

Electricity Distribution Customer Service Reward Scheme 2010/11

Corporate Social Responsibility

In October 2010 the Cheung Kong Group formally acquired (from EDF Energy) the electricity distribution networks covering London, the East and South East of England which serve over 8 million customers.

Although UK Power Networks is only seven months old, our chief executive Basil Scarsella has made it clear that Corporate Social Responsibility is of paramount importance to us as a company. This is further underpinned by our new company vision:



3 key priorities
TO BE AN EMPLOYER OF CHOICE
TO BE A RESPECTED CORPORATE CITIZEN
TO BE SUSTAINABLY COST EFFICIENT

A new company and a new approach to CSR

We recognise that the diversity of our networks, serving places as diverse as Canary Wharf and Beachy Head, inherently brings different challenges. They include many types of terrain and community, from remote areas of rural deprivation to inner city issues. Hence our approach to CSR reflects this diversity and we have embedded a strategy and initiatives that best serve our community.

As a business we have taken many steps to ensure that CSR is at the heart of everything we do.

All 5,500 employees are regularly reminded of their duty to consider the impact of their activities on the environment and sustainability and we have channelled this through our 'workgreen' training programme which is being rolled out across the business and covers topics such as waste management, nuisance issues, pollution prevention and control, emergency response, and incident reporting. The programme also gives employees sufficient knowledge to recognise potential environmental risks and take appropriate action.

Underpinning this approach are the existing and challenging CSR objectives which we worked to throughout 2010. However, significant progress to develop and improve our CSR strategy has been made since this year.

Opposite are just some examples of our recent work which has resulted from a strong CSR strategy.

1. Building on the success of our Sustainability Commitments

We are currently ahead of target on our commitments to reduce waste from offices and street work activities and to reach one million children with our safety message by 2012.

By working with our contractors we have reduced the amount of streetworks waste going to landfill from 80% to 3%.

2. Launching new commitments that reflect our operations

We identified where the business can offer the greatest strategic sustainable benefit to both internal and external stakeholders and develop a set of DNO specific sustainability commitments.

Although the Sustainability Commitment Programme is still in its infancy, the programme is looking to be rolled out in late 2011 and will strategically align business capabilities with community needs. The business is looking to concentrate on the following areas:

- **Communities:** Keeping our communities safe and protecting those most vulnerable from the impact of our network operations
- **Employees:** Providing a safe and healthy work environment and improving the work/life balance of our employees
- **Environment:** Reducing water, waste and CO2 emissions from our business operations
- **Network Operations:** Improving the environmental impact of operating and maintaining our networks and supporting the transition to low carbon distribution
- Increasing eco-efficiency measures such as water, waste, energy and CO2
- Reducing emissions from network losses
- Better understanding of how we can reduce SF6 and fluid leakage from cables
- Educating children on the dangers of electricity
- Providing support to our most vulnerable customers

3. Community investment

Employees will have the chance to nominate a local charity for the company to sponsor, and staff will be allowed to use company time to volunteer and raise money for that charity. We believe this will help us engage with our customers and develop close relationships, reflecting the diversity of the customers and geography we serve.

In April we launched an extensive new partnership with nine wildlife trusts in all our network areas, supporting them with funding and employee volunteering. Kent Wildlife Trust's Chief Executive, John Bennett, said: "We are delighted to be associated with UK Power Networks with its responsible approach to protecting the environment and its precious habitats and wildlife. We are also very grateful for the financial and volunteering support towards our conservation effort."

We have once again signed as a sponsor of the Anglian Business Awards 2011, to encourage and judge exemplary customer service.

4. Protecting the public

We have a dedicated public safety team that proactively works to spread awareness of the dangers of electricity, and teach techniques to minimise the risk of hitting power cables. We engage with the public at county and angling shows, and regularly speak to local groups and employers. Our unique and dramatic demonstration uses a pole and mock power line which emits pyrotechnics to simulate an electrical strike, when an object such as a



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fishing rod makes contact.

Last year the safety team trebled its attendance at county shows and specialist events, reaching many thousands of people.

We believe it is at least partly due to our proactive work that the public safety team dealt with 16% less incidents in 2010 compared to 2009.

5. Delivering our safety message to children

We achieved our strategy to visit more schools and age groups in 2010 to make children more aware of the dangers of entering substation sites or playing near overhead lines, whilst also spreading these messages worldwide through our website Power Up!

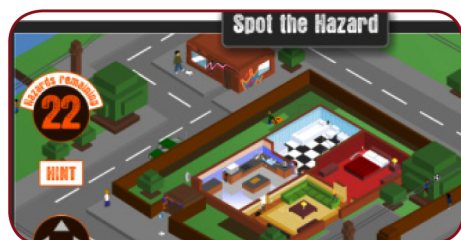
We achieved a 12% increase in the number of school visits (988 compared to 879 in 2009). This was achieved with two less education advisors than in 2009.

Our advisors tailor their workshops to suit the audience, and any reports of children entering substation sites are referred to our education team so that safety workshops can be urgently arranged at the nearest school.

We exceeded our target by 41%. The target for 2010 was 190,000 and we reached over 267,000 children which has put us well on our way to meeting the challenging target of one million children by 2012. The increase in children we have reached with our safety message has helped reduce the amount of incidents involving children playing on or around our equipment. We have seen a 30% reduction in 2010 compared to 2009, which demonstrates how much more aware the children in our area are about the dangers of electricity.

In May 2010 we revamped and re-launched our Powerup! website with input from children and teachers. The site has been a huge success with its improved interactive games such as 'spot the hazard' and downloadable resources for teachers to help lesson plans.

