness
- Transport for London (TfL) Streetworks Award for Innovation
- Learning & Performance Institute (LPI) Gold Standard for Talent & Development
- BSI 18477:2010 accreditation for inclusive service provision



Our Part 2 stories mapped against Ofgem's Panel Assessment Criteria

Reference and story	Delivering a safe and efficient service	Making a positive impact	Building a shared net zero future	Initiatives which are part of a holistic approach embedded in their business	Initiatives which reflect innovative thinking in responding to needs of stakeholders	Initiatives which best serve specific interests of challenging groups of customers / communities / future stakeholders and result in measurable benefits	Initiatives which are supported by robust project management processes and appropriate resources	Initiatives resulting from stakeholder engagement activities which may be recognised as smart practice and could be replicated across the industry
1.1 Protecting our customers and engineers when undertaking essential work during the pandemic	●			●	●	●	●	●
1.2 Leading sector-wide adaptations for Covid-19 by working with resilience partners	●			●	●	●	●	●
1.3 Collaborating to make our sites more accessible and our services more inclusive	●			●	●	●		●
1.4 Driving collaboration to reduce disruption from streetworks	●			●			●	●
1.5 Using stakeholder engagement programmes to improve safe digging practices	●			●	●	●		●
2.1 Expanding our services and partnerships to reach more customers in need		●		●	●	●	●	●
2.2 Ensuring our teams have the skills to identify, engage and understand the additional needs of vulnerable customers		●		●		●	●	●
2.3 Reducing the risk of carbon monoxide (CO) poisoning		●		●	●	●		●
3.1 Creating our new Environment Strategy with the help of our stakeholders			●	●			●	●
3.2 Providing education and information to stakeholders					●	●		●
3.3 Supporting further growth in biomethane			●	●	●		●	
3.4 Leading decarbonisation through hydrogen and whole system approaches			●	●	●		●	●
3.5 Achieving a just transition to a decarbonised energy future			●			●		
3.6 Tailoring engagement around our world-first H100 Fife project						●	●	●



Introduction from Rob Gray, Director of Stakeholder Relations and Communications, SGN

I am delighted to introduce Part 2 of our submission, which has been structured around our three commitments to customers; to deliver a safe and efficient service, to make a positive impact on customers and society and to build our shared energy future.

Covid-19 has amplified existing challenges and introduced new ones, such as an increase in the number of customers who are vulnerable or at risk. We have applied our strategy and responded to changing customer needs, broadening our partnerships and adapting our support to introduce new services for vulnerable customers that society would not typically expect from a gas network.

Post Covid-19, climate change will once again be central to stakeholders' priorities. Today, around three quarters of all the local authorities across our operating areas have declared climate emergencies. We maintain our two-pronged approach to minimise and reverse the impact of climate change and provide the evidence to deliver countrywide decarbonisation in line with national net zero targets; to work on future energy solutions that will decarbonise the gas network and to minimise our own environmental impact.

The examples of our work included in this Part 2 cover these core themes and illustrate the continued reliance and importance we place on valuable engagement with our stakeholders and customers. They bring to life the value we create and the critical role SGN has in the communities where we operate.

During this challenging year, we have expanded on our channels of communication and introduced new innovative tools so that we can continue to engage, interact with and respond to the needs of our customers and stakeholders.

Rob Gray

Acting on our three commitments to our customers

Our three commitments, and the seven customer priorities underpinning them, are fully embedded in our operations and drive the actions and outcomes valued by customers. We have structured Part 2 around these commitments to demonstrate the alignment between our activities, the outcomes and the needs of our stakeholders and customers.

A safe and efficient service:

Priorities: Keeping the gas flowing / acting safely / keeping costs down

Making a positive impact:

Priorities: Providing excellent service / supporting vulnerable communities

Building a shared net zero future:

Priorities: Minimising environmental impact / delivering energy solutions for the future

While the priorities remained the same this year, their order of importance changed. Stakeholders were clear that during the Covid-19 pandemic, serving our most vulnerable customers had to take precedence (described further in Part 1).

For each activity included in Part 2 we have clearly set out the stakeholder motivation, what we did, and the outcomes we achieved for customers.



Measuring the benefits

This year, we have built on our previous progress to measure social value, and incorporated learning from the DNOs to enhance transparency and drive greater standardisation across industry when measuring benefits. More information on our progress this year is provided on page 8 of Part 1. Where relevant, throughout Part 2 we have indicated the benefits of initiatives using the following device:



Delivering a safe and efficient service

1.1 Protecting our customers and engineers when undertaking essential work during the pandemic

Holding responsibility for two distinct geographical footprints has meant we have been faced with a different set of Covid-19 guidelines and restrictions in each of our networks. Stakeholder engagement has led to us tailoring our approach in response to stakeholders' needs.



Our stakeholders' views:

At the outset of the pandemic, we engaged the Scottish Government, the Department for Business, Energy & Industrial Strategy (BEIS) and other key stakeholders such as local authorities via direct bilateral meetings to discuss our approach to working during the pandemic. The Scottish Government asked us to pause all non-essential activities, including our planned replacement streetworks (which didn't restart until some weeks later when we received consent from the Energy Minister). In contrast to Scotland, stakeholders in Southern, including some local authorities and the Greater London Authority (GLA), were keen for us to progress planned streetworks in traffic sensitive areas, seeing the national lockdown as a rare opportunity to tackle some of our most challenging projects in built-up areas while minimising disruption.

Stakeholders with local interests, such as MPs, asked to be kept informed about our activities and working practices during the Covid-19 outbreak, in particular any works that would impact upon the general public.

Regular online omnibus surveys reaching 2,600 of our customers, including those with pre-existing medical conditions and those shielding, allowed us to understand shifting attitudes towards recommencing planned works and visiting homes. Our customers told us they were broadly supportive of our work continuing during the lockdown, provided steps were taken to minimise contact with them. Door-to-door surveys of over 6,600 customers in areas where our planned works were paused or due to commence revealed the majority were happy for works to progress, as long as preventive Covid-19 measures were in place.

We also held regular communication with trade unions and engaged with our own frontline key workers and wider workforce through a series of surveys to help us understand a broad range of views. Our engineers were supportive of us continuing essential safety-related works provided additional Covid-secure measures and practices were in place to protect both themselves and our customers.

“I warmly welcome the disciplined approach which SGN has taken, and also your helpful assurance that the proposed resumption of certain, vital works will continue to adhere to the requirements of all relevant guidance.” Paul Wheelhouse MSP, Minister Energy, Connectivity and the Islands

What we did:

Replacing gas pipes (replex) is our most significant planned essential work and it can be disruptive to communities, often requiring us to enter customers' homes in addition to our emergency and repair work. This year we formed new internal Covid-19 collaborative teams to carefully consider stakeholder feedback and any necessary changes as the situation evolved. In the early stages of the pandemic we postponed or redesigned non-mandated works, including any works near sensitive locations like hospitals and care homes.

Using door-to-door surveys, we committed to a 90% or above acceptance rate from impacted customers before we could even start (or recommence) replex works. We adopted a refusal process for customers who requested that we did not work at their property, for example because they were extremely vulnerable or were shielding, meaning these households remained uninterrupted while work was undertaken at neighbouring properties.

