



**Scotia**  
Gas Networks

# Stakeholder Engagement Submission

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# Scotia Gas Networks

May 2013





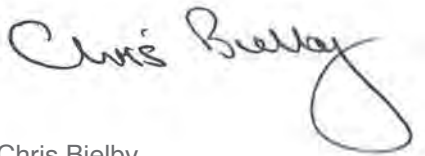
# Stakeholder Engagement Submission

Dear Mr Cullum

Please find attached the completed Stakeholder Engagement - Part 1 Submission Entry Form together with our Part 1 and Part 2 submissions and supplementary information. In order to help you navigate through our proposal I have set out the contents of our submission below.

I would particularly like to draw your attention to the Third Party Evaluation Statement by Two Tomorrows - a DNV Company, who we commissioned to undertake a assurance readiness review. This statement is included in our supplementary information.

Yours Sincerely



Chris Bielby  
Director of New Energy and Stakeholder Engagement  
Scotia Gas Networks

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## GAS/TRANSMISSION STAKEHOLDER ENGAGEMENT INCENTIVE SCHEME



### STAKEHOLDER ENGAGEMENT – PART 1 SUBMISSION ENTRY FORM

**Please note that the deadline for receipt of applications is 5pm, 3rd May 2013.**

GDN DETAILS: (please complete)	CONTACT DETAILS: (please complete)
Company: Scotia Gas Networks Licensee(s): Southern Gas Networks Networks: Scotland Gas Networks Address: St Lawrence House Station Approach Horley, Surrey Postcode: RH16 9HJ	Name: Christopher George Bielby Title: Director of New Energy and Stakeholder Engagement Telephone: 01293 818365 : Mobile: 07584 475158 Email: chris.bielby@sgn.co.uk

#### THE RULES:

1. Refer to the accompanying guidance notes for the 2012/2013 Stakeholder Engagement Incentive Scheme.
2. Fill out this entry form and attach it to your overview of evidence. The overview of evidence and all supplementary information should be referenced to this entry form.
3. Entry form should not exceed four A4 pages in total. Overview of evidence should not exceed ten A4 pages.
4. Complete applications must be received at Ofgem by no later than **5pm on 3 May 2013**. They should be sent to [connections@ofgem.gov.uk](mailto:connections@ofgem.gov.uk) electronically, with a hard copy sent to: **Distribution Policy Team, Ofgem, 9 Millbank, London SW1P 3GE**

#### MINIMUM REQUIREMENTS

<b>Please provide supporting evidence and high level overview of how your company has met the minimum requirements set out below:</b>	<b>Evidence submitted within application (ie, evaluation, assurance report, survey, etc.)</b>	<b>Overview of your arguments demonstrating compliance with requirement. Clearly signpost as to additional relevant evidence/information within submission</b>
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<p>The company has a comprehensive and up to date stakeholder engagement strategy, which sets out:</p> <ul style="list-style-type: none"> <li>- how it keeps stakeholders informed about relevant issues, business activities, decision-making and other developments;</li> <li>- how it enables timely input and feedback from stakeholders via appropriate mechanisms to inform decision making.</li> </ul>	<ul style="list-style-type: none"> <li>• Two Tomorrows third party evaluation statement. (Supp. Info, app C)</li> <li>• SGN Stakeholder Engagement Strategy. (Supp. Info, App A)</li> <li>• Stakeholder Engagement Process. (Part 1,P3, Fig 1)</li> <li>• Stakeholder Map Extract. (Supp. Info, App D)</li> <li>• Stakeholder Engagement Mechanisms(Supp. Info App A, P 5-17)</li> <li>• Stakeholder Groups. (Supp. Info App A, P5-17)</li> </ul>	<ul style="list-style-type: none"> <li>- SGN commissioned Two Tomorrows - A DNV Company, to conduct an assurance readiness review of our submission as to how far we are likely to meet Ofgem's minimum requirements for stakeholder engagement. Their third party evaluation observations are summarized on page 7 of Part 1, and the evaluation statement is enclosed as supplementary information (Appendix C).</li> <li>- The aims of our Stakeholder Engagement Strategy are highlighted on page 3 within Part 1 of our submission and are set out in greater detail in our Stakeholder Engagement Strategy document which is the primary document within the supplementary information pack.</li> <li>- Figure 1 in Part 1 (page 3) summarises our stakeholder engagement process and the key steps we follow to ensure we listen to our stakeholders and act on their feedback. More detail around our approach to stakeholder engagement can be found in our Stakeholder Engagement Strategy document on pages 5-17.</li> <li>- As stakeholder engagement is at the core of SGN's values, we have included examples from our stakeholder map to demonstrate how engagement initiatives are aligned with our values. In Figure 2, Part 1, we have mapped stakeholder groups, engagement mechanisms used, how we keep stakeholders informed and enable feedback from them. Please refer to pages 4 and 5 of Part 1 for an overview.</li> <li>- We are committed to regular and timely reviews of the effectiveness of our strategy and will involve stakeholders in these reviews to ensure they are relevant and fit for purpose - 'Review to Improve'. This year we have conducted a stakeholder mapping questionnaire with our leaders, senior managers, and business leads, followed by a series of face to face interviews with these colleagues to map our stakeholders, understand and act on improvement opportunities for the stakeholder engagement strategy, how we keep stakeholders informed, and enable timely input and feedback. Please refer to Pages 4, 6 and 7 in Part 1, and the stakeholder map extract in our supplementary information pack.</li> </ul>
<p>A broad and inclusive range of stakeholders have been engaged.</p>	<ul style="list-style-type: none"> <li>• Two Tomorrows third party evaluation statement. (Supp. Info, app C)</li> <li>• SGN Stakeholder Engagement Strategy. (Supp. Info, App A)</li> <li>• Stakeholder Map Extract (Supp.Info App D)</li> <li>• Stakeholder Engagement Channels. (Part 1, P4 &amp; 5, Col.1)</li> </ul>	<ul style="list-style-type: none"> <li>• Following a series of business lead and senior management interviews we mapped our stakeholders and the key issues we engage with them on and identified the most effective engagement channels to use. The "Diverse and inclusive mapping of stakeholders" section on page 4 of Part 1 outlines how we have engaged with business leads and senior managers in our organization to map our stakeholders. Figure 2 in Part 1 (pages 4 and 5) demonstrates concrete examples of our stakeholder groups.</li> <li>• A stakeholder map extract is included in the supplementary information pack and is supported by a stakeholder directory which sets out our business plan engagement and feedback. Greater detail regarding mapping our broad and inclusive range of stakeholders is on pages 10 and 11 in our Stakeholder Engagement Strategy document.</li> <li>• The input from individuals and teams has also enabled us to build our new stakeholder engagement database which will allow us to adopt a more centralised and coordinated approach.</li> </ul>

<p>The company has used a variety of appropriate mechanisms to inform and engage their stakeholders – these have been tailored to meet the needs of various stakeholder groups, and are fit for purpose in allowing a detailed analysis of a breadth of stakeholder perspectives</p>	<ul style="list-style-type: none"> <li>• Two Tomorrows third party evaluation statement. (Supp. Info, app C)</li> <li>• SGN Stakeholder Engagement Strategy. (Supp. Info, App A)</li> <li>• Stakeholder Engagement Process. (Part 1,P3, Fig 1)</li> <li>• Stakeholder Engagement Channels. (Part 1, P4 &amp; 5, Col.1)</li> <li>• Stakeholder Feedback.(Part 1, P4 &amp; 5, Col.2)</li> </ul>	<ul style="list-style-type: none"> <li>• Our stakeholder engagement process is highlighted on page 3 of our Part 1 submission and some examples of what we have done are on pages 4,5 and 6. Greater detail regarding our appropriate engagement mechanisms and how these have been tailored to different stakeholder groups is detailed in section 3.3 of our Stakeholder Engagement Strategy document.</li> <li>• Figure 2 of our Part 1 submission on pages 5 and 6 provides key examples of engagement channels we have used to engage with our stakeholders in 2012/13. Section 3.3 of our stakeholder engagement strategy sets out the range of methods we actively use, the level of engagement, the methods of engagement and examples of our engagement methods.</li> <li>• Moving forward, we will continue to deliver a broad range of stakeholder events. We have already started planning a number of events throughout 2013 where different types of stakeholders groups will be able to share feedback with us. Examples of such events are mentioned in our Part 2 submission document and include NEA efficiency forums, and smart metering workshops.</li> </ul>
<p>The company can demonstrate it is acting on input / feedback from stakeholders.</p>	<ul style="list-style-type: none"> <li>• Two Tomorrows third party evaluation statement. (Supp. Info, app C)</li> <li>• SGN Stakeholder Engagement Strategy. (Supp. Info, App A)</li> <li>• Stakeholder Feedback.(Part 1, P4 &amp; 5, Col.2)</li> <li>• Stakeholder engagement initiatives.(Part 1, P4 &amp; 5, Col.3)</li> </ul>	<ul style="list-style-type: none"> <li>• Figure 2 of our Part 1 submission on pages 5 and 6 provides key examples of stakeholder feedback, actions we have taken, and 'what's next' – our plans to continue incorporating stakeholder feedback in business decisions.</li> <li>• Part 2 of our submission builds on Figure 2 and details numerous examples of stakeholder engagement initiatives and how we are acting on input and feedback from our stakeholders. The examples outlined in Part 2 include Streetworks, Core &amp; Vac, the London Olympics and Paralympics, Incident management, biomethane and carbon monoxide. Another notable business activity, the RIIO GD1 business plan process, is also featured on page 4 of our Stakeholder Engagement Strategy document,.</li> <li>• We commission research, chair/lead cross industry/Government groups, consult, collaborate and communicate on many high level national safety issues, notably around carbon monoxide awareness. These are captured in pg 8 of Part 2 submission. We freely share all the outputs with the relevant group to enable learning and development.</li> </ul>



# Stakeholder Engagement Submission

## Part One

May 2013



### Foreword by our Chief Executive Officer

At SGN, we safely operate networks our customers can rely on. Our work touches upon the lives of people in diverse geographical areas from central London to the islands of Scotland.

We provide a service that matters to millions and this means stakeholder engagement must be at the heart of our business. We don't do it because we have to; we do it because it's the right thing to do.

Stakeholder engagement informs our purpose, our vision, and our strategic objectives. It is embedded in our organisation from our processes and procedures to our culture and the way we behave. It's the thread that runs through all of our core values and is fundamental to ensuring the efficient use of our assets and the transition to a low carbon economy, as described in our business plan.

Crucial to this is the necessity for us to listen to what's being said and to act in the most appropriate way as part of our stakeholder engagement process while also ensuring that we never assume the needs of stakeholders to be the same.

Just as we operate in diverse areas, so the needs of those affected by our work are different. We strive to understand them by listening, questioning and, yes, challenging where appropriate. To this end, our engagement process provides clear and straightforward guidance on how all of us in our company can do this and deliver effective engagement across all parts of our business.

We all have a part to play in stakeholder engagement and I believe every single person at SGN can make a positive difference. While Stakeholder Business Leads and owners assume specific responsibilities as part of their roles, everyone is involved. I am personally committed to ensuring that stakeholder engagement is thoroughly embedded within our company and both me and my Executive team regularly review engagement outputs and provide visible,

strong leadership to encourage and coach our people.

Our strategy underpins our entire approach to engagement. Real and sustainable improvements have been made, including formalising our strategy, starting the enhancement of our stakeholder database and creating a stakeholder map to track our relationships.

The influence of stakeholder engagement is demonstrated in the variety of ways we have delivered work during what has been a successful 12 months, from playing our part in the London Olympics to communicating through YouTube during major incidents. Building on this success, we are committed to delivering much more, including something we call 'greening the gas', as well as smart metering, carbon monoxide and streetworks initiatives.

Part Two of our submission provides more detail of how engagement has influenced our work, while this document outlines our strategy and processes we have in place.

Of course, saying all the right things is one thing. What really counts is what our people believe in and what we actually do. I am committed to our company getting it right at every level of the engagement process every time.



John Morea  
Chief Executive Officer  
Scotia Gas Networks

### Our core approach

Our strategy for stakeholder engagement underpins our mission statement and company values, which taken together represent our belief in engagement as the right thing to do. So what does it mean?

Stakeholder engagement mission statement: this helps to define our purpose, complements our corporate vision and explains what we want to achieve

Stakeholder engagement strategy: this defines what we need to do to get there

Our values: these define what it means to be one of us, how we behave and make decisions



## Mission statement and values

Our stakeholder engagement mission statement focuses on how we will achieve the highest standards possible through demonstrating our enduring commitment to stakeholder engagement, embedding it in our culture and going beyond 'business as usual.'

Put simply, we are determined to become leaders in the field of stakeholder engagement, to listen to our stakeholders and use what they tell us to guide our decision making. By doing all these good things, we will be ensuring all round success and it will help us deliver our vision of becoming the leading operator of gas networks in the UK.

Our mission statement also incorporates an outline of how our company values are at the very heart of how we carry out our stakeholder engagement activities.

### **Safety – we all take responsibility for our own safety and for the safety of others**

Safety is and always will be our primary company value. Our engagement on issues such as public safety around our roadworks, emergency service provision, gas pipe risk and carbon monoxide awareness, is always proactive and helps to inform our decisions about mitigating key safety risks for our people, our contractors and our stakeholders. Our whole approach to safety risk management is designed to engage people at every level in a positive and productive way, encouraging ownership, authority and accountability. This helps us keep the public, our people, our assets and the environment safe and secure.



### **Performance – we strive for commercial success through efficiency, continuous improvement and innovation**

Our stakeholders' feedback is key to the continuous improvement of our processes and services to enable us to deliver a safe, efficient and cost effective service to meet our customers' needs now and into the future. We embrace innovative solutions and new techniques to minimise disruption and our impact on the environment. If someone has a great idea, we want to use it to benefit all our stakeholders.



### **People – we work and develop together with honest communication and respect**

Effective engagement channels, which enable our people to participate in a transparent and open environment, are the key to building confidence and trust. They help build understanding throughout our company and allow our people to meet, embrace and help deliver our vision. We endeavour to create an environment where people can express their opinions, expect to be given prompt and honest answers to questions, have their professionalism recognised and enjoy secure and rewarding jobs. We want them to feel proud to be part of their company. In return we expect honesty, integrity and a genuine commitment to serving our stakeholders - and this is what we get.



### **Customers – we listen to and understand our customers' needs, deliver a quality service and keep our promises, building relationships on trust**

The primary focus of our business is to deliver gas to our customers safely, securely, efficiently and reliably. It is important we engage with our customers regularly using appropriate channels and keep them informed about our work, listen to and address their individual needs and concerns and provide efficient and relevant feedback.



