

Quality of Service Discretionary Reward Scheme 2009/10



Engaging our people

At SGN we want to get the best out of our people, the more engaged they are, the better they perform and this increases customer satisfaction.



When we talk about 'employee engagement' we mean an employee's involvement with, commitment to and satisfaction with work. We want our company to be a great place to work, and this is why our people objective is: To deliver year-on-year improvements in employee skills, capabilities and performance. And we'll measure this by carrying out annual employee engagement surveys.

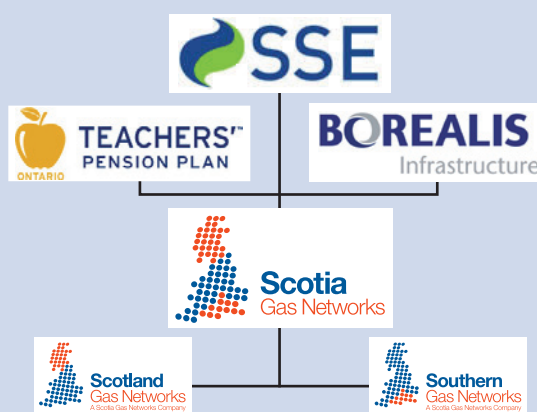
Last year we measured engagement for the first time and based on what we heard, we implemented various improvements including a huge investment in training, the introduction of a new employee benefits package, monthly 1-2-1 focus sessions and annual appraisals. Action plans are in place for improvement, engaging staff in round-the-table discussions. We're trying to make small but important steps to change the way we engage and communicate. An engaged employee goes beyond the basic job role, drives the business forward and delights customers, is passionate about our goals and committed to live our values.

Scotia Gas Networks is the second largest gas distribution company in the UK serving 5.7 million customers in Scotland (operating as Scotland Gas Networks) and the south and south east of England (operating as Southern Gas Networks).

Scotland Gas Networks distributes gas to 1.8 million residential and business customers reaching 75% of Scottish households including remote areas through the Scottish Independent Undertakings (SIUs) at Thurso, Wick, Stornoway, Oban and Campeltown.

In the south and south east of England, Southern Gas Networks serves 3.9 million customers in an area stretching from Milton Keynes to Dover in the east and to Lyme Regis in the west, including the London boroughs south of the River Thames.

Structure



Formed in June 2005, Scotia Gas Networks (SGN) is owned by a consortium including SSE (50%) and two Canadian pension funds, Ontario Teachers' (25%) and Borealis Infrastructure (25%).