Local MPs received regular replex updates to reassure their constituents and we provided residents with a

single point of contact for any concerns, such as access issues, and extended the reach of digital channels by sharing updates with partners and local stakeholders to keep people updated.

With social distancing in place we reviewed how we accessed people's properties to remove risk and very early on adopted a range of extra measures including temperature checking; we were the first GDN to start routine asymptomatic testing of our engineers. We gave our frontline operational staff training to help them navigate concerns about shielding and escalate any cases involving critically vulnerable residents to senior management. To share and agree best practice, SGN's Head of Network Strategy, Andy Musgrave, led an industry working group to ensure critical services were delivered in the safest way possible, in line with latest Government guidance. The industry-wide adaptations agreed and adopted by us included enhanced risk assessments and extra safety precautions, from maintaining social distance in properties to doorstep health screening questions.



Vaccine sites, care homes and critical health infrastructure

The Harwell Campus in Oxfordshire was selected as a major vaccine production centre. New easements were required so gas mains could connect the new facility. We completed the connection ahead of schedule, despite difficult circumstances. We also asked all resilience partners for locations of vaccination centres, giving us the insight to redesign or postpone works and minimising our impact on critical sites like hospitals, care homes and vaccination hubs.

Outputs and outcomes

- Customers were appreciative of the extra measures we adopted to keep them safe:
 - our Southern network **exceeded 9/10** for customer satisfaction for planned work
 - our Scotland network achieved **first place overall** among gas networks for customer satisfaction
- Over **25km** of replex works redesigned to eliminate Covid-19 risks for our customers
- We were voted **overall winner** for our Customer Contact Centre at the **Customer Experience Awards 2020**, and **category winners** for Customer-Centric Culture
- Our Covid-19 response helped us be shortlisted for two awards at the **Business Continuity European Awards**
- 74%** of stakeholders responding to a feedback survey included with an issue of our newsletter rated our response to Covid-19 as either **good (47%)** or **excellent (27%)**

Southern: BEIS monthly engagement begins
Scotland: Scottish Government bi-monthly engagement begins
 All non-emergency works paused
 New Covid-19 adaptations including extra safety precautions and employee briefings implemented
 Local Resilience Forums contacted

Southern: LAs ask us to restart our high traffic-impact planned works

Scotland: only asset integrity works in locations away from customers restart
 Bi-weekly meetings of the GDN solutions group commence
 Customer-facing letters, website, livery and site signage is tailored with Covid-19 information
 Online public perceptions survey wave 1 launched (during lockdown)

Southern: customer door-to-door surveys initiated; customer-intrusive replex and connections work restart (subject to customer consent)

Scotland: non-customer intrusive replex and connections work restart (subject to customer consent)
 Online public perceptions survey wave 2 launched (post lockdown)
 Direct and regular communications to MPs issued
 SGN staff surveyed to review Covid-19 adaptations and experiences

Scotland: Customer door-to-door surveys initiated; customer-intrusive replex and connections work restart (subject to customer consent)

Covid-19 training enhanced for customer-facing employees

Southern: new 15-day customer notification letters including Covid-19 questions issued

Scotland: new 28-day and 10-day customer notification letters including Covid-19 questions issued

All customer-facing works recommence, adhering to local restrictions
 Door-to-door customer surveys discontinued
 Works near care homes and hospitals remain restricted

SGN staff surveyed to review Covid-19 adaptations and experiences

Innovating to manage Covid-19 risks

Through our industry-wide collaboration we led on the adoption of Live Mains Transfer. This procedure allows us to replace gas mains outside a property without interrupting the service pipe, leaving supplies to that particular property live. This means we avoid contact with shielding or vulnerable customers but are still able to replace the pipes to neighbouring properties. This approach has been shared and adopted across the gas distribution networks (GDNs) and is recognised as an effective means of keeping customers safe by avoiding contact during the pandemic.

Our frontline workforce identified a need for a system which helped adhere to Covid-secure working practices by reducing paperwork and limiting physical contact between teams and managers while still collecting vital data. We worked with our engineers to launch a new mobile platform called FYLD to increase efficiency and adhere to Covid-secure working practices (including undertaking product training virtually).



I find it extremely helpful to coordinate with teams on site remotely. It's making teams more aware of the hazards on site and the required controls to carry out work more safely. All the information and evidence needed about a job is available at the click of a button which is helping us resolve most enquiries within one day." SGN Team Manager, Darren Wildish

Outputs and outcomes

- Live Mains Transfer procedure shared with all GDNs
- **5,000** jobs have been completed using FYLD, achieving a **64%** reduction in time to complete risk assessments
- FYLD won Emerging Tech of the Year at this year's UK IT Industry Awards, and SGN project lead Ben Croxford won the London and South East heat of IGEM's Young Persons Paper Competition for his submission which discussed the FYLD project.

Our collaborations with the HSE and all GDNs identified the heightened risk of entering customers' properties to isolate and subsequently restore gas supplies in the event of a gas supply incident due to the pandemic.

We led on the enhancement of a customer self-isolation and restoration procedure, resulting in industry-wide adaptation and adoption of an established risk model. This procedure gives customers instructions and guidance on how to isolate and restore their own gas supplies, avoiding the need for gas engineers to visit their property. Used by us in Huntly, Scotland, the new approach improved outcomes when **4,000** homes lost supply on one of the coldest mornings of the year.

Using a range of communication channels, including postcards, videos, social media and our website, we gave householders detailed instructions on how to switch off their gas at the meter, and once the issue was resolved, guidance on how to restore their own gas supply.

Using our new Incident App we were able to identify all the affected vulnerable customers during the incident. Our Careline team proactively contacted each one, arranging for our engineers to undertake the isolations and restorations, instead of the customer, where required. Using the app ensured we had a paperless solution to minimise physical contact when responding to the incident.

Outputs and outcomes

- As the first GDN to use the procedure, results from the Huntly incident have demonstrated that we can safely use this approach in the future, resulting in a permanent option for speeding up restoration times following gas supply incidents
- The time customers were off gas in Huntly reduced from **4** days to **28** hours
- Our Careline team made **1,527** outbound calls to customers shielding or on the Priority Services Register (PSR) during the incident
- We shared the learning from Huntly, and the customer self-isolation and restoration procedure is now able to be used by all GDNs
- **140** of our people used our new incident app during **eight** incidents to manage a total of **6,370** customers

Post-incident feedback from customers was very positive towards the self-isolation and restoration process, including from customers on the PSR:

	Non-PSR customers	PSR customers	Overall*
Self-isolate How clear did you find the instructions?	9.43	9.37	9.41
Self-restore How clear did you find the instructions?	9.39	9.30	9.36
Given the current Covid-19 restrictions, how satisfied were you SGN took all necessary precautions to keep you safe?	9.46	9.72	9.54

* scores out of 10

1.2 Leading sector-wide adaptations for Covid-19 by working with resilience partners

Maintaining proactive partnerships with local authority and Local Resilience Forum (LRF) teams has always been at the heart of our approach to planning for any evacuation as a result of incidents. These mature partnerships have proven invaluable and their importance has only increased since the advent of the pandemic; allowing us to proactively lead the conversation with resilience partners to tackle the difficult issue of safely managing customer evacuations during incidents.