### **Our World – we show through our actions that we care about the world and the communities around us**

We play an important role in supporting the Government's transition to a low carbon economy, which requires a collaborative, cross-industry approach as well as innovative solutions to address novel challenges faced by this sector. We also recognise we play a key role in local communities, not only providing a safe and reliable gas supply but through our people engaging in community and charitable activities. Stakeholder engagement forms an essential element in this area, providing feedback on the planning of our pipe replacement projects and areas where community engagement is critical to delivering a quality service.







## Our stakeholder engagement strategy

Our stakeholder engagement strategy aims to:

- Build strong relationships with key stakeholders and their representatives, based on trust and respect;
- Demonstrate a systematic approach to stakeholder engagement and capture high quality engagement outputs;
- Ensure stakeholder engagement is embedded in our organisation through policies and processes for decision making and managing operations;
- Provide a clearer and more formalised approach to managing our stakeholder engagement processes and initiatives, and ensure consistency for all our employees across all our operations;
- Drive the development of a stakeholder engagement action plan;
- Keep stakeholders informed about relevant issues, business activities, decision making and other developments;
- Enable timely input and feedback from stakeholders via appropriate mechanisms to inform decision making;
- Help provide an early warning system for when things might go wrong; and
- Assess our effectiveness in bringing about positive change and how we learn from it.

Our strategy is inextricably linked to our business plan for the RIIO-GD1 price control period. This business plan was created and refined in light of stakeholder engagement, in particular the feedback on 'what is of value' to stakeholders and 'what outputs they wish to see us deliver'.

## Our stakeholder engagement process

Central to our strategy is the process by which we carry out stakeholder engagement. The process, shown in figure 1, consists of several stages and is designed to ensure that improvements are identified quickly so that we can get it right every time.

We have used this process in several areas of our work. For example, we have asked our workforce and listened to their views in our employee surveys, identifying issues important to them and communicating and involving our people in the right ways.

Externally, we have engaged with organisations such as Transport for London (TfL) on a number of issues including our core and vac initiative, which came about due to the need to address TfL's negative feedback on disruption to traffic and the speed at which we completed our work.

Such examples are not one-off processes, they are ongoing in different forms, whether it's continuing to involve and communicate with employees or demonstrating core and vac to more local authorities in addition to our work with TfL.

Similarly, we can encounter obstacles and challenges as we go through the engagement cycle. Our trial to help identify vulnerable customers is one such example, with customers unwilling to give us details to pass on to their supplier as part of that process. We recognise that such challenges exist and that they can themselves be valuable in driving innovative thinking to arrive at other solutions.



Figure 1. Our Stakeholder Engagement Process



## Diverse and inclusive mapping of stakeholders

The individuals, groups and organisations that are potentially affected by our activities are highly diverse and reflect the nature of our operations and the geographical spread of our networks.

We have therefore developed a comprehensive stakeholder map outlining key stakeholders and influenced by a stakeholder mapping questionnaire completed by leaders, senior managers and business leads. Following a series of training courses on stakeholder engagement that they attended, we invited all of these colleagues to share a list of key stakeholders they engage with both at strategic and operational levels and the most important issues these stakeholders have raised. We received a 100% return rate and from this we determined stakeholder categories and organisations and individuals within them.

The stakeholder mapping was further strengthened by detailed insight from business leads through face to face interviews. Each colleague provided robust examples of current engagement processes and how inputs, actions, and outcomes are captured within their business areas. We also invited them to give open and honest examples of areas where they feel SGN is very strong in capturing and acting on stakeholder engagement, as well as areas that can be improved. These interviews have been particularly successful in identifying priority areas for stakeholder engagement initiatives and opportunities to further ensure we engage with a broad and inclusive range of stakeholders. We will report progress on these areas next year.

## Issue identification

Stakeholder mapping has also enabled us to pinpoint issues relevant to particular individuals and groups. This has enhanced other engagement activities with our stakeholders that have seen a range of issues raised through various communication channels, including face-to-face events and has allowed us to understand expectations and what is considered to be important.

Figure 2 shows some examples of what we have done. More detail is contained within our Stakeholder Engagement Strategy and Part Two submission.

people				
Primary Value Association	Who?	Issue?		
How did we engage?	What did they say?	What did we do?	What's next?	How have we measured success?
<ul style="list-style-type: none"> <li>Employee survey</li> <li>Feedback via processes for initiatives such as Ignite</li> <li>Focus groups and local forums for customer-facing workforce</li> </ul>	<ul style="list-style-type: none"> <li>Not enough emphasis on recognition and reward</li> <li>Wanted better leadership visibility</li> <li>Wanted improved communication and more involvement in change</li> <li>Ignite suggestion scheme for promoting innovation could be improved</li> <li>Our policies and procedures were difficult to find and interpret</li> <li>Training required to deliver excellent customer service</li> </ul>	<ul style="list-style-type: none"> <li>Ambassador Awards and Outstanding People Awards</li> <li>Executive meetings 'on the road'</li> <li>Held 'Let's Chat' sessions</li> <li>Delivered a series of RIIO factsheets to all employees</li> <li>Involved employees in twenty13 change project</li> <li>Created an engagement champion network</li> <li>Improved the appraisal and 121 process</li> <li>Reviewed and revitalised Ignite scheme</li> <li>Introduced new Safety Management Framework</li> <li>Maintained current scheme to allow all employees one day to assist with a community scheme</li> <li>Delivered PRIDE training to all customer facing staff</li> <li>More collaboration with trade unions on engagement and safety</li> </ul>	<ul style="list-style-type: none"> <li>Continue to review all employee recognition schemes in conjunction with employee champions</li> <li>Look to introduce new ways of engaging with employees</li> <li>Promote our Ignite scheme to deliver innovative solutions to improve the way we work</li> <li>Regularly review customer feedback from our customers and develop our employees</li> </ul>	<ul style="list-style-type: none"> <li>Feedback from employees</li> <li>Engagement survey results</li> <li>Increased levels of participation in awards internal employee initiatives</li> <li>Reduction in complaints, compensation claims and customer enquiries</li> </ul>



our world



<b>Primary Value Association</b>	<b>Who?</b> Transport for London (TfL)/local authorities	<b>Issue?</b> Improving streetworks performance		
<b>How did we engage?</b> <ul style="list-style-type: none"> <li>Workshops</li> <li>Presentation of research</li> <li>Bilateral meetings</li> <li>Events</li> </ul>	<b>What did they say?</b> <ul style="list-style-type: none"> <li>Duration of streetworks and disruption caused was below the expected standard</li> <li>Communication about our work wasn't good enough</li> </ul>	<b>What did we do?</b> <ul style="list-style-type: none"> <li>Provided information on core and vac initiative</li> <li>Liaised with TfL to trial machine and assess impact</li> <li>Shared findings with other local authorities and agreed further roll out</li> <li>Signed up to a Code of Practice with TfL including five pledges</li> <li>Task cards created and new signage including information boards</li> </ul>	<b>What's next?</b> <ul style="list-style-type: none"> <li>Roll out of core and vac machine to all local authorities</li> <li>Roll out of street works Code of Practice to all areas</li> <li>Continue to improve signage and information for customers</li> </ul>	<b>How have we measured success?</b> <ul style="list-style-type: none"> <li>Feedback from TfL and other participating local authorities</li> <li>Reduction in complaints around street works</li> </ul>

customers



<b>Primary Value Association</b>	<b>Who?</b> Customers/clients – domestic and non-domestic customers	<b>Issue?</b> Incident management, including keeping people informed during incidents		
<b>How did we engage?</b> <ul style="list-style-type: none"> <li>Letters</li> <li>Website updates</li> <li>YouTube Video</li> <li>On site incident centre</li> <li>Social media</li> <li>Telephone - customer service centre</li> <li>Liaison with local community resilience groups including voluntary organisations</li> </ul>	<b>What did they say?</b> <ul style="list-style-type: none"> <li>Appreciation of diverse and inclusive communication methods</li> <li>Request for real time information</li> <li>Need for attention to vulnerable customer needs</li> <li>Requests for extra help and alternative heating and cooking facilities</li> </ul>	<b>What did we do?</b> <ul style="list-style-type: none"> <li>Ensured all communication channels were updated regularly</li> <li>Liaised with social services and volunteers to make sure all vulnerable customers were looked after</li> <li>Provided fan heater and hotplates directly from the on site incident centre</li> <li>Developed and implemented new emergency response manual</li> </ul>	<b>What's next?</b> <ul style="list-style-type: none"> <li>To utilise this model in future incidents</li> <li>Continual review and improvement of process</li> </ul>	<b>How have we measured success?</b> <ul style="list-style-type: none"> <li>Feedback from Scottish Government energy minister</li> <li>Favourable press reports on how the incident was handled</li> <li>Correspondence with local residents and businesses</li> <li>Favourable feedback via YouTube channel</li> </ul>

Figure 2. Examples of Stakeholder Engagement





## Issue identification (continued)

The stakeholder map identified key sustainability issues relevant for stakeholder groups, as shown in figure 3:

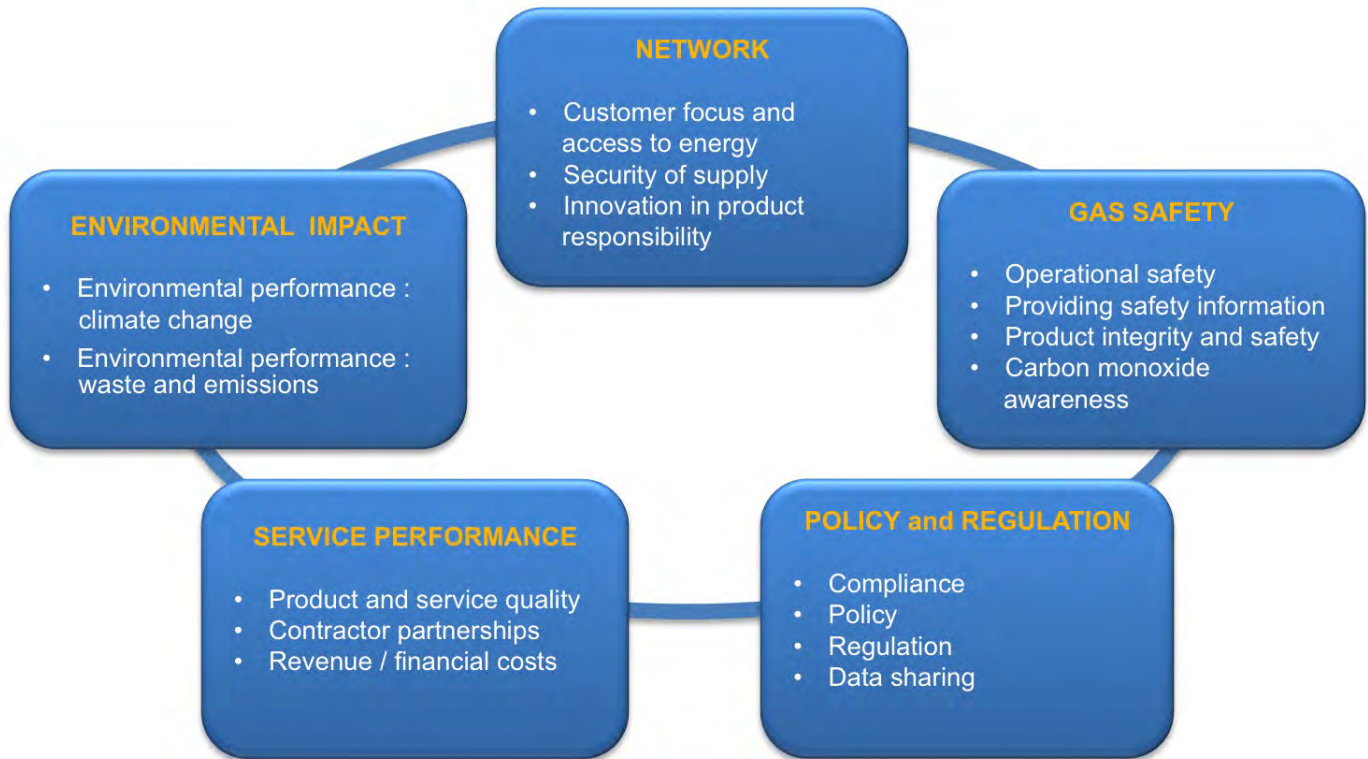


Figure 3. Material Issues for Internal and External Stakeholders

In addition, our business plan has captured and incorporated extensive feedback on a number of subject areas, including:

- Our performance:** Customers and other stakeholders told us our performance and efficiency when we carry out our work is important to them
- Customer service:** Customers want us to listen to them, understand their needs and deliver a quality service
- Safety:** Stakeholders expect us to maintain high standards of safety at all times
- Network reliability:** The very low level of interruption on our network was commended and taken as a good indicator of network reliability

We have made changes based on specific areas of this feedback. Stakeholders felt there was scope to improve our communications when we carry out work and this has led to the development of our own code of conduct for streetworks. In addition, we were told we should be doing more to explore alternative sources of gas and we are now at the forefront of new biomethane based projects.

## Ensuring appropriate engagement mechanisms

We engage with stakeholders in different ways and at different levels depending on a number of factors:

- The stakeholder group;
- The engagement objective;
- The stage in the engagement process and the maturity of the relationship; and
- The drivers, risks and opportunities related to the issue under consultation.

Our methods of engagement are numerous and varied, with views captured on preferred methods of contact and dialogue to enable us to further tailor our communications.





## Communicating with our stakeholders

We are transparent and honest in communication with our stakeholders and make feedback available through various channels, including events, consumer panels, focus groups, surveys, meetings, consultations and publications.

The openness of our communication means we look to provide feedback even when it is not what stakeholders necessarily want to hear, while providing clear justification on the reasons for doing so.

## Listening to our stakeholders and measuring benefits

We record and capture engagement with our stakeholders both on a day-to-day basis and at a more strategic level through our engagement database.

Recording currently takes place through a standard feedback form, one-to-ones and interviews with business leads. We are also in the process of establishing an improved stakeholder engagement database which is likely to input through our intranet, making it available to everyone within the business, while capturing leading and lagging measures of engagement success.

## Acting on feedback from stakeholders and improving our service in the short and long term

Feedback from our stakeholders is crucial for our business to improve and innovate and underpins our business planning activities.

Key elements of our business plan went out for consultation, with stakeholder views informing us and leading to a revised submission incorporating this feedback.

## Our stakeholder engagement plans

Whether we're preparing a business plan or repairing a gas main, engaging with stakeholders matters to us.

We all have a part to play in identifying, understanding, informing, listening and acting when it comes to stakeholder engagement.

In addition, specific roles and responsibilities exist in order to ensure our stakeholder engagement activities deliver high quality outputs and the expectations of our stakeholders are met.

Included among these are Stakeholder Engagement Business Leads from across our company, who have received formal, professional training on the benefits of stakeholder engagement and the processes involved.

The business leads work closely with Stakeholder Engagement Owners – colleagues who interact with stakeholders on a day-to-day basis.