From reaching just under 19,000 schoolchildren throughout 2009, the site reached more than 137,000 people between May 2010 and the end of 2010. Importantly,



Powerup spot the hazard interactive makes learning about electricity and keeping safe around it fun

all these people downloaded materials or did activities, rather than simply viewing pages.

6. Minimising environmental impact in the areas where we work

We are constantly working to develop and incorporate new technology to help mitigate the impact our work has on the environment.

For example our new substation at Arbury, Cambridge won a double ICE for its environmentally friendly design. Another new substation provides waste heat recovery for Tate Modern while supplying electricity to thousands of homes and businesses.

We recently made a successful bid for Low Carbon London funding and have a dedicated future networks team to help develop smart grid technology and other innovations.

In 2011 we also carried out special projects such as recycling a wooden pole into a perch, near a bird of prey centre, to save eagles with large wingspans from landing on overhead lines instead.

7. Keeping communities informed

As a responsible company, it is our duty to engage with communities to keep people informed in advance of planned work which may affect their lives, and in the event of a power interruption. We do this through extensive customer communications including letters, phone calls, texts, leaflet drops, public meetings, MP and councillor liaison, and media broadcasts. More information about how we do this is contained in our Wider Communications submission.

8. Protecting our vulnerable customers

Power cuts can be distressing and even life-threatening for some members of the community, particularly in the cold and dark. They can be especially difficult for those who rely on electricity to power medical equipment.

Anyone can become vulnerable in difficult situations such as power cuts, but they can be reassured and helped with practical and emotional support. This is what the unique **partnership between UK Power Networks and the British Red Cross provides.**

Extra help for our customers is available 24 hours a day, every day of the year. More than 100,000 customers have benefited so far where volunteers knocked on doors to check whether people need any assistance. Around 20% of visits result in assistance being provided, such as the delivery of hot food and drink, supply of information or practical equipment such as torches. **During 2010, volunteers responded to more than 1,031 incidents** on our network. This was particularly important when we had power cuts

during the very cold winter months and we received grateful feedback.

Both our education programme and the work we do in partnership with the British Red Cross have been externally recognised by Business in the Community (BITC) and we have recently had our Big Tick awards reaccredited.

9. Filling the skills gap

We run an apprentice recruitment programme to help fill the industry's skills gaps and offer opportunities for local people. In 2010 we took in 72 new apprentices and in 2010/11 we took in a further 51.

This approach also sees us liaising with Industrial Trust and BITC. We also support students through university via the Power Academy initiative. In 2010 we went into partnership with Colchester Institute to fund a trainee engineer course and also provided a student minibus.

10. Working with other organisations

UK Power Networks is leading the way in an effort to improve safety at unmanned level crossings, together with other organisations including the Office of Rail Regulation. It aims to raise awareness among employers, employees, contractors and the self-employed of the risks associated with level crossings where the user's safety depends on them fully obeying instructions. We help ensure that people receive the proper training so that they can avoid hitting high voltage power lines.

Fortunately incidents are rare, but people have been injured while driving high vehicles or plant across rail tracks. Such accidents can also damage the electricity networks which means customers have their power supplies interrupted.

Our head of security chairs the Industry Security Forum and sits on the ACPO Metal Thefts Working Group and we link with Network Rail, BT and SOCA to help tackle the global issue of metal theft which endangers lives and can lead to power cuts for communities.

We also encourage our suppliers to improve their performance in terms of CSR. We spend £30 million a year keeping trees clear of overhead power lines, and we encourage our tree contractors to recycle chippings, plus replace any felled trees in gardens by planting a new tree.



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Evidence: Corporate Social Responsibility

Daniel Everall, of the Retirement Lease Housing Association, wrote thanking us for supporting residents of two retirement homes in West Sussex, affected by a power cut:

I have been asked to write to offer our thanks for EDF's support during the recent power cuts at Warnham West Sussex, which affected two retirement developments (Farebrothers, Church Street and Stanford Orchard, Hollands Way) for which we are the owners / managing agents.

Vineet Cirdi and his team kept our Estate Manager at Stanford Orchard apprised of the situation, even when the news was not good. He also then arranged for the British Red Cross Volunteers to come to both retirement complexes, through thick snow, with hot water for drinks and torches for the residents. The Red Cross volunteers were very good with our elderly residents who were very grateful for their first hot drink that day. Vineet kept the Red Cross on standby for the following day, as the power had not been restored to half of Stanford Orchard, but thankfully they were not needed as power was restored to the whole site later that day.

Thank you again for your assistance on this occasion.

Yours sincerely,



“He then arranged for the British Red Cross Volunteers to come, through thick snow, with hot water for drinks and torches for the residents. The Red Cross Volunteers were very good with our elderly residents who were very grateful for their first hot drink that day.”

Letter from child after visit to their school by a member of the education team:

Dear EDF Energy Company,

I am writing to you today to tell you about the power electric box in Kensing, West End. It has been secure for a while now. Some silly teenagers could kill themselves, although it is secure with a wired fence. I'll tell you why they can kill themselves throughout my letter.

First of all, the top of the fence is flat and I know it has been locked with a padlock but they can still climb the fence and jump over. A few months ago I went to a safety in action at Doughton House in Seal and one of your company's workers was talking to us about safety with electricity. She had a special box that had a censor so we had to point out the hidden dangers. She talked all about the dangers when we had found all of them. She talked about your number that it started with 0800 so we would remember it.

As I was talking about before that teenagers can kill themselves by jumping over that fence. I suggest in putting spikes on top so they can't jump over and kill themselves. You might not want to do that but, it was just a thought on safety.

Yours sincerely,
Megan Lisney aged 10.

CUSTOMER
12 JUL 2010
RELATIONS

Ros Forbes, education advisor giving a school talk



Delivering a hard-hitting message: a 'power line strike set' with a full size model of a wooden electricity pole.



British Red Cross visits