Our stakeholders' views:

We designed and shared a questionnaire with resilience partners to better understand how we can improve consistency and clarity around managing incidents during the pandemic. The responses of these stakeholders showed considerable variations in approach to incidents across regions and resilience partners. In many cases, resilience partners told us that because of the pandemic there was less certainty about what would happen in the event of a significant incident requiring customers to evacuate properties, and how certain scenarios would be dealt with if the need arose. We used our established relationships with resilience partners to collectively consider the challenge of protecting customers in the event of an evacuation during the pandemic. Concerns raised included hotels being shut during lockdowns, maintaining social distancing and protecting customers who were self-isolating. This revealed that resilience plans needed to be reconsidered, as any incidents would require a far greater coordination of effort and understanding to keep customers safe.

Southern: local tier-tracker introduced (three tiers in England)

Scotland: Local tier tracker introduced (five tiers in Scotland)

Covid-19 risk model for customer gas supply self-isolation and restoration implemented

Evacuation questionnaire issued to local resilience forums and partners

Southern: Evacuation Process shared with the London Utility Sector group

Scotland: Scottish Local Authority Resilience Group confirm acceptance of Evacuation Process

SGN host adapting to the pandemic event with resilience partners

New Evacuation Process launched

Southern: SGN fast-tracks gas connection for new vaccine manufacturing facility

SGN finalises the Live Mains Transfer Safety & Engineering Instruction and shares with the other GDNs

Works are tailored to accommodate vaccination centres

Scotland: Self-Isolation and restoration process used for the first time during incident in Huntly, Scotland

Customer survey post-Huntly issued

GDN solutions group stands down. The Networks Innovation Group take forward ongoing initiatives

SGN staff surveyed to review Covid-19 adaptations and experiences



National Lockdown

October

November

December

January 2021

February

March

What we did:

We led on the difficult challenge of updating evacuation plans, working across both our networks with LRFs and the Local Authorities Resilience Group Scotland (LARGS) to get a clear understanding of the support all parties would require around evacuations. We co-designed a flowchart evacuation process, informed by our insight from speaking to stakeholders, which we sent to every Local Resilience Partnership in Southern and Local Resilience Officer in Scotland. We hosted a resilience partners workshop to share best practice and lead the conversation in how we drive greater consistency, taking the group through a series of four scenarios for discussion and review in the processes.

Outputs and outcomes

- Local authorities specifically asked **all other utilities** to adopt the SGN process we created and shared
- Our evacuation process was adopted by the London Resilience Partnership and the **32** local authorities in the Local Authorities Resilience Group Scotland (LARGS)



Thank you very much indeed for this morning's workshop – it clarified the approach SGN takes in respect of evacuation for those affected by supply failures and when the local authority may need to become involved. Your awareness of the need for an early "heads-up" to the local authority was also very welcomed."

Dorset Resilience Forum

Case study

Customer evacuation in Crawley, West Sussex

Following a gas escape in a block of flats, we worked with the local authority and Local Resilience Forum in Crawley to safely evacuate **136** properties housing over 600 residents. Using our new evacuation procedure helped us ensure the incident management was Covid-secure and gave us important learnings to refine this process and share back with other resilience partners. We also collaborated with Crawley Borough Council on customer communications to keep those impacted well-informed.



This incident was of course more challenging than normal given the pandemic, however, the swift actions taken by all those involved meant the residents were evacuated safely, the building remained safe throughout the incident and has concluded with all residents being safely repatriated. Please pass on my thanks to any staff from your organisation who were involved and played a vital role in the incident."

Natalie Brahma-Pearl, Chief Executive, Crawley Borough Council

1.3 Collaborating to make our sites more accessible and our services more inclusive

Our stakeholders' views:

Last year we worked with Scope to invite customers with disabilities to visit our streetworks. Their important feedback showed we can always improve our site layouts, and accessibility improvements are key. Engagement with Transport for London (TfL), Go Bike and the British Horse Society this year has told us to focus on signage, site layouts and accessibility improvements to make our sites safer and easier for all members of the public and road users to navigate, in particular those with impaired mobility or sight. Feedback from these groups was consistent with comments we received through our membership of the Energy & Utilities Diversity & Inclusion Strategy Group.

What we did:

We established a **dedicated internal working group** to focus on Scope's recommendations and other measures to improve accessibility around our streetworks and other activities. We developed a **Safe for All** internal training film to show the perspective of a diverse range of people navigating pavements and streets when works are underway. Our operational staff also use inclusive communications tools, such as the Language Line translation service and Recite Me accessibility software.

This year we worked with TfL, Thames Water and other utilities to share best practice, and have been partners on **Street Score**, a shared GDN project that aims to highlight any obstructions or unclear signage. As our work on this topic was advanced, we shared learnings from our own internal group with the Street Score group.

Outputs and outcomes

- We've embedded **10** of the **12** Scope recommendations, with the remainder in progress
- Engineers carrying out streetworks risk assessments using our new FYLD app must now give explicit consideration to providing a clear path for wheelchairs, pushchairs and mobility scooters
- We've used **2,779** improved high visibility road plates, trench covers and ramps with rubber edges
- Following local engagement around planned works, we provide translated materials to customers where required – for example at a recent project we issued **178** notification letters in **Nepali**
- Language Line has been used **15** times by our engineers when speaking with customers
- Jointly won the Charity Times Awards **Corporate Social Responsibility Project of the Year** for our collaborative videos produced with Scope and UKPN

1.4 Driving collaboration to reduce disruption from streetworks

Our stakeholders' views:

At our qualitative workshops, customers have consistently asked us to coordinate with local councils and utility companies to ensure disruption is kept to a minimum, for example, by not digging up roads multiple times. Through our collaborative working in London, Cadent has shared similar insight from its customers. In meetings, stakeholders such as the Greater London Authority (GLA), Transport for London (TfL) and the London Mayor's Office expressed support for more collaboration around streetworks to minimise disruption for road users.

What we did:

Coordination and strategic planning around our streetworks, encouraging digital collaboration and sharing best practice is now embedded in our culture and approach, from the design stage right through to operational delivery. We have continued to build on our collaborative approach in London, further developing the work we undertook last year to integrate the data on all our planned mains replacement programme within the GLA's Infrastructure Mapping Tool (IMT).

We also led on the development of a specific incentive proposal, working with Ofgem, Cadent and the GLA, to encourage impactful collaboration on future projects in our Southern network during the next price control period (RIIO-GD2).

In Scotland, as members of the Edinburgh Trams Project, we shared project management best practice with **17** stakeholder partners, working closely with contractors and other utilities in order to achieve a 'one dig' approach wherever possible. We also shared with project stakeholders our communications materials and strategies, and risk awareness training.



I would like to thank SGN for your ongoing and positive engagement with the project, particularly at site level where I believe the relationships are excellent and are resulting in the delivery of some really complex pieces of work for the benefit of the overall trams project."

Michael Motion, Associate Director, Infrastructure, Turner & Townsend

Working together

Sharing our data to develop the National Underground Asset Register (NUAR)

NUAR is a pilot project funded by the Cabinet Office to develop a mapping system containing data from multiple utilities and local authorities. The system aims to reduce damage to utilities, reduce time on site to minimise disruption and streamline works. This year we worked with the GLA and Ordnance Survey to provide asset data into the London Underground Asset Register (LUAR) phase of the project. We continue to work closely with stakeholders to support NUAR's ongoing development.