Responsibilities of these two roles include gathering and analysing data relevant to particular engagement areas and developing, implementing and supporting stakeholder engagement plans in business areas or teams.

These plans encompass priorities and actions, with agreed owners for each action, covering who, what, how and when. An overall commitment exists to ensure effective stakeholder identification, definition of issues, objectives and opportunities and ultimately establishing if we have been successful and what we can learn.

## Reviewing and learning

We have engaged external consultants to review our progress against Ofgem criteria and AA1000SES.

Two Tomorrows' evaluation work was designed to gather evidence with the objective of assessing how far Ofgem's minimum requirements for stakeholder engagement are likely to be met and included interviews with key managers, review of evidence for a representative sample of material claims and case studies in the submission as well as feeding back on draft submissions.

The finding of the evaluation is that our submission has substantially met Ofgem's minimum requirements for stakeholder engagement and that supporting evidence where presented is reliable. Recommendations have been made including that we continue to develop our processes and ways we record and document engagement and the resultant business changes and to continue to develop an inclusive and responsive culture. The full statement is available in the supplementary information.

We recognise that there are always opportunities to learn more in terms of stakeholder engagement and are committed to reviewing our strategy and process on an annual basis. We also know that the process of engagement is a dynamic one where we seek to learn from our stakeholders if we are being effective or not.

Much has been achieved within our business to date, however there will always be more to do and new stakeholders and new issues to understand and address. We've made a great start and will continue to devote our efforts and resources to getting it right.

We look forward to the challenges that the future will bring and the part that stakeholder engagement will play in supporting our values and enabling us to achieve our vision of becoming best in class.



# Stakeholder Engagement Submission

## Part Two

May 2013

### Introduction: Engaging with our stakeholders

In our company we know the work we carry out impacts on a wide range of people in different ways.

We also know there are great opportunities to talk to our customers and the public at large, listen to them, hear their feedback and understand what interests them. We already engage with a diverse range of stakeholders in different subject areas but we are always looking for ways to improve.

Many of our 'business as usual' activities have seen improvements made through interaction with stakeholders and their ability to affect the decisions we make. We are also looking to the future and working with others to address the issues that will impact upon all of us in years to come, often through new and innovative ways of thinking.

Key to all of this is our focus on building effective stakeholder relationships in line with our engagement strategy. This means stakeholders are involved and informed in the right ways at the right times to bring benefits to themselves and to our company and industry.

Stakeholder engagement is a way of working - an element of our values that supports better ways of doing business for mutual benefit. The following pages tell the story of some of the priority areas we focus on, the different engagements and the outcomes they have led to. We realise there is much more to achieve but have a genuine belief in the role stakeholder engagement plays in everything we do.

### Our internal stakeholders

Without the efforts of our people, we could not achieve anything. Listening to and acting on the views of our internal stakeholders has been really important for us and the work we do internally definitely influences our engagement externally. Hence, we facilitate feedback via team talks, one-to-ones, our intranet, leadership conferences, employee newspapers and business briefings.

We also receive valuable feedback from internal stakeholders in the form of our Employee Engagement Survey, which takes place every year. The survey has presented us with some vital feedback, with our people telling us:

- Be more involved in change;
- See improved, two-way communications;
- See more of our leaders;
- Have their voices heard; and
- Be recognised and for success to be celebrated.

The run-up to the new price control presented an opportunity to involve our people in change and we established ways in which employees could be engaged both to achieve the objective of helping them to understand the challenges ahead and to give them what they had asked for.

Activities included:

- Increasing leadership visibility by taking Executive meetings 'on the road' to different locations. Directors visit operational teams and host an evening dinner with employees;
- Improving visibility and creating a chance for employees to have their say through monthly face-to-face 'Let's Chat' sessions which are informal sessions led by Directors;
- Building on 'Let's Chat' by having specific sessions on the new price control, RIIO, which also provided a chance for employees to be more involved in change. These reached around 1,000 employees at nine different venues, including two sessions for Trade Union representatives and senior officials. They comprised face-to-face interactive elements with a Q&A and an emphasis on honest, open communication;







## Our internal stakeholders (continued)

- Producing RIIO factsheets, sent to every employee and communicating key messages in an easy to understand way while encouraging follow-up questions;
- Involving our people in our 'twenty13' change project, including featuring them in project posters and banners, using powerful slogans they created and believe in;
- Creating a network of 50 engagement champions across the business to drive employee engagement improvements, improve motivation and align employees with company direction;
- Making annual performance and development appraisals and monthly one-to-ones mandatory throughout the company to provide further opportunities for employees to have their views heard.



## Rewarding and recognising our people: Ambassador Awards and Outstanding People Awards

Comments in our engagement survey told us our employees felt they were not given enough praise or recognition for a job well done. To change this and develop positivity throughout our company, we introduced our Ambassador Awards scheme.

Award categories are aligned to our five values. The overall aim of our scheme is to recognise and reward individuals across our business who have demonstrated exceptional behaviours, lived the values and done that little bit more. Encouragingly, we have seen the number of monthly awards issued double to 64 within the space of a year.



To further develop a praise culture we introduced our Outstanding People Awards (OPAs), to not only recognise and reward the best and brightest ideas in our company but to celebrate their success as well. Nominations for these awards are invited from every employee for 14 categories linked to our values. Our first Outstanding People Awards ceremony was hosted in Glasgow in May 2012, with more than 400 nominations received from across the business.

### Continuing to listen and act:

**Ignite:** Feedback from employees, including through our 'Let's Chat' sessions, indicated that our innovation suggestion scheme - Ignite - was not working well. With innovation such a key part of our future, we knew we had to get it right. We are relaunching the scheme with improved systems, processes and rewards, enhancing the way our people's valuable innovation suggestions are dealt with.

... enhancing the way our people's valuable innovation suggestions are dealt with.

**Safety Management Framework:** Feedback from the business said our Safety and Engineering policies and procedures were often difficult to access, find and follow and our Gas Requirements Manual (GRM) framework had not changed in years. So we did something about it. Our new Safety Management Framework (SMF) includes fresh management standards and templates, rationalised documents, better accessibility, a functioning search facility and the continuing development of clear, succinct job task cards.

## Internal initiatives helping external engagement

Listening to our internal stakeholders and acting on their feedback also enables us to increase understanding of the importance of stakeholder relations.

For example, we used our 'Let's Chat' sessions to focus on incentives for customer service and stakeholder engagement and how we can all play a part in achieving success.

We also have in place internal initiatives that have ties with external stakeholder engagement and here we focus on two examples linked to our Our World and Customer values.

### Community Action Programme (CAP)

Our Community Action Programme (CAP) is all about giving something back to the communities where we work and is communicated via our employee newspaper, leaflets, intranet and through monthly reports to the Executive.

Each of our employees is granted a day to assist an organisation, which may be a charity, school, community group or other relevant body. In 2012/13, activities included working at an animal rescue centre, constructing a school long jump pit, clearing waste and weeds from a river and much more.



The scheme, which also encourages employee teambuilding has seen 564 employees undertake 60 separate projects in the past year including two by our Executive team

Feedback from employees and external organisations is an integral part of the scheme's continued success. For example, the half day originally agreed as part of the scheme was increased to one day to allow volunteers to show their full potential and for organisations to receive the benefit of a full day's work.

For all CAP Projects, colleagues and external organisations are sent a feedback questionnaire to complete with their comments. This information is analysed and reviewed to enable us to develop and improve.

Many organisations which have benefited from CAP have requested we help them again, which demonstrates how well our scheme has been received.

CAP also complements other charity and community initiatives, notably something we call 'Into Action' which is a charity and community based matched giving scheme including 'kit-for-kids' where we support youth sports teams. These schemes assist our people in raising money for UK-based charities by providing an excellent opportunity to double the funds they raise from their own endeavours.

CAP feedback:



Truth is that due to heavy workloads there have been times when I've thought 'do I really have the time for this?' Following completion, my whole attitude has changed and I think the CAP scheme is excellent.

- SGN employee



On behalf of our members, I am writing to thank you and your staff most sincerely for the excellent work carried out to restore the 'Welcome to Horley' signs as part of the SGN CAP programme. We have received many compliments from our councillors and residents, as well as the wider community.

- Horley Town Council

## PRIDE

Feedback from customers comes through comments in surveys, enquiries and complaints. They have told us they want to be better informed and looked after when we carry out work which affects them.

We commissioned a market research company to identify the most important elements of our service to our customers and this research also identified any differences within demographic categories. We have used this information to tailor our service to meet the individual needs of our customers.

Benchmarking with other utilities and service sector businesses identified that customers quite rightly expect high levels of service from all sectors. We are determined to get this right, so to help us change to meet their needs, we decided to engage our people.

Through focus groups and local forums we asked for their views on the service we provide and what could be improved. We identified that our skilled workforce displays pride and passion in their work that we needed to instill throughout our whole workforce. The outcome was the rollout of our PRIDE programme.

PRIDE was developed for our customer-facing workforce to embed the pride and passion philosophy associated with a genuine desire to look after our customers and being proud of the difference we make.

Key elements of the programme include effective communication, keeping our Customer Charter promises and how to positively deal with difficult situations.

We have seen real success that translates into a better service for our customers. Complaints have been reduced by 44%, compensation claims are down by 38% and customer enquiries are 30% lower. 'Thank you' correspondence is received from our customers every day.

Following this success, we have also been approached by SSE plc to share our PRIDE rollout material and we intend to promote the programme and support any other interested companies in utilising it to improve the service their customers receive.







## Our streetworks

As a company, we are most visible when we are repairing or replacing gas mains in the street. Customers notice what we do, the promises we make and the impact we have on their local area. We take pride in our work and want the public and our stakeholders to be happy with it too. When it comes to streetworks, we can achieve this success in different ways.

### Core and vac

Our Innovation and Operations teams have developed an amazing technique with state-of-the-art equipment for reducing the time taken to repair gas escapes. Our core and vac initiative needs just one machine and a team of two to complete a job in hours, which otherwise would have taken several days. This means we have less impact on local residents, road users and the environment.

Transport for London (TfL) had previously said that our performance was 'below standard' in relation to the duration of and disruption caused by our repair works. We therefore actively engaged with TfL and requested their support and feedback on the implementation of our core and vac initiative within London.



As part of this, in December 2012, following collaboration, we demonstrated to TfL streetworks managers as well as the Deputy Mayor of London the new process in use on site. This pilot project in London was added to with a further trial in Glasgow and responses to date have been positive. We are now starting to talk to other local authorities about the benefits brought by core and vac. This has resulted in us inviting members of the South East joint HAUC (Highway Authorities

and Utilities Committee) to a demonstration of the initiative in action.

### London Olympics and Paralympics 2012

Carefully planning and carrying out our emergency, replacement and connections work is always important but summer 2012 saw parts of our networks come under real focus as the London Olympics and Paralympics took place.

We were part of a group called Clearway that worked together from 2008 to ensure the success of the Games, with the main aim of ensuring critical infrastructure was maintained across a number of key roads including the ORN (Olympic Route Network).

The Clearway working group comprised of Transport for London, London Boroughs and utilities. There was also attendance from Ofgem, the HSE and a number of government bodies such as the ODA (Olympic Delivery Authority) and LOCOG (London Organising Committee for the Olympic Games).

Regular meetings were held to ensure all stakeholders were up to date with the various restrictions that were being imposed and we also attended further meetings with interested parties, including representatives from venues such as Greenwich Park and the Weymouth sailing event organisers. Customer-related activity included sending connections customers bespoke flyers advising them of work restrictions in place and we held numerous teleconferences with our employees to inform them of every decision and initiative.

There were a number of gas emergencies during the 'live' Games within venues and adjacent roads which were all dealt with efficiently and effectively, with no disruption caused.

### Streetworks task cards

Following the introduction of a permit scheme in London designed to coordinate activity on the capital's roads, TfL and 33 London Boroughs established a code of conduct endorsed by the London Mayor for road works. In 2012, we agreed to sign up to the code of practice which sets out standards for roadworks to meet five pledges.



We have now gone one step further, adopting the London-based code of conduct and rolling it out across our networks, including our pledges to be tidy and safe, always explain what is happening, always have activity on site, take up as little road/pavement space as possible and help keep traffic moving.

A new set of task cards have been created, informing operational managers of options available to them in order to meet these pledges and including details of signage, information to be used and which stakeholders to keep informed. The adoption of our code of conduct applies to all our networks and will be implemented on all work irrespective of permit schemes, congestion or location.

We created a new set of information boards to explain the progress of our work to the public and stakeholders in clear simple terms and these were successfully trialled in London, Glasgow and Sussex, reducing customer complaints and leading to positive feedback from the public and local authority streetworks coordinators.



May I sincerely thank you for all your efforts and contributions to ClearWay 2012, for your organisations' efforts to aid the movement of the Games Families and general traffic in London and for contributing to the overall success of two marvellous events.

- Mark Beasley  
Head of Planned Interventions and SRO for ClearWay 2012



## Incident management - working with stakeholders; keeping people informed

Working to keep customers and other stakeholders happy when an incident occurs needs to be second nature to our company. While dealing with incidents could be considered to be part of our day job, doing things better and trying new ways to meet stakeholder expectations are vital.

For example, the largest scale incident we dealt with in 2012/13 involved a loss of gas supply to 3,500 homes in the towns of Tillicoultry and Dollar in Clackmannanshire, Scotland, caused by third party damage to our pipe towards the end of November. With customers wanting to know when their supplies would be restored, we worked alongside a number of organisations, from the local authority to volunteers from the local Mountain Rescue, to communicate with and take care of customers, including through the delivery of alternative heating and cooking facilities. We got more customer service staff to visit more customers more of the time, day and night.



At the same time, we featured heavily in local news, with our Communications team providing interviews, posting regular website updates and utilising social media including Twitter and YouTube (see below) – efforts that have since seen the team on site nominated for a prestigious Chartered Institute of Public Relations award. The Scottish Energy Minister also phoned our Managing Director in Scotland to personally thank him for our extra efforts during this difficult time for our customers.

Over the course of the incident and following its conclusion, we received many letters, tweets and comments of praise:

“I wanted to pass on my thanks and praise. The gas teams were amazing and gave such support to the community.”



“As soon as my gas went off, I called customer service and was kept informed and advised. The response to the incident was fantastic.”



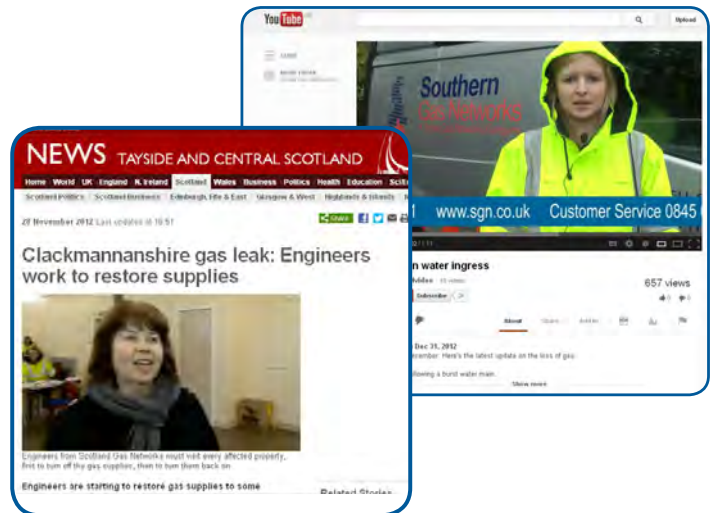
We always want to improve the way we interact with stakeholders during emergencies. An investigation and review group meet following incidents to examine and learn from our safety, customer service and operational performance as well as working relationships and the communication process between external parties.

### Use of video during incidents

In 2012, a need was identified during crisis management preparations to introduce a new procedure involving contingency plans for major losses of supply. The aim was to communicate with very large numbers of customers in an effective and timely manner.

We developed the unique idea of having emergency information videos specific to an incident. These would be created on site, with our own staff speaking, filming and editing the footage and loading there and then onto our YouTube channel and linking to our website. This would add value for our customers, the media, emergency services, local authorities and our own people.

We understand that customers have high expectations. With access to the internet provided cheaply through mobile devices, the web is seen as the main choice for up-to-the-minute information, particularly during a crisis.



... thank you for keeping us informed.

Orpington residents

An example of the use of YouTube came when a burst water main just before New Year's Eve saw 1,800 customers in Orpington lose their gas. Four video updates produced by and starring Communications Officer Hannah Brett received a total of 1,200 views. During the incident local people recognised Hannah as 'that girl on the video', all of them saying 'thank you for keeping us informed.'

We received strong positive feedback on the initiative, not least on our YouTube channel itself, where a viewer wrote: "Your YouTube videos really are a tremendous idea and an excellent way to get this kind of important information out there." We are now rolling the idea out to encompass information on our mains replacement projects as well as incidents.





## Looking after our vulnerable customers

Incidents such as those described involve us identifying and taking care of vulnerable customers and we have been trialling an initiative as a result of stakeholder feedback through our consumer panel, customer focus groups and key stakeholder events.

This feedback overwhelmingly said we should try to further assist vulnerable customers, with four-fifths of focus group participants saying that our call centre should contact vulnerable customers after a visit to provide details of available help and support.

We visit over 300,000 customers through our emergency service alone and a number of these will be eligible for the priority services but not registered as vulnerable customers. We therefore worked with SSE plc on a pilot across two of our depot areas in Edinburgh and Sussex. Our engineers identified on their worksheets if a customer was potentially vulnerable. Information relating to SSE customers was then collated and our customer service team phoned the customers to advise them they could be eligible for priority services.

While we were hopeful that the trial would be a success, we encountered a stumbling block when we asked customers for permission to pass their details to their supplier for registration but they were reluctant to do so. This in itself has proved to be a valuable outcome of the trial and we have now moved on to explore a way forward. We engaged with National Grid and shared our initial findings with a view to embarking on a wider-reaching industry review to enable eligible customers to receive the services they are entitled to. In addition, our findings have been given to Consumer Focus to aid in the debate with Ofgem on an overall way forward.

## Assisting those in fuel poverty

Our responsibility to facilitate network extensions and fuel poor connections has provided a great opportunity to work alongside a broad range of stakeholders. Working closely with registered social landlords and third sector organisations, we have to date completed some 17,000 fuel poor connections and the new price control period will see us continue this work on a significant scale.

Highlights of our stakeholder engagement programme in this area:

- We are members and business supporters of Energy Action Scotland (EAS) and National Energy Action (NEA). This allows us to share platforms and exchange ideas with stakeholders and host joint seminars aimed particularly at housing associations. We are sponsoring NEA efficiency forums in 2013/14 and brought together the four Gas Distribution Networks (GDNs) to share a platform at the NEA annual conference;
- We have provided support for initiatives being promoted by the Scottish Federation of Housing Associations, including gathering data to inform policy decisions around retrofitting energy efficiency measures;
- Although not officially recognised under the assisted connections scheme, we will continue to provide support on a discretionary basis for District Heating Schemes (DHS) where they can be shown to be the best solution for that particular community while lobbying on behalf of our stakeholders for the official inclusion of DHS as part of our fuel poor targets;
- From discussions with Yorkshire Energy Services (who provide energy project support for Hampshire council in our southern network), we are providing assistance with carrying out surveys of Park Homes to assess their eligibility for funding. We have also worked with residents on Kingfisher Mobile Home Park in Bournemouth to help install gas infrastructure; and
- We work closely with local authorities and housing associations, providing support on project development and assessing opportunities for assisted connections. Our plans for the future will see us continuing to build on existing relationships while considering new ones we need to foster (e.g. with energy suppliers).

## Looking to the future

While bringing people out of fuel poverty is a cornerstone of our future activity, our industry as a whole needs to plan for the future more than ever. Stakeholder engagement is a key part of the journey to a low-carbon economy, where innovation will also ensure that efficient use is made of our assets. Here we look in more detail at two initiatives where we have engaged with stakeholders with the aim of working together to create a successful future.

### Biomethane

All alternative cleaner and greener energy sources should be encouraged and integrated into existing systems where possible.

- Stakeholder response from West Berkshire Council as part of consumer focus group.

Aiding the delivery of biomethane into the gas distribution network is central to our long-term strategy of 'greening the gas.' Our work with consumer focus groups and subsequent engagement across stakeholder groups and with industry partners has provided an expectation that we will do just that and we are passionate about this exciting area of opportunity.



We were the first GDN to inject biomethane into the UK gas network at Didcot in Oxfordshire and we are also a partner in the UK's first commercial biomethane plant at Poundbury in Dorset (opened in November 2012), where JV Energen is responsible for the production of biogas and we manage the remainder of the process from the clean-up of the biogas to its injection into the network.

We used the experience developed on these projects and with our partners to inform the wider industry, government and regulators via a number of different methods that have produced a variety of outcomes:

- As well as hosting a number of civil servants at Didcot, we held a workshop for DECC and other Government agencies at Poundbury to share the project findings;
- We have had many face-to-face meetings with various Westminster departments to maximise the number of biogas projects. We sat on the Anaerobic Digestion and Biogas Strategy work group and were instrumental in the set up of the Energy Market Issues for Biomethane (EMIB) work stream, now led by Ofgem. We also have an excellent relationship with the Renewable Heat Incentives, Bioenergy and Gas Markets teams;
- We have engaged with the Environment Agency through membership of their Technical Advisory Group (TAG) on the End of Waste Biomethane Quality Protocol and have taken a leading role in providing data to the HSE on pollutants associated with gas samples from our operational gas-to-grid sites;
- We are working with industry partners (MT Energie/Agraferm, DMT, Chesterfields, Purac) and consultants on sharing information associated with anaerobic digestion plants and network entry systems;
- Through sharing information with other GDNs through our trade association the Energy Networks Association (ENA) and other forums such as a 'Biomethane Day,' we have highlighted the costs of bringing the necessary components together; and
- We have recently been in discussions with the Edinburgh International Partnership on decarbonising redevelopment work at Edinburgh Airport and have also visited industry partners in Europe to learn from their experience and gain better understanding of the technologies operating there.



There remain a number of constraints to overcome and we are working with stakeholder groups to do so. For example, meeting gas quality requirements remains an issue for biogas producers and we have hosted numerous workshops to broaden understanding of the issues and gain from their feedback.

Overall, stakeholders in this part of the industry are increasingly coming to us for advice and we continue to work with any party interested in a 'gas to grid' project. We also firmly believe that connected thinking between all agencies is vital when it comes to 'greening the gas' and look forward to doing much more in this area over the coming years.

## Smart Metering

The Government's vision is for every home and small business in Britain to have a smart electricity and gas meter installed and we have been working to understand the impact this will have on our networks.

Our own Smart Metering Programme team conducted an initial operational survey to aid our understanding, with 9,000 customers visited as part of this. We identified the key stakeholders to engage and share such work with.

**DECC:** We attend meetings with senior representatives from groups including Consumer Focus, Age UK and DECC senior managers to present our survey results, ideas and initiatives for a coordinated approach to smart metering among GDNs and have also had bilateral meetings with DECC senior personnel such as the deputy programme director.

**ENA:** We attend all Smart Metering Steering Group meetings which provide excellent opportunities to discuss challenges and issues. We also attend the Smart Metering Operational Group, which has developed a gas issues document that will be circulated to Smart Metering lead training companies such as the National Skills Academy.



**Suppliers:** Although Smart Metering will be led by suppliers, we strongly believe GDNs have a huge part to play and we are the first of them to begin the process of engaging with the big six suppliers. To date we have met with British Gas, Scottish Power and SSE and have had discussions across a number of areas. Second meetings/workshops have been agreed to see how we can coordinate works for the benefit of the customer. Future meetings with the remaining three suppliers have also been arranged.

**Ofgem:** We hold individual discussions with Ofgem regarding the smart metering programme in addition to DECC working groups and ENA groups mentioned above.





## Keeping people safe from CO

Safety is at the forefront of everything we do. It is our primary value and we work tirelessly all day, every day, to keep people safe.

### Working with stakeholder groups

We recognise the vital importance of working in partnership with established carbon monoxide groups, politicians and manufacturers to help reduce the number of carbon monoxide (CO) fatalities and injuries across the UK and Europe. We chair or are members or supporters of the following national safety groups, hence we commission research, produce normative reports and share all the learnings with any interested party.

- Energy Emergency Executive (E3C) – Member
- Gas Task Group (GTG) – Chair
- Gas Industry Safety Group (GISG) – Chair
- All Party Parliamentary Carbon Monoxide Group (APPCOG) – Steering Group member
- All Party Parliamentary All Fuels Group – Steering Group member
- Gas Safety Trust (GST) – Chair
- Institution of Gas Engineers and Managers (IGEM) – Supporter
- HSE ACOP Review Group – Steering Group member
- Gas Safe Register - Member and supporter
- COGDEM - Supporter
- Energy and Utility Skills - Supporter
- CO Gas Safety - Supporter
- Dominic Rodgers Trust - Supporter and advisor
- Consumer Safety International - Supporter and advisor
- UKLPG - Supporter
- Katie Haines Memorial Trust - Supporter

Our engagement with these groups continues to be an important element in educating the public to the potential dangers and risks associated with the use of fossil fuel appliances.

Chris Bielby, our Director of New Energy and Stakeholder Engagement chairs a number of these groups and has spent the last 25 years tirelessly lobbying and canvassing support for gas safety issues, particularly around carbon monoxide. In fact, SGN identified a gas safety issue and was instrumental in advising the CEO of ITV about a Coronation Street character undertaking gas work when not qualified. As a result, SGN was invited, along with the Gas Safe Register and the medical profession, to help review and produce a script for a Coronation Street carbon monoxide storyline that ran across Christmas and the New Year.

As active participants in the above groups, we are able to provide funding to numerous projects including educating housing association and local authority professionals, carrying out student carbon monoxide awareness research and a television awareness campaign alongside the Royal Society for the Prevention of Accidents (RoSPA).



### Working with other GDNs

We are also working in conjunction with other GDNs to highlight the dangers of carbon monoxide via our engineers' visits to customers. Engineers will point out the potential dangers of carbon monoxide and provide specific information on the risks, the signs of carbon monoxide and the symptoms of CO poisoning. Following such visits, customers will be contacted in order to evaluate whether they felt they were better informed on the risks and the results of these surveys will be jointly discussed by the GDNs and reported to Ofgem on a regular basis.



### Safe Taysiders

As part of our ongoing engagement with local emergency services we have participated in the Safe Taysiders event run by Tayside Police for a number of years. The event occurs every year for two weeks and around 2,000 10-11 year olds attend for half a day and spend time learning safety messages through interactive sets from the emergency services, and many others, including ourselves where we deliver the message on what to do if you smell gas.

This year we incorporated a new stand on the dangers of carbon monoxide and have funded and supported the Dominic Rodgers Trust with Stacey Rodgers and her 'Stacemobile' as the central focus. The 'Stacemobile' is a vehicle decorated with a cartoon message designed to appeal to a wide audience in a simple, fun way. As feedback from our key stakeholders told us that most of the fatalities due to carbon monoxide poisoning are now related to leisure activities or mobile homes, we decided to base the theme around the dangers of carbon monoxide when on holiday, focusing on the use of barbeques and portable appliances in tents, caravans, motor homes and boats.

Children who visit our stand are given a fact sheet and a quiz which they complete by exploring the set to find the potential hazards we have set up. We also contribute to a goody bag that includes a CO awareness leaflet, fridge magnet with our emergency number on it, hard hat pencil sharpener and a comic strip highlighting the dangers of CO.

### Go Safe Scotland

In collaboration with local council representatives, ROSPA and the Laser Alliance and following engagement with Scottish Government, we are now working in partnership with Glasgow and Fife councils, Scottish Water, Scottish Power and the NHS to develop a three stage learning programme called 'Go Safe Scotland.' The purpose was to ensure we addressed the dangers of carbon monoxide poisoning and the programme now targets all Scottish school children between 5 and 16. From this year, it will be embedded in the CfE (Curriculum for Excellence).

### Safety Centre Alliance

The Safety Centre Alliance (SCA) is a group of registered charities spread across the UK delivering safety education and training to 11 year olds. To date we have been successful in supporting four of these centres through visits, funding and providing safety literature. Following our attendance at the SCA annual meeting we now have successful contact with nine others. We have developed a comic strip to highlight the dangers of carbon monoxide which has now been incorporated in the learning manual produced by an SCA member, the Risk Factory in Edinburgh.



### Girl Guiding

We have successfully engaged with Girl Guiding to develop a partnership which proposes a range of initiatives focused on a mixture of fun and knowledge development through either badge, group work or both. Our first joint initiative was launched in autumn 2012 with a work book to support Girl Guides through their Active Response badge, which is based around knowing what to do in an emergency. Following this launch one of our own employees, whose daughter is a Girl Guide, asked us to give a talk to her local group and we have now been asked to extend this to other youth groups attended by children across our area, where awareness of carbon monoxide will among the subjects covered.

# Supplementary Information

The background features a blue-to-white gradient. It is decorated with a pattern of overlapping ovals. Most ovals are a medium blue color, but there are several clusters of ovals in a reddish-brown color, primarily located in the lower right and middle right areas.



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## Foreword from our CEO

At SGN, we safely operate networks our customers can rely on. Our work touches upon the lives of people in diverse geographical areas, from central London to the islands of Scotland.

We provide a service that matters to millions and this means stakeholder engagement must be at the heart of our business. We don't do it because we have to; we do it because it's the right thing to do.

Stakeholder engagement informs our purpose, our vision and our strategic objectives. It is embedded in our organisation from our processes and procedures to our culture and the way we behave. It's the thread that runs through all of our core values and is fundamental to ensuring the efficient use of our assets and the transition to a low carbon economy, as described in our business plan.