LUAR is made possible through our innovative and forward-thinking infrastructure partners like SGN who recognise the transformative impacts the NUAR platform can have on both safety and efficiency. We look forward to building on this relationship and continuing to progress regular data sharing and engagement as NUAR progresses."

Greater London Authority

1.5 Using stakeholder engagement programmes to improve safe digging practices

Our stakeholders' views:

Customers and stakeholders consistently tell us that keeping the gas flowing safely is paramount. In this year's annual stakeholder satisfaction survey, as in previous years, acting safely and reliability of gas supplies were rated as fairly or very important by over **96%** of our stakeholders. Direct engagement with stakeholders, such as the United Kingdom Onshore Pipeline Operators' Association (UKOPA) and the UK's leading online safe digging resource LineSearchBeforeuDig (LSBUD), has enabled us to provide more support and guidance for organisations to enhance the information they provide to their members. LSBUD told us that in 2020 they saw a record three million searches for underground pipes and cables pass through their system, representing a 9% rise on the previous year.

What we did:

We launched our **industry first** e-learning pipe risk module that has been shared across collaborative working groups and education partners. To broaden our reach still further, we launched a free to all version of our module on our website, which was developed in collaboration with nine Scottish local authorities and Dundee & Angus agricultural college. Innovating to use online platforms has ensured this best practice e-learning package has been effective during the pandemic.

Taking learning from our activities around carbon monoxide awareness, we know it is important to communicate safety messages to younger audiences, who can be harder to reach. This year we have supported youth organisations including the National Federation of Young Farmers Clubs and the Scottish Association of Young Farmers Clubs, to deliver our safety messages through their education programmes. We also supported the charity Farm Safety Foundation's Yellow Wellies safety campaign, highlighting the risk of working near underground pipes.

We consulted with heads of planning to find ways to draw attention to pipe safety within the planning approvals process. Through the UKOPA network, our next step is to lead on involving employees from the different networks so that every planning approval explains the risk of digging near gas pipelines.

Outputs and outcomes

- The e-learning pipe risk module now runs across **all six campuses** of Scotland's Rural Colleges (SRUC), Borders College, and Dundee & Angus College, reaching over **3,000** future farmers, landowners and land workers
- Working with UKOPA has ensured this e-learning is available to **all 36 members** of the UK wide Landex Agricultural College group
- Following our programme of engagement and education, we have seen a **26% reduction** in encroachments on our pipes in comparison to 2019/20
- **92%** of stakeholders rated our performance for reliability and availability of gas as excelling or performing well, a statistically significant increase of **11%** on last year
- SGN Stakeholder Manager Margaret Hamilton, at the invitation of LSBUD, presented at a **safe digging webinar** on Best Practice for Agricultural Engagement, sharing our learning with interested stakeholders
- Following our engagement, in 2021 universal advisory **pipe safety planning guidance** was approved in Scotland and shared as best practice across all our Scottish and Southern LAs

Making a positive impact

Having listened to our stakeholders, this year we have had two core areas of focus to support vulnerable and hard-to-reach customers:

1. Expanding our services and partnerships to reach more customers in need
2. Ensuring our teams have the skills to identify, engage and understand the additional needs of vulnerable customers

Working with partners to understand and increase our reach to collectively address regional needs, many of the services offered this year have been tailored and adapted to eliminate or reduce risks presented by the pandemic.

2.1 Expanding our services and partnerships to reach more customers in need

Our stakeholders' views:

This year, over **82%** of domestic customers supported our proposals to provide additional services to vulnerable customers, with no statistically significant change in customers' views on this topic pre and post the Covid-19 pandemic.

At our **online virtual workshop** with key specialist stakeholders in Fuel Poverty and Vulnerability we were told to collaborate with regional networks, local community partners and specialist charities and services providers to ensure that the right solutions are identified and delivered, based upon local needs; and to continue to address fuel poverty by providing first-time gas connections to our network (but revisit our targets as appropriate when Government policy changes around future of heat).

We ran a further **survey of our frontline engineers**, whose value as our eyes and ears was amplified this year, which revealed that the main types of vulnerabilities they were encountering and didn't like to 'walk away' from related to customers who may not have understood the situation due to cognitive difficulties (63% of votes), followed by evidence of customers living in a cold or fuel poor home (48%) and customers with physical disabilities (40%).

This year we established our expert stakeholder **Vulnerability Steering Group**, which comprises of a range of key organisations that represent vulnerable customer groups and their needs. This group told us that during the pandemic the overall number of vulnerable customers has grown due to increased social isolation, job losses and growing mental health issues, and for many who were already vulnerable, their situation had worsened. They advised us on how to expand our partnerships and the support we could offer to vulnerable customers.

What we did:

i) Added new partnership services to our industry-leading Additional Services referral app

This year, our app was used extensively by our Careline team and engineers. It gives them immediate access to tools and support for vulnerable customers and facilitates referrals to partners who will provide customers with the specialist help they need. Through our vulnerability training programme, our engineers are well equipped to recognise vulnerability in all its forms and refer customers for additional services as necessary. This year our Careline team also proactively contacted customers on the Priority Services Register (PSR) who had been disconnected for safety reasons, making them aware of the support available.



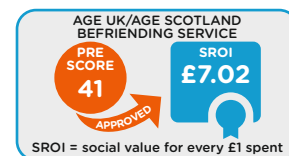
Three new partnerships for 2020/21

Befriending service: We initiated a new partnership with Age Scotland and Age UK to refer older people who are feeling isolated or lonely to their 1:1 telephone friendship service which also offers opportunities for group chats.

Morrisons partnership: To address the immediate and long-term issues faced by customers in the pandemic, including financial hardship, we partnered with Morrisons supermarket to create an industry first Emergency Essentials Household pack. This provides emergency food supplies, tailored to dietary needs, an introduction to the closest foodbank, and additional support such as fuel vouchers.

Fuel voucher scheme: Working with National Energy Action to address an immediate crisis by providing our customers with payments towards their energy bills or prepayment meter if they're struggling to keep warm or are worrying about the cost of turning on their heating. We've also offered these customers long-term financial support.

These were added to our existing range of additional services, which includes Priority Services Register (PSR) referrals, appliance repair vouchers, locking cooker valves, carbon monoxide (CO) alarms, energy advice and Safe & Well visits (undertaken by the Fire Service).



Outputs and outcomes

- This year, **7,912** vulnerable customers were proactively contacted and offered support via our Careline team
- **598** referrals made, providing **1,025** service requests, an increase of **48%** on the previous year
- **27** families supported with food essentials packs from Morrisons
- Over **£22,000** of **fuel vouchers** provided directly to households through our partnership with the NEA
- **1,819** customers referred to the **Priority Services Register (PSR)**
- **158** locking cooker valves fitted
- **133** Safe and Well visits
- **42** CO alarm referrals
- **169** households benefited from our **Appliance Repair Voucher Scheme**, giving customers in-need access to a gas safe engineer and payments towards replacing or repairing essential appliances and pipework
- Our **Age Scotland** and **Age UK** partnership has helped us issue **5,000** information sheets to older people relating to CO safety, energy advice and joining the PSR

ii) Helped break the cycle of fuel poverty

We partnered with Changeworks in Scotland to convert our jointly planned Energy Cafes into a series of four films signposting households to the right energy support and an Emergency Intervention Fund for meter top ups and essentials for those in desperate need. Moving to an online platform eliminated the risks from Covid-19.

Our longstanding partnership with Community Energy South (CES) means our engineers are trained to provide energy support referrals. Through CES's Faith and Power Initiative, trusted members of the community are also trained to disseminate information through faith groups, helping us reach those whom we seldom hear from and are harder for us to engage with.



This year CES has moved to phone call referrals, Facetime calls and online workshops.

Outputs and outcomes

- The four films we produced with Changeworks achieved **24,423** views across a range of channels including Twitter, Facebook and YouTube, and **54** households were supported with gas and electricity top ups, food vouchers and minor insulation measures

Outputs and outcomes

- 141** engineers were trained to provide energy support referrals through our longstanding partnership with Community Energy South, and **12** Faith and Power volunteers were trained to disseminate advice to their local communities
- 2,170** households received advice and support services, with total savings of **£265,592** achieved
- Eight** fuel poor gas connection referrals; **349** PSR registrations, **107** ECO / Warm home checks; **148** small in home measures applied to reduce energy consumption, **386** Warm Home discount applications, **£18,264** in debt write offs, **63** hardship grants applied for, **£5,957** emergency fuel payments issued and water savings of **£6,239**

Working together

In June we adopted the Refugee Council and NEA's Empowered by Energy project across our networks. It fills the life-limiting knowledge gap experienced by refugees and asylum seekers when they set up home in a new country. Adapting swiftly to Covid-19 safety precautions, **40** people attended four online workshops receiving energy advice, from programming a thermostat to taking control of bills and finding out about the PSR, to gas safety and CO awareness. The project is helping us engage with an otherwise hard-to-reach group.

Despite achieving our Fuel Poor Network Extension Scheme (FPNES) target in Scotland, we continued to deliver additional gas connections this year as almost a quarter of Scottish households are in fuel poverty. In Southern, we've continued to extend our support to provide funding for in home measures to partners through our Central Heating Grant Fund, enabling fuel poor households to take advantage of the benefits of receiving a first-time gas connection by contributing towards the cost of in home measures that, unlike Scotland, are otherwise unfunded. This year, in response to the pandemic we established a dedicated taskforce, adopting a data driven approach, working with partners and delivering FPNES connections when Covid-restrictions permitted.



Outputs and outcomes

- This year we delivered **651** FPNES connections in Scotland, ending the year **3,542** connections ahead of our overall eight year Scotland target
- In England we installed a further **564** FPNES connections, and committed funding to partners for **643** first-time central heating systems in the homes of eligible customers unable to pay

This year we provided **£13,558** in enabling funds to Warmworks Scotland to cover essential works such as loft clearances, which are otherwise unfunded, so that householders can have energy efficiency measures and improvements installed, including FPNES connections.



Outputs and outcomes

- 58** households received **365** measures as a result of our enabling funds, achieving an average annual fuel saving of **£323** per household

iii) Grew our Warm and Well Milton Keynes partnership

We've continued our partnership with Western Power Distribution (WPD) and National Energy Foundation to target energy and utilities advice for people living in areas of high deprivation and eligibility for the PSR, identified through WPD's social indicator tool. This year, the addition of Anglian Water to this partnership allowed for the inclusion of advice related to reducing water bills.



Outputs and outcomes

- This year the partnership supported **164** clients over winter, delivering a cumulative total of **479** interventions, with actual financial benefits equating to **£56,061**
- 114** provided with income max support, receiving **£5,745** in actual benefits
- 37** households receiving the Warm Homes Discount
- 25** energy supplier tariff switches, and **5** customers switched to water social tariffs
- 76** wellbeing interventions and **61** PSR registrations
- 23** CO discussions

iv) Partnered in Groundworks South's Green Doctor initiative

We partnered with UKPN on their SPARK Plus Green Doctor initiative with Groundworks South. The programme provides vulnerable and digitally excluded people living in Kent with advice around general energy saving in the home, including tariff switching, WHD, PSR, onward referrals and other relevant information. Groundworks South delivered the service via a no-cost phone consultation. This initiative also includes the training of frontline workers to help identify customers who would benefit from referrals into the Green Doctor service, and our involvement has added value by including gas safety advice (including CO) to the original scope of work.



Outputs and outcomes

- 33** customers have received an average annual estimated benefit of **£250** per household, with the scheme so far achieving an estimated total benefit of **£7,779**
- An initial **50** CO alarms were provided to the Green Doctor programme for onward issue to customers in need

v) Joined the Home and Well partnership to support customers as they return from hospital

Prior to Covid-19, stakeholders including charities such as the Red Cross had pointed to an endless cycle of hospital readmissions amongst vulnerable patients, finding re-admissions accounting for one in five of all hospital admissions. This puts pressure onto health and social care systems, already under significant stress during the peak of the pandemic. Joining an existing regional networks partnership scheme, working with the NHS Foundation, SSEN, Portsmouth Water and Citizens Advice we've supported patients back into safe and warm homes. Working with West Hampshire Clinical Commissioning Group and hospitals in Isle of Wight (IoW), this initiative supports people by addressing the financial and practical issues that might otherwise cause them to be readmitted to hospital.



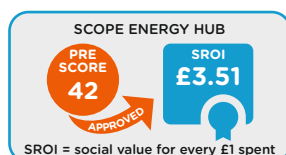
Outputs and outcomes

Overall **768** clients have been supported, of which:

- **526** customers referred to the PSR
- **467** provided with energy support and advice including winter fuel payments, social tariff applications, FPNES referrals, energy grants and fuel vouchers

vi) Led on inclusion for people with disabilities

We partnered with Scope to enable us to refer disabled customers to its dedicated disability **energy advice hub**. Scope has provided this service since the start of winter 2020, including via telephone for those who are digitally-excluded, and we launched our partnership in February 2021 with an experienced team of specialists.



Outputs and outcomes

Since its introduction the Scope Energy Advice Hub has supported **65** clients, resulting in:

- access to **£9,156** of benefits entitlements
- **£3,200** in Warm Homes Discounts
- **£708** of savings in tariff changes
- **£4,047** of financial benefits resulting from energy efficiency actions

Working together

Working with Scope, RNIB, Royal Association for Deaf people (RAD) and Language Line we've invested in ensuring that our services are inclusive. SGN is the first network company to update its website with embedded British Sign Language (BSL).

Scope has provided feedback on our website to help us ensure we are leading on digital inclusion for disabled people, and we have introduced our new **Inclusive Customer Testing Panel** to represent a broad range of disabilities in reviewing our channels and our literature for usability. We've worked with RAD to ensure that our Covid-19 messaging is available on our website in BSL and that BSL is incorporated in our web design. Our operational teams also have the ability to use video relay with a BSL interpreter on site should they need it.

2.2 Ensuring our teams have the skills to identify, engage and understand the additional needs of vulnerable customers

Our stakeholders' views:

Our Vulnerability Steering Group stressed to us that our frontline engineers could often be the first direct contact a vulnerable customer might have had for a long time due to the pandemic. They told us it was therefore very important our people were equipped with the necessary skills to identify and spot the needs of vulnerable customers to ensure they are given the support they needed.

What we did:

Empowered our employees to 'make the difference'

This year, we welcomed the inclusion of gas workers on the list of key workers and put even greater investment into ensuring our teams can support a broader range of vulnerabilities, often as a result of the pandemic. In vulnerable and seldom heard from households the call out for an engineer has required new levels of support to isolated, shielding or recently bereaved customers, as well as allowing those who have unexpectedly lost income to continue to access warmth and heat for cooking.