By adopting an inclusive approach to engaging with our stakeholders, listening to what's being said and ensuring engagement outputs feed into decision making, we will be better informed of what's important to them. This will enable us to make better, smarter, decisions and is good for our stakeholders, for our people and our company. We are uncompromisingly committed, integrating stakeholder feedback into business strategy and operations, measuring and monitoring our progress and continuously evolving our approach.

We all have a part to play in stakeholder engagement and I believe every single person at SGN can make a positive difference. While Stakeholder Business Leads and owners assume specific responsibilities as part of their roles, everyone is involved. I am personally committed to ensuring that stakeholder engagement is thoroughly embedded within our company and both me and my Executive team regularly review engagement outputs and provide visible, strong leadership to encourage and coach our people.

Our strategy underpins our entire approach to engagement. Real and sustainable improvements have been made, including formalising our strategy, starting the enhancement of our stakeholder database and creating a stakeholder map to track our relationships.

The influence of stakeholder engagement is demonstrated in the variety of ways we have delivered work during what has been a successful 12 months, from playing our part in the London Olympics to communicating through YouTube during major incidents. Building on this success, we are committed to delivering much more, including something we call 'greening the gas', as well as smart metering, carbon monoxide and streetworks initiatives.

Of course, saying all the right things is one thing. What really counts is what we actually do in practice and I am committed to our company getting it right at every level of the engagement process every time.

A handwritten signature in blue ink, appearing to read 'John', is written over a light blue horizontal line.

John Morea, CEO, Scotia Gas Networks

## 1. Purpose of the stakeholder engagement strategy

Our principal objectives are to deliver natural gas safely, reliably and efficiently across our gas distribution networks, to provide the highest standard of service to our customers and to deliver value to our shareholders. Implementing an effective stakeholder engagement strategy supports us in achieving our objectives and delivering commercial success through efficiency, continuous improvement and innovation.

This document outlines our comprehensive stakeholder engagement strategy within the context of our business plan, values and objectives. It also aims to support all of our employees in understanding how they can engage proactively with stakeholders in order to anticipate their needs better, and responding to these needs.

Our stakeholder engagement strategy aims to:

- Build strong relationships with key stakeholders and their representatives, based on trust and respect;
- Demonstrate a systematic approach to stakeholder engagement and capture high quality engagement outputs
- Ensure stakeholder engagement is embedded in our organisation through policies and processes for decision making and managing operations;
- Provide a clearer and more formalised approach to managing our stakeholder engagement processes and initiatives, and ensure consistency for all our employees across all our operations;
- Drive the development of a stakeholder engagement action plan;
- Keep stakeholders informed about relevant issues, business activities, decision making and other developments;
- Enable timely input and feedback from stakeholders via appropriate mechanisms to inform decision making;
- Help provide an early warning system for when things might go wrong; and
- Assess our effectiveness in bringing about positive change and how we learn from it.

The strategy is signed off by our CEO and we are committed to review it every year. Embedding Stakeholder Engagement places a great deal of emphasis on outputs. Our business plan is the result of extensive discussion with all our stakeholders over the past year. Stakeholder engagement supports our company values and striving to be best at engagement will enable us to deliver on our vision to be the leading operator of gas networks in the UK.







Our stakeholder engagement approach is defined by three essential components:

- Our **stakeholder engagement mission statement** which complements our corporate vision, and outlines where we want to be in the future;
- Our **stakeholder engagement strategy** which defines what we need to do to get there; and
- Our **company values** that outline how we behave and make decisions.

This section outlines how this strategy enables us to embed stakeholder engagement in our decision making processes and organisational activities.

## 1.1 Our company values

Our five Company Values are as follows:

	<p><b>Safety</b>  <i>We all take responsibility for our own safety and for the safety of others.</i></p>
	<p><b>People</b>  <i>We work and develop together with honest communication and respect.</i></p>
	<p><b>Customers</b>  <i>We listen to and understand our customers' needs, deliver a quality service and keep our promises.</i></p>
	<p><b>Performance</b>  <i>We strive for commercial success through efficiency, continuous improvement and innovation.</i></p>
	<p><b>Our World</b>  <i>We show through our actions that we care about the world and the communities around us.</i></p>

## 1.2 Principles for stakeholder engagement

In order to support the delivery of our vision to be best in class in engaging with stakeholders and responding to stakeholder needs, our stakeholder engagement process involves the following principles:

- **Inclusive** – ensuring a broad range of stakeholders are identified and their views are sought;
- **Targeted** – ensuring engagement is targeted to relevant stakeholders to maximise efficiency;

- **Transparent** – ensuring stakeholders are clear about engagement objectives, process and outcomes;
- **Accessible** – ensuring various forms of engagement and communication used suit the audience and removes any barriers to involvement;
- **Measurable** – ensuring stakeholder engagement is continuously monitored and captured to ensure that engagement approach is appropriate, efficient and value for money;
- **Responsive** – Ensure we develop and deliver appropriate responses to the issues and opportunities raised through our engagement work;
- **Flexible** – Ensure our stakeholder engagement strategy and plan is flexible and learns from the feedback and issues generated.

### 1.3 Integration with organisational strategy and Business Plan

RIIO-GD1, the gas distribution price control, will run from 1 April 2013 to 31 March 2021.

Our Business Plan for RIIO-GD1 has been developed to deliver the outputs our customers and other stakeholders have told us they value and are willing to pay for. Our stakeholder engagement programme for RIIO-GD1 started in 2010 with our preliminary stakeholder consultation. We issued a summary of our proposed plans for consultation and responses have been taken into account in finalising a detailed business plan.

We use feedback from our stakeholders to guide our current business practice, planning for future decision making and informing our internal processes and systems.

## 2. Our approach to stakeholder engagement



### 2.1 Who are stakeholders?

Stakeholders are individuals, groups of individuals or organisations that affect and/or could be affected by our activities, products or services and associated performance. We have created RIIOmax factsheets for our internal and external customers to provide more information on these topics.

At SGN, we are also committed to ensuring we engage with challenging and hard to reach stakeholder groups, such as fuel poor; vulnerable customers; and those that are in geographically remote areas.

For future stakeholders, we need to ensure our activities and our network remain fit for purpose.

### 2.2 Drivers for strategic and effective stakeholder engagement

As stakeholder engagement features more prominently across the RIIO model, stakeholder engagement needs to be strategically embedded within our business.

We are always committed to delivering safe operations, and meeting our customers' and other stakeholders' expectations by providing timely information so they can see how we are performing and develop a better understanding of what we do. Therefore we welcome the new RIIO model which puts a stronger emphasis on stakeholder engagement, and we are committed to delivering engagement initiatives that result in measurable benefits.



Strategic engagement enables us to **understand the concerns of our stakeholders in a timely manner**, gives us the chance **to respond, and help us prioritise** our actions. It allows us to get external feedback on our strategy and performance, **ensuring that our strategy meets our stakeholders' expectations**. Other notable business benefits include:

- **Building trust** and **enhanced stakeholder confidence** in SGN's activities;
- **Reducing reputational risks** and future costs (through avoidance of litigation, disruption, project delay, community concern etc.);
- **Market insight and improved information** on emerging issues, **risks and strategic opportunities**, and ability to embed these within projects and processes at an early stage; and
- **Operational efficiencies** that result from the above.

## 2.3 Roles and responsibilities

From strategic business planning to operational works such as mains replacement, safety related work and CO awareness initiatives, stakeholder engagement is integrated within our day jobs. Therefore we all have a duty to ensure we:

- **Undertake diverse and inclusive mapping of stakeholders:** We identify a broad and inclusive range of stakeholders, and engage with them as needed;
- **Understand issues relevant to our stakeholders:** We engage with our stakeholders across a range of issues including network extensions, security of supply, operational safety and gas safety amongst others;
- **Inform and engage our stakeholders:** We identify the suitable engagement mechanisms for our stakeholders to ensure these meet their needs, and are fit for purpose in allowing a detailed analysis of a breadth of stakeholder perspectives;
- **Communicate with our stakeholders:** Our stakeholders are informed about relevant issues, business activities and decision-making and other developments;
- **Listen and act on feedback:** We enable timely input and feedback from stakeholders via appropriate mechanisms to inform decision-making; and
- **Are clear and clarify** if there are any boundaries to disclosure of documents, for example for data protection or customer security reasons.

The following roles have specific accountabilities and responsibilities to ensure our stakeholder engagement activities deliver high quality outputs and ensure the needs of our stakeholders are met.

<b>Name</b>	<b>Title</b>	<b>Role</b>
<b>John Morea</b>	CEO	Overall role to lead, promote and embed our stakeholder engagement strategy
<b>All Executive members</b>	Executive	Support and review stakeholder strategy and performance; ensure engagement outputs inform business planning and decision making processes. Receive monthly update from Director of New Energy & Stakeholder Engagement
<b>Gary Barnes</b>	Director of Corporate Services	Executive member responsible for delivery of our stakeholder engagement strategy. Sign off annual submission
<b>Chris Bielby</b>	Director of New Energy & Stakeholder Engagement	Responsible for: <ul style="list-style-type: none"> <li>• Ensuring Senior Management ‘commitment’ and a strategic focus for engagement;</li> <li>• Delivering a thorough stakeholder process embedded in our business that creates value;</li> <li>• Overseeing a robust project management process for each engagement initiative and resources have been prioritised and allocated;</li> <li>• Establishing methods to generate innovation within the business, which have positive and tangible impact on culture, policies and procedures;</li> <li>• Co-ordination of external consultants providing advice.</li> </ul>
<b>Stephen Mills</b>	Stakeholder Engagement Manager	<ul style="list-style-type: none"> <li>• To ensure all accountable business leads gather and analyse data relevant to their area of stakeholder engagement;</li> <li>• Establish a comprehensive database, ensuring that data is relevant, robust, continually reviewed and updated;</li> <li>• Ensures that a strategic stakeholder involvement plan is developed, implemented and supported through Project Management;</li> <li>• Ensure that the business leads have in place for each of their business area initiatives fully supported documented evidence which defines the creation of value and the results achieved;</li> </ul>
<b>Margaret Hunter</b>	Head of Customer Service	

		<ul style="list-style-type: none"> <li>• Provide evidence of related events, communications and Exec /Board reports.</li> <li>• Confirmation that the procedure adopted was robust and that is relevant, accessible and the purpose of engagement was achieved, through transparent processes built on trust</li> </ul>
<b>Stakeholder Engagement Business leads</b>	Business leads across the business	<ul style="list-style-type: none"> <li>• To ensure all engagement owners gather and analyse data relevant to their area of stakeholder engagement;</li> <li>• To drive stakeholder strategy within the business area they have responsibility;</li> <li>• Ensures that a strategic stakeholder involvement plan is developed, implemented and supported through project management within their business area;</li> <li>• Ensure that the stakeholder engagement owners have in place for each of their business area initiatives fully supported documented evidence which defines the creation of value and the results achieved;</li> <li>• Implement engagement plan with their teams.</li> </ul>
<b>Stakeholder engagement owners</b>	Colleagues who work with stakeholders on a day-to-day basis	<ul style="list-style-type: none"> <li>• Gather and analyse data relevant to their area of stakeholder engagement;</li> <li>• Drive stakeholder strategy within the business area they have responsibility;</li> <li>• Ensures that a strategic stakeholder involvement plan is developed, implemented and supported through project management within their business area;</li> <li>• Ensure that have in place for each of their business area initiatives fully supported documented evidence which defines the creation of value and the results achieved;</li> <li>• Implement engagement plan with their teams.</li> </ul>
<b>Corporate communications</b>	Corporate Communications team	<ul style="list-style-type: none"> <li>• Review information provided by stakeholder engagement team;</li> <li>• Feedback on quality of material provided to be edited for submission</li> <li>• Identify additional material required;</li> </ul>



		<ul style="list-style-type: none"><li>• Source supporting photographs, illustrations etc;</li><li>• Produce the annual Ofgem submission;</li><li>• Provide relevant; schematics / illustrations to support the submission;</li><li>• Proof read and prepare submission for sign off.</li></ul>
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### 3. Our stakeholder engagement plan

#### 3.1 Diverse and inclusive mapping of stakeholders

We have a very diverse and wide group of stakeholders including individuals, groups of individuals and organisations that affect and could be affected by our activities, products or services and associated performance.

To identify key stakeholders and the issues important to them, senior management and internal business leads received and completed a stakeholder mapping questionnaire. This helped determine:

- The top five key stakeholders for each business lead
- The most important issues to the selected key stakeholders

The responses contributed to the development of a comprehensive **stakeholder map** outlining key stakeholders and material issues. Examples of key stakeholders identified are listed in the table below.

Stakeholder categories	Name of stakeholder group
<b>National Government</b>	<ul style="list-style-type: none"> <li>- National Government/Parliament</li> <li>- Scottish Government/Parliament</li> <li>- Ofgem</li> <li>- Environment Agency</li> <li>- SEPA</li> <li>- DECC</li> <li>- CPNI</li> <li>- Gas Task Group</li> <li>- All Parliamentary Gas Safety Group</li> <li>- All Parliamentary All Fuels Forum Steering Group</li> <li>- Energy Emergency Executive</li> <li>- All Party Parliamentary Carbon Monoxide Group</li> <li>- Health and Safety Executive (HSE)</li> <li>- SPAA</li> </ul>
<b>Suppliers/contractors</b>	<ul style="list-style-type: none"> <li>- National Grid Metering</li> <li>- National Gas Emergency Telephony Service</li> <li>- Innovation partners</li> <li>- Contractors (e.g. mains replacement, smart metering)</li> <li>- IT service providers</li> <li>- Employment Agencies</li> </ul>
<b>Not-for-profit</b>	<ul style="list-style-type: none"> <li>- ENA</li> <li>- NAPIT</li> <li>- IGEM</li> <li>- Association of Gas Managers</li> <li>- Consumer focus</li> <li>- Academia</li> </ul>

	<ul style="list-style-type: none"> <li>- Trade Unions</li> <li>- Youth organisations</li> <li>- Citizens Advice</li> <li>- Energy Savings Trusts</li> <li>- National Energy Action</li> </ul>
<b>Internal stakeholders</b>	<ul style="list-style-type: none"> <li>- Management team</li> <li>- Network Directorate</li> <li>- Employees</li> <li>- TU Reps</li> <li>- Safety Reps</li> <li>- Employee communications champions</li> <li>- Employee engagement champions</li> </ul>
<b>Customers/ clients</b>	<ul style="list-style-type: none"> <li>- Commercial customers</li> <li>- Fuel poor customers</li> <li>- Domestic customers</li> <li>- Vulnerable/hard to reach customers</li> <li>- Independent Gas Transporters</li> <li>- Utility Infrastructure Providers</li> <li>- Suppliers with PEMS contracts</li> <li>- Gas suppliers</li> <li>- Housing associations</li> <li>- Gemserv</li> </ul>
<b>Local Government</b>	<ul style="list-style-type: none"> <li>- Housing authorities</li> <li>- Highway authorities</li> <li>- Local authorities</li> <li>- Councillors</li> <li>- Parish councillors</li> <li>- MP/MSP constituency offices</li> </ul>
<b>Shareholders</b>	<ul style="list-style-type: none"> <li>- SSE</li> <li>- Canadian pension funds</li> </ul>
<b>Peers</b>	<ul style="list-style-type: none"> <li>- GDNs</li> <li>- DNOs</li> <li>- Other utilities</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>- Neighbours</li> <li>- Charities, e.g. Dominic Rodgers Trust and CO Gas Safety</li> <li>- CO SAVIS</li> <li>- Residents associations</li> <li>- Schools</li> </ul>
<b>Emergency Services</b>	<ul style="list-style-type: none"> <li>- Police, Ambulance, Fire Brigade</li> </ul>

We have a thorough list of stakeholders and contacts to date, and through our updated database we have implemented a two-tiered approach to ensure that a more formal process is in place to feed in to the executive decision making.