We've built on our extensive training and toolkit, providing even more enhanced training for all our frontline staff so they can continue to confidently identify and support vulnerable customers. Training received by our people includes:

- Alzheimer's Society Dementia Friends
- Mental Health awareness
- RAD - deaf and hard of hearing awareness
- RNIB - blind and visual impairment awareness
- How we can help - SCOPE disability awareness
- NSPCC - safeguarding young people

Outputs and outcomes

This year over **1,971** of our frontline engineers took vulnerable circumstances training, which included Covid-19 scenarios and prepared our teams to look for solutions to support all customers.



Introduced new services and training to help customers at risk

This year we became the first GDN to create an online safe space to support victims of domestic abuse. During the first national lockdown domestic abuse charities reported an increase in demand for services. As part of our membership of the EU Skills Diversity and Inclusion Forum, where 45 energy and utility sector companies work together to ensure inclusivity and diversity through best practice sharing, we learned of a free online safe spaces service to support victims of domestic abuse. Led by charity Hestia, **Safe Spaces** is a virtual portal which provides a pop-up window on our website to help abuse victims access support and advice, leaving no internet history trace. It also has quick exit options for the person seeking support. To raise awareness, information about the tool was promoted to all our staff through an internal campaign.

Covid-19 has amplified family pressures: reduced finances, isolation and sustained home schooling has put additional strain on many families dealing with the Covid-19 crisis. To support our own employees, we've set up a new partnership with the NSPCC giving staff access to the charity's **You make the call training**. The course shows how to identify and help families where neglect or abuse is a risk. We started this initiative by training all our Team Managers to ensure that our frontline teams had the support they needed based upon what the teams were facing in customers' homes.



2.3 Reducing the risk of carbon monoxide (CO) poisoning

Our stakeholders' views:

Our workshops and meetings with emergency services, Local Resilience Forums, local authority education teams, higher education institutions and grass roots charities, as well as safety campaigners RoSPA and United Against CO, confirmed the ongoing need for higher levels of CO safety awareness. Stakeholders said our approach must include the young and the old, as well as people who are vulnerable and at heightened risk from dangerous appliances, which were less likely to be maintained due to either financial pressures or concerns around social distancing presented by the pandemic. Our stakeholders told us that due to the pandemic more people were likely to be at home indoors, increasing the risk of CO exposure, and that raising awareness was vital as CO poisoning shares a number of symptoms with Covid-19 and could therefore be misinterpreted by some customers. Collaborative research with the other GDNs this year revealed that young people aged 16-24 have low levels of CO awareness.

What we did:

i) Raised awareness of CO poisoning with students

In recent years we have continued our extensive engagement programme to raise CO awareness with primary school aged children, relying more heavily on digital platforms to disseminate messages this year because of the pandemic. Responding to the lower awareness among 16 to 24 year-olds, we launched our sector's **first student-led digital campaign** with students at Edinburgh and Southampton Universities.

Undergraduates living away from home for the first time are unlikely to think about gas safety. Our pilot campaign (run digitally because of Covid-19) was carefully balanced to communicate important safety information about the risks of CO leaks from faulty flues and appliances, using a creative that focused on the quirkier side of shared living. We recruited **six student ambassadors** who uploaded stories and edited posts on their Instagram, Snapchat and TikTok, as well as surveying fellow students to help us better understand awareness levels.

We are sharing the learning from this non-branded creative campaign with the other GDNs in an effort to eventually reach a broader footprint of universities and deliver national impact.

To further raise awareness of CO safety with students, we worked with West College Scotland to co-design a new tool that was piloted with **170 students**. This training tool is now available to all **22,000 students** at the college.



I didn't know what a Carbon Monoxide alarm looked like until it went off last year in my student house and we all had to run around looking for it. I'd like to help others know more before it happens to them!"
Virtue Igbokwuwe, University of Southampton

Supporting CO Awareness Week during November 2020

CO Awareness Week is an annual event run by United Against CO and this was the first year we participated for the full week. We managed a cross channel campaign using social media, traditional media, our website, radio, the SGNapp and Digital Hub. A highlight from our involvement was a radio interview targeting people with impaired vision. SGN's Grant Taylor was interviewed on RNIB's Connect Radio channel on the Daily Connect show, which has an audience of **135,000** listeners. Presenter Steven Scott explained that the topic of CO awareness had not been covered before and the RNIB was extremely grateful to be approached to share our messages with their community.

Working together

Outputs and outcomes

- Our student campaign reached over **16,400** students
- A survey of **169** students found **66%** were more aware CO risk after the campaign
- **CO Awareness Week** reached **8,929** via Facebook and **27,651** via Twitter
- Our Facebook advertisements were seen by **529,216** people and CO alarm callouts in 21 hotspot postcodes fell by **33%** following the campaign
- **1,250** CO alarms distributed to vulnerable households, including piloting the use of **specially adapted alarms** for those with sensory impairment
- **3,756** primary schools received CO awareness information and resources from us, and there were **1,293** unique page views of our new 'activities for children' pages
- Two dedicated sessions on CO with our Future Thinkers Panel, a group of sixteen 14-to-16 year olds, identified **11 key recommendations** across three categories that have informed our CO awareness campaigns for this age group.

ii) Used data to target our messaging

Recognising the impact Covid-19 was having on home schooling families, we used a data led approach to target and provide **3,756** schools with sector wide resources and useful information, including information on CO. This information was targeted at those schools in areas of high financial need and schools with a high percentage of pupils on free school meals.

We used data to identify **21** hotspot postcode areas where CO alarm callouts were high. We ran a ten week CO Awareness Facebook film and advertising campaign in these postcodes to raise awareness of CO safety and the importance of regularly testing your CO alarm.

Additionally, we worked with targeted partners who were accessing the homes of vulnerable customers during the pandemic to disseminate CO safety messaging and CO alarms, including piloting the use of specially adapted alarms for those with sensory impairment.

Building a shared net zero future

We maintain our two-pronged approach to guide our role and actions we take to become net zero by 2045, and deliver the evidence that enables countrywide decarbonisation in line with national net zero targets: **to work on future energy solutions to decarbonise the gas network and to minimise our own environmental impact.**

3.1 Creating our new Environment Strategy with the help of our stakeholders

Our stakeholders' views:

Customers and stakeholders expect us to set ambitious goals for reducing our own environmental impact, enhance the communities where we operate, and work towards being a net zero carbon business. Customers attach a greater value to making our business more sustainable above any other form of business improvement. For example, our customers indicated in **willingness to pay research** that they would pay three times as much on their gas bills for reducing greenhouse gas emissions as they would for reducing disruption resulting from streetworks, and would pay two and a half times as much to maximise biodiversity as they would for enhancements to reduce the risks from carbon monoxide. Further quantitative research with over **1,800 customers** conducted pre and post the Covid-19 pandemic has confirmed that customers' views on us improving our environmental performance remain unchanged. Over **78%** of domestic customers accept that we should reduce our carbon emissions by at least 25% in the next five years. The same research also confirmed high acceptability rates for bringing more low carbon 'green gas' into our network.

What we did:

Launched a new stakeholder led Environment Strategy

Last year we reported on how we engaged internal and external stakeholders to learn from best practice and adopt the UN Sustainable Development Goals (SDGs). This year we set up an external stakeholder **Environmental Advisory Panel**, to challenge and provide support with our new **environment strategy and action plan**. We have joined the Supply Chain Sustainability School (SCSS) and have invited our suppliers to join and embed sustainability in our supply chain. We're supporting the roll out of this approach with an Executive Learning Pathway for our Leadership Team and key topics include sustainability at work, the circular economy, UN-SDGs and embodied/embedded carbon (known as Scope 3 emissions).

The **five pillars** of our strategy to deliver long-term environmental value will help reduce our emissions as we develop a world-leading green gas network powered by hydrogen.



Net zero business carbon emissions: reducing our carbon footprint to net zero by 2045



Engaging with our supply chain: changing the way we source goods to reduce their carbon impact



Boosting biodiversity: creating more green areas on our land, improving community air quality



Supporting the transition to a hydrogen economy: working with industry and Government to support a just transition to a net zero gas network, powered by hydrogen



Transitioning towards a circular economy: applying materials efficiently across our operations and infrastructure projects to reduce waste to landfill and our use of virgin resources

Outputs and outcomes

- In 2020 we successfully retained the Carbon Trust Standard for the **ninth** consecutive year, having achieved a **6.6%** reduction in our total carbon footprint (including gas leakage from our network)
- Our business carbon footprint (excluding gas leakage) fell by **31%**
- We've committed to **24 actions** backed by a science based methodology to achieve net zero carbon emissions by 2045
- Through our SCSS membership we have invited **38** suppliers (equating, by spend, to approximately **60%** of our supply chain) to join the school and work towards reducing Scope 3 emissions
- We've increased our leadership team's capability to hold us to account, with **97** senior managers benefitting from over **200 hours** of continuing professional development using the SCSS resources

3.2 Providing education and information to stakeholders

Our stakeholders' views:

Customers told us in workshops that we should do more to involve and educate younger people in our environmental and decarbonisation activities, a view that was held in particular by those aged 18 to 24.

What we did:

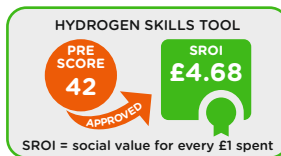
i) Embarked on new and innovative collaboration with Edinburgh Napier University

We have created and launched a collaborative sustainability project with Edinburgh Napier University (ENU) to reimagine five of our historic operational gas sites (Armadale, Glenmavis, Hamilton, Hawick and Irvine) and our Paisley depot to help improve biodiversity, community value and wellbeing. Eight ENU teams created proposals for improvements to the sites and presented their progress through blogs, videos, exhibitions and demonstrations over the course of the project.



We're thrilled to have this opportunity for students and academics from such a wide range of disciplines to work together on a project for social good. SGN are showing their commitment to innovation and creative problem-solving, while allowing us to develop essential meta skills in our future graduates."

Ruth Cochrane, Enterprise Lead at ENU's School of Arts and Creative Industries



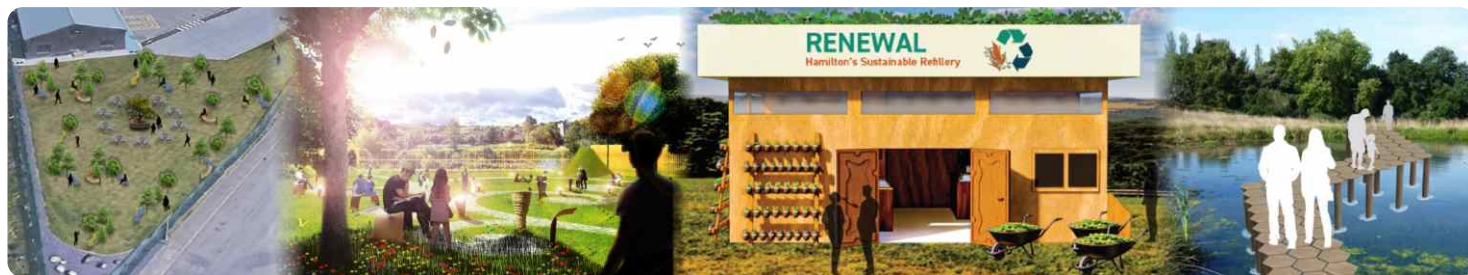
Outputs and outcomes

- **42** students across **17** academic disciplines participated in our ENU partnership
- Student proposals ranged from low cost **biodiverse** insect hotels and wild-flower planting to **wellbeing boosting** sculpture gardens and allotments, to more complex undertakings such as a **circular economy** ecoshop and vertical farming to **reduce climate change**
- Following the partnership, we have updated our biodiversity strategy and identified **10** sites where student ideas will be trialed
- Our hydrogen skills tool has been completed **284** times
- Our Heat Without Carbon podcasts have been downloaded **3,393** times and generated **45,468** impressions on social media

ii) Increased knowledge with our online hydrogen skills tool and Heat Without Carbon podcast

As reported last year, our partnership with Scotland's Energy Skills Partnership, Dundee & Angus and Orkney Colleges has helped us test and develop an innovative online hydrogen skills tool for school and college students, community groups, government and its agencies, companies and their employees. Now more widely available, the tool improves awareness around hydrogen, its production, applications, safety considerations and opportunities for careers.

In July we launched our **Heat Without Carbon** podcast, a series exploring the opportunities and challenges of achieving a net zero energy system; including hydrogen heating, considerations for consumers, and the cutting-edge research needed to decarbonise the sector. The platform puts experts from our own Energy Futures Team alongside influential third parties, including Renewable UK, Energy Networks Association, MPs, and other commercial players like Arup, Kiwa Gastec and Northern Gas Networks.



3.3 Supporting further growth in biomethane

Our stakeholders' views:

Our engagement shows stakeholders and customers agree that increased uptake of biomethane is an important step on the pathway to net zero as it can be used at scale to drive down the UK's carbon emissions. Last year, we hosted biomethane workshops where attendees asked us to improve processes and access to information for biomethane connectors. This year our annual Biomethane and Gas Entry Connections Customer Survey measured satisfaction with our performance from biomethane stakeholders including investors, plant operators, green gas consultants and others who play a material role in the connections process.

What we did:

We now provide a more flexible, individually tailored approach by fine tuning our seasonal setting procedure to take into account biomethane injection requirements and provide a much longer window to inject. We have embedded this process and improved our communication with the biomethane community around when the settings change and the general analysis in the shoulder seasons before we change the network pressures for the winter period. In addition, we introduced a new fast track service for biomethane producers, entailing an online asset quality check and report. Just this one improvement saves biomethane producers at least one day a year in lost production.



Outputs and outcomes

- We are the **first** GDN to introduce a new fast-track service for biomethane producers
- Stakeholder satisfaction with our biomethane services has **improved across 11 out of 13 metrics**, with the biggest improvements been achieved in our performance once connected to the SGN Network, which was historically our lowest scoring metric
- The equivalent of **254,256** homes are now supplied by biomethane in our network, achieving a saving of **560,360** tonnes of CO₂e each year - the equivalent carbon saving of removing **121,867** cars from the road

Working together

Our biomethane-to-grid facility at Poundbury continues to evolve. In January 2021 we added Carbon Capture and Storage (CCS) technology to immobilise carbon during the production process. Poundbury is the UK's first grid-connected biomethane plant to also utilise CCS, demonstrating a clear roadmap to make this and similar communities net zero. The biomethane plant was commissioned in October 2012 and is now the UK's longest serving facility.