### 3.2 Issue identification

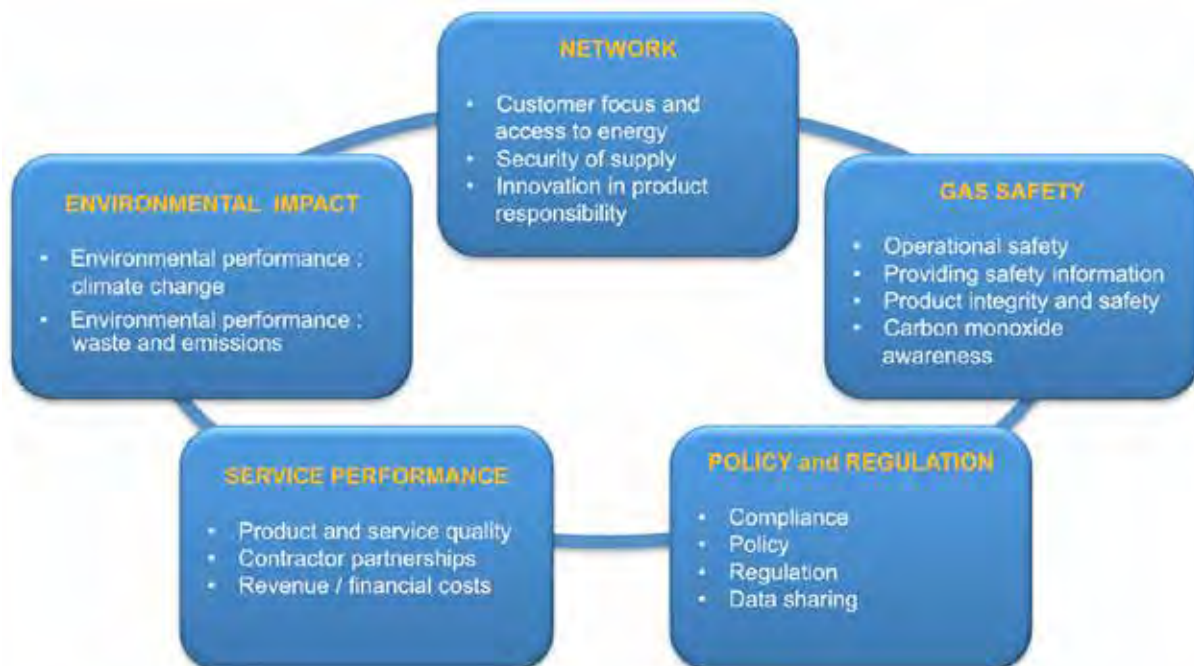
The comprehensive stakeholder map also identified key sustainability issues that were relevant for the listed stakeholder groups and SGN’s responses. These are illustrated in the diagram below.

In our business plan, we’ve received extensive feedback on issues our stakeholders want us to cover and find important. Some of the responses from our stakeholders include:

- **Our performance:** customers and other stakeholders told us our performance and efficiency when we carry out our work is important to them;
- **Customer service:** customers want us to keep them informed and look after them and their property when our work affects them;
- **Safety:** safety is important to our stakeholders. Feedback to date is positive but our customers expect us to maintain high standards of safety;
- **Network reliability:** the very low level of interruption on our network was commended and taken as a good indication of network reliability.

For further detail, see our business plan.

#### Material issues for internal and external stakeholders:



### 3.3 Ensuring appropriate engagement mechanisms

An appropriate level of engagement varies with each stakeholder representative or stakeholder group. Therefore, we actively employ a range of methods depending on the **stakeholder group**, the engagement **objective**, the **stage** in the engagement process and the **drivers, risks** and **opportunities** related to the issue under consultation.

For example, by using web-based channels we can communicate with a wide range of stakeholders who have access to the internet. We know it is equally important to engage through postal and telephone methods. Direct dialogues and interaction are key ways of engaging with our stakeholders.

General feedback received through the Preliminary Stakeholder Consultation in 2010 highlighted a preference for web-based communication. However, suppliers and consumer groups have also indicated that they would like to see events tied in with other monthly industry meetings to avoid additional travel and time out of the office. Consideration will be given to organising sessions after Joint Office meetings,. The table below shows the range of engagement levels and methods we can employ. Part 2 of this document provides details of initiatives and our plan.

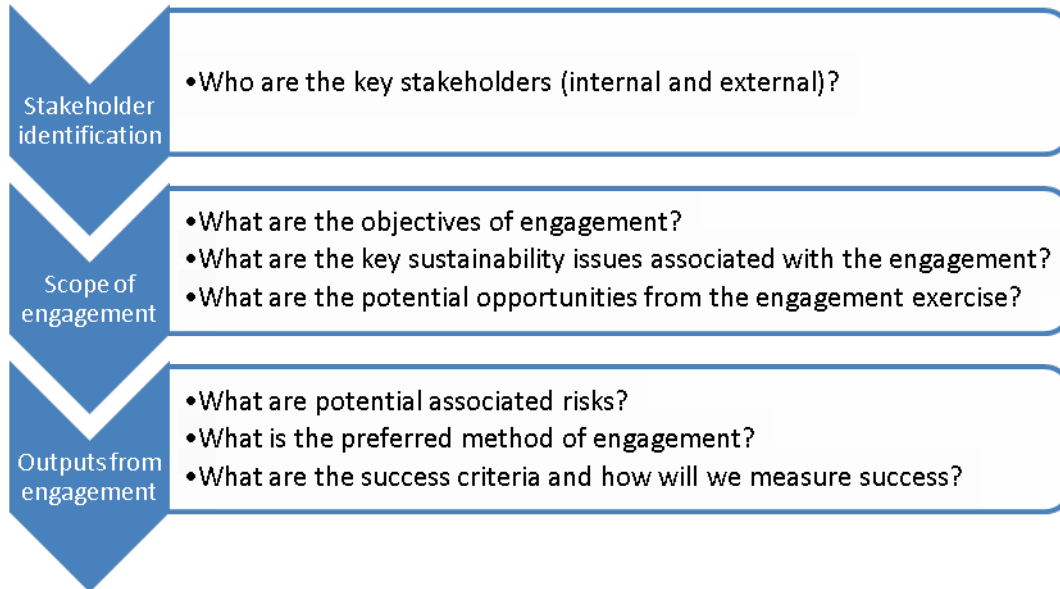
Level of engagement	Methods of engagement	Examples from our engagement methods
<p><b>Communicate</b>  <i>The organisation provides information to inform stakeholders</i></p>	<ul style="list-style-type: none"> <li>• Consultation documents and company reports</li> <li>• Bespoke customer information</li> <li>• Generic customer information</li> <li>• Media</li> </ul>	<ul style="list-style-type: none"> <li>• External Website to inform customers</li> <li>• Customer Charter</li> <li>• Printed leaflets and postcards</li> <li>• Bespoke information letters</li> <li>• SGN newspaper for employees</li> <li>• Incident reporting on website, in print, plus use of social media through Twitter, Facebook and on YouTube</li> <li>• Twenty13 depot roll-out to inform employees</li> <li>• Carbon Monoxide (CO) awareness campaigns via leaflets, surveys and events</li> </ul>
<p><b>Consult</b>  <i>Limited two-way engagement: organisation asks questions, stakeholders answer</i></p>	<ul style="list-style-type: none"> <li>• Surveys</li> <li>• Focus groups</li> <li>• Meetings with selected stakeholder/s</li> <li>• Public meetings</li> <li>• Workshops</li> </ul>	<ul style="list-style-type: none"> <li>• Enduring Consumer Panel</li> <li>• Consumer Focus Groups</li> <li>• Residents Meetings</li> <li>• Safety Events</li> <li>• Fuel Poor Seminars</li> </ul>

	<ul style="list-style-type: none"> <li>• Online feedback mechanisms</li> <li>• Advisory committees</li> </ul>	<ul style="list-style-type: none"> <li>• Employee engagement survey/action plans</li> <li>• Research commissioned on CO safety for camping</li> <li>• Carbon monoxide seminars and workshops</li> </ul>
<b>Negotiate</b>	<ul style="list-style-type: none"> <li>• Dialogue through various channels</li> <li>• Collective bargaining with workers through their trade unions</li> </ul>	<ul style="list-style-type: none"> <li>• Dialogue and involvement from Business Leads with HSE, DECC, and various levels and areas of national and local government</li> <li>• Participation in joint working groups with Ofgem on RIIO</li> <li>• Negotiations with trade unions employee and contracting reps</li> </ul>
<b>Involve</b> <i>Two-way or multi-way engagement: learning on all sides but stakeholders and organisation act independently</i>	<ul style="list-style-type: none"> <li>• Multi-stakeholder forums</li> <li>• Advisory panels</li> <li>• Consensus building processes</li> <li>• Participatory decision making processes</li> <li>• Focus groups</li> <li>• On-line feedback schemes</li> </ul>	<ul style="list-style-type: none"> <li>• Instigate meetings with suppliers on smart metering network issues</li> <li>• Participation in All Party Parliamentary Group</li> <li>• Working groups DECC</li> <li>• Let's chat sessions' with our employees about RIIOmax</li> </ul>
<b>Collaborate</b> <i>Two-way or multi-way engagement: joint learning, decision making and actions</i>	<p>Joint projects</p> <ul style="list-style-type: none"> <li>• Joint projects</li> <li>• Joint ventures</li> <li>• Partnerships</li> <li>• Multi-stakeholder initiatives</li> </ul>	<ul style="list-style-type: none"> <li>• Reviwing and implementing alternative contractor provision model</li> <li>• Collaborating with other GDNs on emergency call handling delivery and improvements</li> <li>• Partnership on fuel poverty</li> </ul>
<b>Empower</b> <i>New forms of accountability; decisions delegated to stakeholders; stakeholders play a role in governance</i>	<p>Integration of stakeholders into governance, strategy and operations management</p>	



## 4. Engagement plan

We have a clear plan of prioritised actions agreed further to the outputs of the engagements. Owners of actions are agreed and SMART targets defined. This is implemented by business leads and their teams and an overall plan tracked centrally.



### 4.1 Indicators of success

Working with different stakeholders, we identify success measures for each action. These include leading indicators of actions we are taking to enable an outcome as well as lagging indicators which are designed to measure the result and effectiveness of the changes we have made.

These include the following:

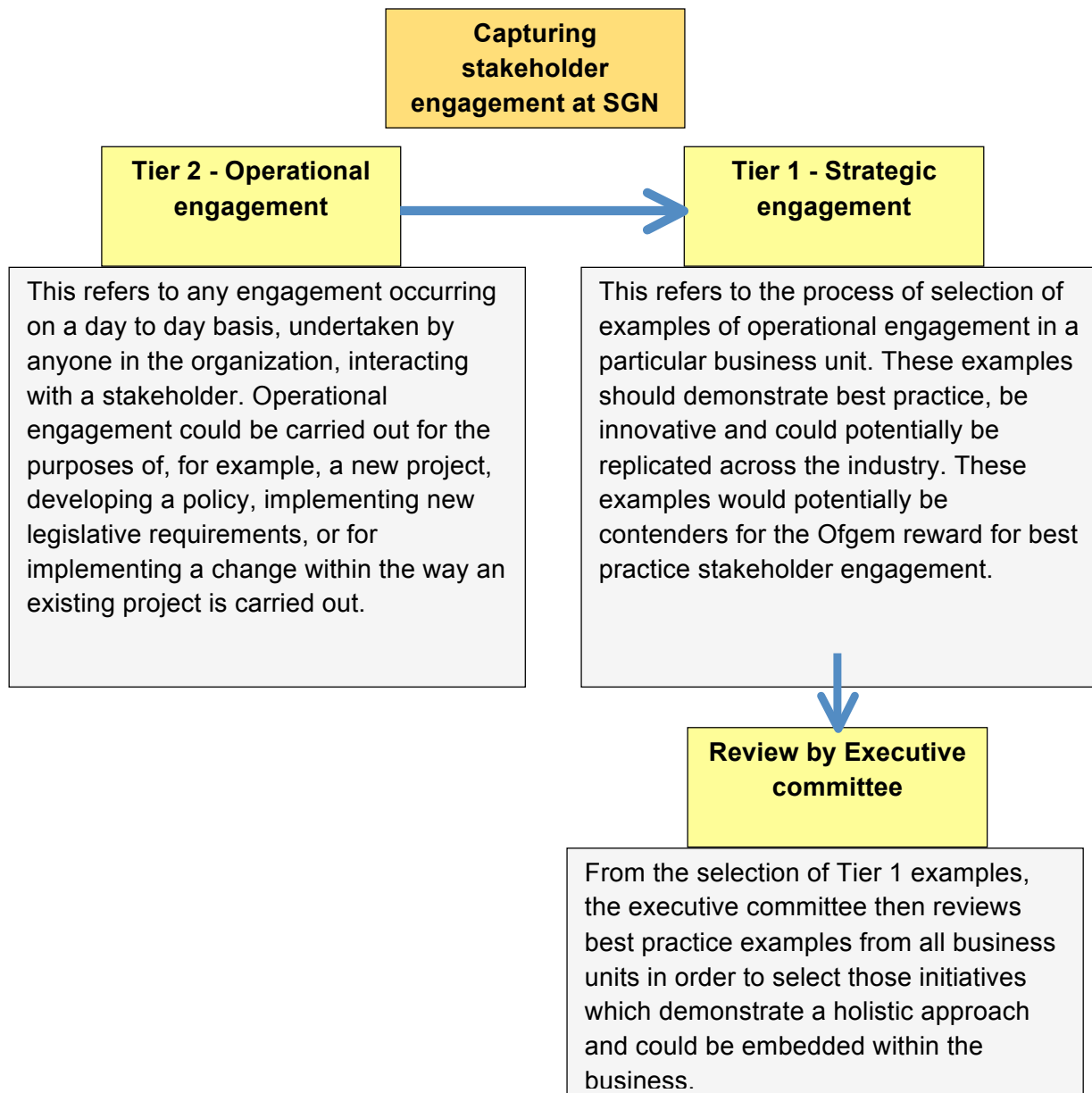
- We have senior management buy in and an understanding of how effective engagement adds value;
- Our stakeholders inform strategic decision making;
- Our stakeholders influence operational decision making;
- We have a thorough stakeholder process embedded in business, that creates value and we learn from;
- We pay particular attention to the interests of challenging groups, hard to reach customers/communities and future stakeholders;
- There is robust project management for each engagement initiative and resources have been prioritised and allocated;
- Our processes, values, commitments, behaviours and culture encourage mutual learning/respect amongst stakeholders;
- We check that outcomes/outputs of engagement add value.

## **4.2 Resourcing and embedding**

We have allocated appropriate resources within our business plans to implement an engagement plan. We have trained business leads on stakeholder engagement benefits and processes. Stakeholder engagement is being cascaded through the business by embedding it in other elements such as personal reviews and targets, communications, training and development.

## **4.3 Capturing engagement outputs in our engagement database**

We need to implement engagement initiatives which are supported by robust project management processes and appropriate resources. Engagement initiatives on a day-to-day basis need to be captured systematically and consistently across the organisation and we have put in place a process and a database for this purpose. In order to capture stakeholder information comprehensively, the database is defined by a two-tiered approach for all engagement activities within our company, with specific roles and responsibilities for each.



#### 4.4 Review and learn

We have engaged external consultants to independently review our progress against the Ofgem criteria and AA1000SES. We will publish an assessment statement with the outputs of this review and will conduct independent evaluations of our progress annually. Outputs will feed into learning at all levels across the business.

Outputs from these reviews have been reviewed by the Executive and corrective actions agreed. Going forward there will be a periodic formal strategy and performance review by the executive team.

## 5. Planned stakeholder initiatives

Given we have developed and produced a stakeholder database and map which identifies our key stakeholders and the topics, issues and concerns they wish to discuss with us then we now know what we need to do into the future.

In particular we will need to communicate the output from several reviews we have commissioned/led and capture and act on any feedback. For instance:

- Test, Purge and Relight process (Self relight);
- Scada review;
- Caravan and camping CO research;
- The All Party Parliamentary CO Group 17 recommendations;
- Streetworks initiatives;
- RIIO Max briefings to key suppliers and contractors;
- Smart metering; and
- Flues in voids safety research (HSL Study)



### Stakeholder engagement supports our vision

Our stakeholder engagement mission statement focuses on how we will achieve the highest standards possible through demonstrating our enduring commitment to stakeholder engagement, embedding it in our culture and going beyond 'business as usual.'

Put simply, we are determined to become leaders in the field of stakeholder engagement, to listen to our stakeholders and use what they tell us to guide our decision making. By doing all these good things, we will be ensuring all round success and it will help us to deliver our vision of becoming the leading operator of gas networks in the UK.

Our mission statement also incorporates an outline of how our company values are at the very heart of how we carry out our stakeholder engagement activities.

#### **Our five Company Values are as follows:**



Safety – we all take responsibility for our own safety and for the safety of others

*Safety is and always will be our primary company value. Our engagement on issues such as public safety around our roadworks, emergency service provision, gas pipe risk and carbon monoxide awareness, is always proactive and helps to inform our decisions about mitigating key safety risks for our people, our contractors and our stakeholders. Our whole approach to safety risk management is designed to engage people at every level in a positive and productive way, encouraging ownership, authority and accountability. This helps us keep the public, our people, our assets and the environment safe and secure.*



Performance – we strive for commercial success through efficiency, continuous improvement and innovation

*Our stakeholders' feedback is key to the continuous improvement of our processes and services to enable us to deliver a safe, efficient and cost effective service to meet our customers' needs now and into the future. We embrace innovative solutions and new techniques to minimise disruption and our impact on the environment. If someone has a great idea, we want to use it to benefit all our stakeholders.*



People – we work and develop together with honest communication and respect

*Effective engagement channels, which enable our people to participate in a transparent and open environment, are the key to building confidence and trust. They help build understanding throughout our company and allow our people to meet, embrace and help deliver our vision. We endeavour to create an environment where people can express their opinions, expect to be given prompt and honest answers to questions, have their professionalism recognised and enjoy secure and rewarding jobs. We want them to feel proud to be part of their company. In return we expect honesty, integrity and a genuine commitment to serving our stakeholders - and this is what we get.*



Customers – we listen to and understand our customers' needs, deliver a quality service and keep our promises building relationships on trust

*The primary focus of our business is to deliver gas to our customers safely, securely, efficiently and reliably. It is important we engage with our customers regularly using appropriate channels and keep them informed about our work, listen to and address their individual needs and concerns and provide efficient and relevant feedback.*



Our World – we show through our actions that we care about the world and the communities around us

*We play an important role in supporting the Government's transition to a low carbon economy, which requires a collaborative, cross-industry approach as well as innovative solutions to address novel challenges faced by this sector. We also recognise we play a key role in local communities, not only providing a safe and reliable gas supply but through our people engaging in community and charitable activities. Stakeholder engagement forms an essential element in this area, providing feedback on the planning of our pipe replacement projects and areas where community engagement is critical to delivering a quality service.*

### **Commitment from our management team**

Commitment from senior management is fundamental to our success in this area, and our management team regularly reviews what our stakeholders are telling us and provide input to our stakeholder engagement strategy and initiatives.

Their long term commitment to stakeholder engagement is based on the understanding that our strategy and objectives need to be aligned to our stakeholders' interests and we need to be answerable to our stakeholders for key decisions, actions and ultimately our performance.

### **Embedding stakeholder engagement**

We strive to embed stakeholder engagement within the DNA of the way we operate, within our procedures, systems, organisational culture and our employee behaviours.

### **Going beyond business as usual**

Our approach to stakeholder engagement is detailed within our stakeholder engagement strategy and is based upon best practice guidance from various standards including the AA1000 Stakeholder Engagement Standard and Ofgem guidelines. Our ambition is to push the boundaries of current best practice and to perform beyond business as usual standards.

### **Our Stakeholder Engagement Strategy and principles**

In order to support the delivery of our vision to be best in engaging with stakeholders and responding to stakeholder needs, our stakeholder engagement process incorporates the principles which are detailed in our stakeholder engagement strategy.



## Third Party Evaluation Statement

### Our Scope and approach

Scotia Gas Networks (SGN) commissioned DNV Two Tomorrows Limited (Two Tomorrows) to undertake an assurance readiness review of its gas networks Stakeholder Engagement Incentives Scheme 2012/13 submission (the 'submission') to Ofgem as to how far Ofgem's minimum requirements for stakeholder engagement (see below) are likely to be met. SGN has commissioned this work based on the independent evaluation / audit recommendation in the Ofgem guidance.

Ofgem's minimum requirements for stakeholder engagement are:

- The company has a comprehensive and up to date stakeholder engagement strategy, which sets out:
  - how the company keeps stakeholders informed about relevant issues, business activities, decision-making and other developments; and
  - how the company enables timely input and feedback from stakeholders via appropriate mechanisms to inform decision making.
- A broad and inclusive range of stakeholders have been engaged.
- The company has used variety of appropriate mechanisms to inform and engage their stakeholders – these have been tailored to meet the needs of various stakeholder groups, and are fit for purpose in allowing a detailed analysis of a breadth of stakeholder perspectives.
- The company can demonstrate it is acting on input / feedback from stakeholders.

The third party evaluation and readiness review was conducted with reference to the AA1000 Assurance Standard 2008 (AA1000AS) and the AA1000 Stakeholder Engagement Standard 2011 (AA1000SES). We planned and performed our work to obtain the evidence we considered necessary to provide a basis for our review opinion. We are not providing any level of independent assurance.

### Responsibilities of the directors of SGN and of the assurance readiness providers

The directors of SGN have sole responsibility for the preparation of the submission. In performing our readiness review work, our responsibility is to the management of SGN, however our statement represents our opinion and is intended to inform all of the SGN stakeholders including its management. We have additionally supported SGN in the development of their stakeholder engagement strategy and have delivered training to executives, business unit leads and other relevant roles. This is the first time that we have undertaken work for SGN. We adopt a balanced approach towards all SGN stakeholders.

Our team is comprised of Dave Knight, Kate Martin, Elvin Ozensoy and Bettina Reinboth. Further information, including individual competencies relating to the team, can be found at: [www.twotomorrows.com](http://www.twotomorrows.com)

### Basis of our opinion

Our work was designed to gather evidence with the objective of assessing how far Ofgem's minimum requirements for stakeholder engagement are likely to be met. We undertook the following activities:

- Interviews with selected SGN directors and senior management responsible for stakeholder engagement and management of areas of the company included as case studies in the submission;
- Review and provision of feedback on the draft submissions; and
- Review of supporting evidence for a sample of key claims and assertions in the submission. Our sampling approach prioritised according to materiality and was designed to be a representative sample of the content.

### Our review opinion

Based on the readiness review work we have undertaken, we have seen that the SGN submission has substantially met Ofgem's minimum requirements for stakeholder engagement and that the supporting evidence presented is reliable.



## Observations

**As part of our review of business-as-usual stakeholder processes and the case studies in the SGN submission, and without affecting our assurance readiness opinion, we also provide the following observations:**

- SGN has a comprehensive and up to date stakeholder engagement strategy which; is aligned to the company's values, defines roles and responsibilities and outlines how stakeholder engagement feeds back into decision making. SGN has already started integrating this into relevant policies and processes and we recommend SGN continue to roll this out.
- Clear examples of internal initiatives and processes on how SGN identifies and ensures engagement with a broad range of stakeholders are available and reliable. We have observed that stakeholder engagement is embedded in day to day activities. We recommend that corporate level strategy and approach to stakeholder engagement is reinforced with further training and internal communication channels, which will continue to deliver appropriate culture change.
- The submission provides solid examples of a 'broad and inclusive list of stakeholders', and the work currently being undertaken to develop the stakeholder database will notably strengthen how this is documented and drawn upon to inform decision making.
- SGN provides robust examples of stakeholder feedback on significant business activities, such as the business plan. We recommend that SGN build on this, and provides greater detail on the frequency of specific engagement activities and how they led to changes to the business strategy and decision making.

We have also made a number of observations and recommendations for business improvement to SGN to enhance its management and reporting of stakeholder engagement activities going forwards.

for DNV Two Tomorrows Limited  
London

26/04/13



**Dave Knight**  
Director

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DNV Two Tomorrows Limited is part of DNV, a global provider of services for managing risk, helping customers to safely and responsibly improve their business performance [www.twotomorrows.com](http://www.twotomorrows.com)

Our stakeholder map is broken down into 5 sections:

- 1) **Summary** tab outlines all Executive Team members, senior managers and business leads who were sent the stakeholder mapping questionnaire and invited to map key stakeholders they engage with at a strategic and day-to-day level, and top three key issues they engage with these stakeholders on. We have used this tab to track responses received, and were pleased to see the commitment from our colleagues as we received responses from all who were invited to feedback.
- 2) **Responses** tab captures all ‘raw’ feedback and responses received from colleagues.
- 3) **Analysis – stakeholder groups** tab builds on the responses received from colleagues and maps out our key stakeholder groups based on the number of times that group was identified as key.
- 4) **Analysis – issues for each stakeholder group** maps out key issues that we engage with each of our stakeholder groups based on the responses received from our colleagues.
- 5) **Detailed overview – issues** outlines our most material issue areas, description of each issue area, and captures all responses received from our colleagues under each material issue.

This document demonstrates samples extracted from our stakeholder mapping exercise.

1) Sample extracted from ‘**summary**’ tab

Contact	Role	Leadership Team or Business Leads/Champion?	Location	Role relevant to Location?	Response received (Y/N)
Denis Kerby	Director of Corporate Comms	Part of Executive Team	Southern	N	Y
Gary Barnes	Director of Corporate Services	Part of Executive Team	Southern	N	Y
Phil Manley	RIIO Max Lead Manager	Price Control Project, Business Lead	Scotland	N	Y
Gwen MacIntryre	Regulation Manager	Regulation, Business Lead	Southern	N	Y
Malcolm Burns	Senior Regulation Manager	Regulation, Business Lead	Scotland	N	Y
Colin Small	Commercial Manager	Commercial, Business Lead	Scotland	N	Y
Anne Neilson	Corporate Communications Manager	Corporate comms, Business Lead	Scotland	N	Y
Margaret Hunter	Head of Customer Service	Member of stakeholder strategy team	Scotland	N	Y

2) Sample extracted from 'responses' tab

Stakeholder engagement role / involvement:	Champion	Stakeholder engagement role / involvement:	All key Scottish Stakeholders	Stakeholder engagement role / involvement:	Stakeholder Champion for Commercial
Your top 5 stakeholders (individuals or groups):	Their top 3 most important / material issues:	Your top 5 stakeholders (individuals or groups):	Their top 3 most important / material issues:	Your top 5 stakeholders (individuals or groups):	Their top 3 most important / material issues:
1. Health and Safety Executive	i. Compliance with Legislation	1. Scottish Government	i. Fuel Poor	1. Major SGN Commercial Clients (eg Bord Gais, Mutual Energy, National Grid Metering, SSEESL)	i. High level of service delivery
	ii. Compliance with COMAH safety reports		ii. SIUs - Scottish Independent Undertakings		ii. Competitive prices

3) Sample extracted from 'analysis – stakeholder groups' tab

	National											
	Scottish Government	English Government / politicians	ofgem	SEPA	DECC	CPNI	Gas Task Group	GISG	All Parliamentary Gas Safety Group	All Parliamentary All Fuels Forum Steering Group	Energy Emergency Executive	All Party Parliamentary Party Carbon Monoxide Group
Number of times the stakeholder group was identified as key	6	1	15	2	7	1	1	1	1	1	1	1
total for stakeholder group	60											

List of stakeholders	Number of times they are mentioned
National Government	50
Suppliers	26
Customers/clients	18
Not-for-profit	16
Internal stakeholders	12
Local Government	10
Shareholders	10
Community	4
Peers	2
Media	2
Accounting/ financial community	1
999 Emergency Services	1

4) Sample extracted from 'analysis – issues for each stakeholder group' tab

Material issues	Government												
	National										Local		
	Scottish Government	English Government / politicians	ofgem	SEPA	DECC	CPNI	All-Party Parliamentary Carbon Monoxide Group	HSE	EA	SPAA	Housing authorities and Local Authority Housing Engineers	Highway authorities	Local authorities
Asset Integrity and Safety			X	X									
Product and service quality	X		X	X				X					X
Innovation and collaboration			X		X								
Environmental performance - Climate Change			X		X								
Environmental performance - Waste and Emissions				X				X					X