3.4 Leading decarbonisation through hydrogen and whole system approaches

Our stakeholders' views:

Stakeholders have asked us to lead a whole system approach to decarbonisation, extending beyond our role as a distribution network to improve our influence on the future of hydrogen, for example by being involved in hydrogen generation, production and storage, as well as household uses such as hydrogen boilers. They also advised us to work jointly with industry partners to focus on high emission activities which would deliver the most impact in terms of carbon reduction.

What we did:

i) Signed up key partners to our Whole System Charter

In 2019 we led the establishment of our Whole System Charter to provide a platform that brings the energy sectors together to help meet Scotland's carbon emissions targets in 2030 and 2045.

This year we have ratified our Charter, underpinned by four principles: **work together** through coordination and cooperation; **manage** uncertainty; **develop** whole system tools and processes, and **demonstrate** our commitment to net zero.

Sharing information across these four principles will support a robust whole energy system in its planning, development and operation. We anticipate extending the charter to include other GB network companies, enabling further whole system delivery of net zero at a UK level by 2050.

We've been active members of the Scottish Energy Networks Strategic Leadership group, bringing together Scottish Government, Scotland's energy network companies, the GB electricity system operator and Ofgem to agree how Scottish energy policy will take into account plans and decisions about investment in network infrastructure.

ii) Expanded our ambitious programme of R&D projects to focus on decarbonising some of the UK's heaviest carbon-emitting industries and transport

- ✓ Our **North East Network & Industrial Clusters** project, in partnership with Wood Group, has created a cross-sector decarbonisation roadmap for the North East and East coast of Scotland.
 - **Interim outputs:** Studies showing carbon capture and storage (CCS) technologies can potentially make use of decommissioned gas pipes as part of the carbon sequestering process. Successful development and demonstration of this technology through our involvement will have significant and far-reaching impacts on the reduction of carbon emissions nationally and globally.
- ✓ We have undertaken a feasibility study investigating opportunities to decarbonise energy-intensive industry and transport around the **Southampton water industrial cluster**, potentially creating a centre of excellence for hydrogen production and distribution on the south coast through carbon capture utilisation and storage (CCUS) and hydrogen based technologies.
 - **Interim outputs:** Southampton emits around 2.6million tonnes of CO₂ from various industrial activities and heat provision, and the study identified significant scope for decarbonisation of the industrial cluster. Stakeholders are supportive of the potential for cleaner air, job creation, new economic opportunities, as well as the support it would bring to the city's Green Charter.
- ✓ We are working with the Western Isles Council on an ambitious **100% Green Hydrogen Hub**. We are contributing knowledge and expertise in relation to converting our LPG gas network in Stornoway. Onshore wind would be used to produce hydrogen for use within a converted Stornoway gas network, as fuel for the islands' road and maritime transport and potentially exported as a traded commodity.
 - **Interim outputs:** Confirmed investment for the Stornoway Deep Water Port in December 2020 set the ball rolling for the right infrastructure to support renewable energy components, significantly enhancing the Western Isles' pole position for a 100% Green Hydrogen Hub.

Outputs and outcomes

- **Five major Scottish energy infrastructure companies** have signed our Whole System Charter
- The Scottish Energy Networks Strategic Leadership group has supported the development and agreement of a set of **eight principles** to guide Scottish energy policy, ensuring consideration for holistic, whole system approaches

3.5 Achieving a just transition to a decarbonised energy future

Our stakeholders' views:

Customers and stakeholders frequently voice their concerns about the parity of a decarbonised energy future, especially considering the future cost to householders. Expert stakeholders at our Specialist Heat Panels asked us to consider how a just transition can be achieved, so those who are least able to afford and embrace new technologies are not left behind. This was reinforced by key specialist stakeholders in Fuel Poverty and Vulnerability from across our networks engaged this year via an online virtual workshop, who asked us to consider our engagement on the future of gas as a solution for heat, as customer choice must be a central component of decisions.

What we did:

Explored customers' views by working with the community-led charities

Last year, we partnered with a local environmental charity, Greener Kirkcaldy, to build on an existing Council-funded energy advice project in Levenmouth, an economically deprived former industrial area in Fife, Scotland. We have now run two different surveys, the first to baseline the attitudes of **261** representative households towards their heating system. Building on the survey findings, we then ran a more in-depth survey reaching **70** residents, focusing on their use and perceptions of natural and green gas heating.

- **82%** said they preferred to use gas to heat their homes because of familiarity
- Over **80%** said affordability and energy costs were a concern
- Under half (**45%**) were interested in heating that reduced their carbon footprint

Feedback in the survey also provided some direction on how to overcome some of the barriers to communicating with deprived and hard to reach groups. Taking this learning, we've collaborated with the charity **Changeworks** to gain a deeper understanding of the worries attached to decarbonised heat, different heating systems and energy tariffs amongst people with disabilities and lone parents. Recommendations from the study included frontline staff training and revealed that customers don't always see themselves as vulnerable, meaning there is further opportunity for us to provide support and explain what help is available. The collaboration showed that it is also important to test our communications messaging on different groups as the content around decarbonised heat can be overwhelming.

Outputs and outcomes

- These partnerships have increased our ability to communicate effectively and with relevance to customers on the future of heat, for example by adapting our messaging to favour health related outcomes over carbon ones to help customers better understand potential benefits
- In response to feedback we established a community panel and multi-channel communications plan for our world-first H100 Fife hydrogen-to-homes project

3.6 Tailoring engagement around our world-first H100 Fife project

Our stakeholders' views:

Members of the local community adjacent to the site of H100 Fife expressed their concerns about noise, pollution and the safety of hydrogen. Additionally, a local councillor told us that the early community engagement had raised questions, and some people in the community would like to hear more about the project and gain a wider understanding of hydrogen in homes.

What we did:

We worked with the local councillor to promote and host a community event, raising awareness through posters, a dedicated project information website with FAQs, Facebook and local press advertising. We changed our online platform from the corporate preferred MS Teams to the more consumer friendly Zoom. We considered timing and digital exclusion, holding one daytime and one evening session, with follow up webchat sessions for those who couldn't attend the community event. We also gave options to join by phone and a call back facility for anyone without digital access. Zoom's web chat allowed us to moderate questions and for members of the public to remain anonymous if they wished. We also got permission to record the meeting and used the events to open an online H100 Fife public exhibition.

Outputs and outcomes

- Our engagement has increased customer understanding of green hydrogen, community awareness of the H100 project, and how they can be a part of it
- **23 local stakeholders** attended the Zoom event
- Over **31,000** local residents were reached via local press publications
- **6,300** people were reached through our targeted Facebook messaging, with one post achieving a click-through rate of **4.2%**, which is **well above average** and demonstrates the level of interest from the local community in the project
- **1,139** visits to dedicated project information webpage



Contact us

If you'd like to be part of the conversation to ensure your views count or if you have any questions on our stakeholder engagement activities please get in touch.



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Write to us
Barbara Whiting,
Head of Stakeholder Engagement
SGN, Axis House
5 Lonehead Drive
Newbridge, EH28 8TG



Smell gas?
0800 111 999