5) Sample extracted from 'detailed overview – issues' tab

Key issues areas >>>>	Customer focus and access to energy	Security of supply	Compliance, Policy and Regulation	Asset Integrity and Safety
Description of issue areas >>>>	<p>Fuel poverty, assessing vulnerability of customers (e.g. providing heaters in case of a gas escape/emergency shut down), cost of energy, billing and pricing (e.g. suppliers' charges such as transport charges); Resilience teams from local authorities, rely on information from authorities on how to target fuel poor and vulnerable groups, supporting communities in gas outage.</p>	<p>Demand forecasting, supply orders, fair payment and pricing, timely delivery of supply, facilitating supply competition</p>	<p>Compliance with licence conditions/ obligations</p>	<p>Reliability, safety (e.g. pipeline integrity and adequate pipe risk management procedures), quality of records around asset data, determining risk of pipes and which ones to be replaced first. This category represents the assets 'on the ground'.</p>
	<p>Fuel poverty (e.g. assisted connections)</p>	<p>level of service/security of supply - emergency/repair</p>	<p>Compliance with legislation</p>	<p>Holder Demolition Programme</p>

## Appendix E: List of SGN Stakeholder Business Leads and lead areas

Contact	Role	Leadership Team or Business Leads/Champion?	Location
Terry Carroll	Head of Environment and Facilities	Environment, Business Lead	Southern
Steve Piggott	Group Head of HR	Trade Unions, Hr, Business Lead	Southern
Malcolm Russell	Director of Operations - Southern Construction	Part of Executive Team	Southern
Finlay Macdonald	General Manager	Scottish Independent Undertakings, Business Lead	Scotland
John Lobban	MD Scotland	Part of Executive Team	Scotland
Robert Instrall	Head of Commercial	Smart Metering, other commercial opportunities, Business Lead	Southern
David Hadden	Commercial Manager	Commercial, Business Lead	Scotland
John Heyburn	Head of Connections and Metering	Smart Metering and new connections, Business Lead	Southern
Jim Bunyan	Smart Metering Programme Manager	Smart Metering, Business Lead	Scotland
Arthur Robertson	Marketing Manager	Fuel Poverty Connections, Business Lead	Scotland
Richard Lowes	Public Affairs and Policy Manager	Government Liason, Business Lead	Southern
Kirsty Richardson	Head of employee comms and engagement	Employee engagement, Business Lead	Scotland
Paul Denniff	Network Director	Part of Executive Team	Southern
Andy Gibson	Head of Network Policy	Network Policy, Business Lead	Southern
Andy Musgrave	Head of Network Strategy	Network Strategy, mains replacement, Business Lead	Southern
Rob Hetherington	Pricing Manager	Finance, Pricing, Business Lead	Southern
Gus McIntosh	Innovation and New Tech Manager	Innovation, Business lead	Scotland

# RIIOmax facts

Feb 2013 **4**

## Outputs and Incentives - Customer Service

**RIIOmax**  
make it happen

Moving towards a low carbon future...



### Outputs and Incentives - Customer Service

Customer service is one of our major focal points and a lot of work has already taken place to drive improvements within our business.

Keeping our customers happy is important for a number of reasons but the main one should be our desire to be identified as a company that genuinely cares about customer safety and the levels of service we provide them.

When customers think about our company, we should stand out from the crowd and be thought of as the fifth emergency service across all of our workstreams rather than as an inconvenience or an uncaring run-of-the-mill utility service.

Now, in light of Ofgem's final proposals for the next price control, our focus on customer service must increase further so that we can meet the challenges that RIIO will bring. Ofgem has set outputs that we must meet and which bring with them opportunities to be rewarded for good performance but to be penalised if we do not succeed.



Opportunities exist within three areas:

- 1 Customer satisfaction
- 2 Complaints
- 3 Stakeholder engagement

#### 1 Customer satisfaction

##### What could it mean to us financially?

Customer satisfaction scores will continue to be measured for emergency/repair, planned interruption and connections.

Our performance will be worth up to +/-0.5% of our annual allowed revenues, which equates to approximately £4m across both our networks – a potential reward or a potential penalty each year for the next eight years.

We need to **achieve our targets** and work towards the **maximum reward scores** shown here. Needless to say, we must not finish at or below the maximum penalty score.



Element	Financial weighting	Maximum reward score	Target	Maximum penalty score
Emergency/Repair	33.33%	9.0	8.81	8.0
Planned Interruption	33.33%	8.5	8.09	7.5
Connections	33.33%	8.4	8.04	7.3

## Where are we now?

We have already targeted many areas in order to improve our levels of service and broke all gas distribution network records with our emergency/repair scores in 2012.

Various plans and initiatives are helping to contribute towards improvements:

### 1 twenty13 depot rollout

- Pride workshops
- Customer performance framework
- Customer campaign – 10/10 'Looking after you'

project  
twenty13



### 2 Customer performance improvement and KPIs

- New survey provider
- Customer KPIs for field staff

KPI



### 3 Customer processes

- Automation and technology
- Reduced timescales
- Our replacement improvement plan



### 4 Customer behaviours and responsibilities

- Accountability and ownership
- Leadership engagement
- Improved communications
- Customer charters



### 5 Customer training

- Commitment based management (CBM)
- Achieving customer excellence (ACE)
- Reinstatement workshops



aiming to  
give you a  
**10/10**  
service

We all need to give 10/10 service, for both our internal and external customers.

The rewards we can gain by giving fantastic service are extremely important. The extra income will help us to keep moving forward and ensure we are better than the rest.



## 2 Complaints

### What could it mean to us financially?

For complaints, Ofgem has set a target score of 11.6 and we must stay below this. The score is based on a 'complaints metric' made up of:

- 10% based on the percentage of all complaints received outstanding after Day+1
- 30% based on the percentage of all complaints received outstanding after Day+31
- 50% based on the percentage of repeat complaints out of the total complaints received
- 10% based on Ombudsman 'findings against' out of total complaints

If we fail to stay below the target score of 11.6, we can be penalised up to -0.5% of our annual allowed revenues, which is around £4m across both networks that could be applied as a penalty every year for the next eight years. There is no reward for customer complaints.

**ofgem** has set a target score of **11.6** and we must stay below this.

### Where are we now?

As part of our customer strategy, we set ourselves a target to reduce our complaints by 30% compared to our performance in 2009/10. So far, we have managed a 41% reduction, thereby exceeding our targets.



### What next?

For both customer satisfaction and complaints, we have much more to do to meet the challenges that RIIO brings. These two areas go hand in hand, with fewer complaints meaning higher satisfaction levels and by satisfying our customers from the word go we avoid complaints and make our customers and our own lives much easier.

The new complaint measures will be a challenge for us – we must ensure we meet customer expectations and if we cannot, we need to ensure we seek support to avoid complaints at all costs.

Communication is one of our weakest areas, so take the time to think more about our customers and what they need and want to know. We have a wealth of fantastic experience in our company, so let's work together and show our customers just how good we are.



### 3 Stakeholder engagement

A further output in the area of customer service is stakeholder engagement. Once again, Ofgem will be measuring our performance and will reward us if this is seen to be good. This reward could be worth up to 0.5% of our annual allowed revenues, which is approximately £4m each year for the next eight years.

#### Who are stakeholders?

Stakeholders are individuals, groups of individuals or organisations that affect and/or could be affected by our activities, products or services and associated performance.

#### How is it measured?

Stakeholder engagement will be measured by an annual submission of our strategy plan and outcomes to Ofgem. Additionally, we present our submission to an independent panel, which checks that minimum requirements are met and scores the submission to determine the level of reward. Ofgem aims to reward companies that are able to demonstrate high quality outcomes resulting from the engagement process.

#### What do we need to do?

- Have a comprehensive and up-to-date stakeholder engagement strategy
- Keep stakeholders informed about relevant issues, business activities and decision-making and other developments
- Enable timely input and feedback from stakeholders via appropriate mechanisms to inform decision-making
- Show that a broad and inclusive range of stakeholders have been engaged
- Demonstrate that we use a variety of appropriate mechanisms to inform and engage our stakeholders that have been tailored to meet the needs of various stakeholder groups
- Demonstrate that we act on input/feedback from our stakeholders



#### Who is involved?

In a word - **everyone!**

We will all have a part to play in stakeholder engagement, while stakeholder business leads will assume specific responsibilities as part of their current roles and will:

- Develop and implement stakeholder engagement plans specific to their individual business units
- Plan, record and develop stakeholder engagement
- Assist in the preparation of yearly submissions

#### How do we get rewarded?

Ofgem is seeking to reward initiatives which:

- Best serve the specific interests of groups of customers, communities and future stakeholders and result in measurable benefits (eg. carbon monoxide awareness initiatives)
- Reflect innovative thinking in responding to the needs of stakeholders
- Are part of an holistic approach embedded in the business
- Are supported by a robust project management processes and appropriate resources
- Result from stakeholder engagement activities that may be recognised as 'smart'

RIIO means that stakeholder engagement must be embedded into our everyday lives within our business. We will be focusing on developing and implementing our strategy, which we all need to commit to. Engaging with a broad variety of our stakeholders, keeping them informed, acting on their feedback and recording what we do will be part of our future under RIIO.

Appendix G: Example of twenty13 project banners featuring our employees and displayed around our office and depot sites





## Safety:



- Continuously demonstrating exceptional safety behaviour
- Proactively promoting our objective to be a leader in safety
- Being a role model and positively influencing others to change behaviour
- Developing and maintaining cross-departmental relationships to enhance safety

## Performance:



- Initiating and/or implementing innovative and cost saving ideas
- Continuously improving the way we do things to drive efficiency
- Positively embracing change with a flexible and co-operative approach
- Taking steps to enhance our income and profitability

## People:



- Acting as an excellent role model to colleagues
- Going above and beyond expectations without fanfare
- Helping to develop others through coaching and/or mentoring
- Involving others through teamwork and two way communication

## Customers:



- Consistently recognised by customers for exceptional service
- Proactively engaging with customers
- Being a role model and positively influencing others to change behaviour
- Anticipating customer needs and issues before they arise

## Our World:



- Proactively contributing to our 505 objectives
- Continuously identifying new environmental initiatives
- Inspiring and influencing others to adopt greener habits
- Going above and beyond expectations in community initiatives





## **Outstanding People Awards – Categories:**

### **Career Achievement Award**

A large proportion of our people have worked in the gas industry for most of their working lives. This award aims to recognise individuals who have made outstanding contribution over a whole career - spanning 15 years or more. Submissions must include a brief career history along with details of any significant achievements.

### **Community Champion Award**

We have a positive role to play in the communities we serve - whether through our CAP scheme or Into Action - we can all play our part. Nominations are welcome for an individual or team that demonstrate one or more of the following: outstanding leadership and community spirit; passion and commitment to help others through volunteering or charitable fund raising activities or compassion and caring for local communities.

### **ERIC's twenty13 Award**

ERIC's philosophy is simple - Eliminate, Reduce, Innovate or Control. In short we need to change our mindset and question why we do things. We're looking for submissions for individuals or teams that demonstrate adherence to ERIC's philosophy. This can include but is not limited to: improvements that have saved time and money or process simplification.

### **Excellence in Customer Service Award**

Each and every one of us are ambassadors for our company - whether we work in an office or in the field, we can all make a difference and deliver excellence in customer service. We're looking for submissions for individuals or teams who demonstrate that customer excellence is part of our DNA. This can include: an event that shows real passion and commitment for the customer; a customer story that makes you feel proud or exceptional delivery of our customer promises.

### **Green Baton Award**

We're committed to the protection of the environment and delivering sustainable operations. This award invites nominations from individuals or teams that demonstrate one or more of the following: strong commitment to reducing our carbon footprint; continuous focus on improving our environment performance; inspiring others to adopt greener habits; inspirational examples of sustainable working practices or something else you think worthy of recognition.

### **ICON of the Year Award**

Is there someone that has made a real impact on you? It might be for drive and enthusiasm in achieving our vision, or for continuous dedication to delivering excellence in a job or for drive and passion in making positive change or for achieving a goal in spite of everything... or it might be for something completely different altogether. We're looking for submissions for individuals that you consider to be an icon.

### **Innovation in Business Award**

Our performance value states that 'we strive for commercial success through efficiency, continuous improvement and innovation' and IGNITE is central to the development of our innovation culture. We're looking for submissions for individuals or teams that demonstrate both a passion and drive for embedding innovation into our long term strategy as well as our daily lives.



### **Inspirational Young Employee Award**

If you know of a colleague aged between 16-25 that inspires others through their enthusiasm, commitment and dedication, making a real impact in the workplace then nominate them for this award. Our younger generation are the future of SGN - this award aims to recognise the best of generation Z.

### **Most Inspirational Manager Award**

The role of our managers in leading, motivating, driving action, improving performance, communicating effectively and looking after our well-being is more important now than ever before because of the challenges ahead. This award invites nominations for any one of our managers across our business who is an exceptional leader, really makes a difference and inspires others to be the same.

### **Rising Star Award**

This award aims to recognise an individual who shows real potential to influence and make a difference in our company and has already delivered exceptional performance. It is open to anyone, of any age, who has been with us for up to two years (joined on or after May 2010).

### **Safety Ambassador Award**

Safety is at the heart of everything we do – this award is designed to acknowledge dedication and commitment to safety. Nominations are welcome from an individual or team that demonstrates one or more of the following: exceptional safety behaviour, being a role model and inspiring others to change behaviour or delivering improvements in safety performance.

### **Team of the Year Award**

Teamwork is consistently one of the highest scoring areas in our annual employee survey demonstrating that we support each other and work well together as teams. We're looking for submissions for teams (two or more people) that demonstrate one or more of the following criteria: teamwork that demonstrates evidence of planning, coordination and working well together; a team event that has touched the heart of a local community; teamwork that has benefited the way we operate.

### **Unseen Hero Award**

Unassuming and modest but conscientious and a willingness to go beyond the call of duty without fuss, a positive attitude and demonstrates a sense of pride and commitment - if this sounds like a colleague then nominate them for this prestigious award.

### **Ambassador of the Year**

We're awarding more than 50 awards a month for people that go the extra mile in living our values through our Ambassadors Awards scheme. As the winner of this category will be selected from those people currently in receipt of an Ambassador award (up to Monday, 9 April) we are not looking for nominations



**Repair, Maintenance and Emergency sites**  
 Our sites must have standard information signs which reflect the nature of the work in addition to the standard courtesy information. The separate signs will state:

FRONT



STW01 = Southern    STW01A = Scotland

BACK



STW02 = Southern    STW02A = Scotland

**Mains replacement sites**

On all replacement projects a project plan will be created in advance of works starting. This will include:

- On major roads, or at major road junctions, long-term projects and principle traffic routes or road closures deploying VMS signs in advance of the project starting.
- Providing clear local information on road closures, diversion routes or traffic congestion information.

A laminated outlying plan of the project proposal may be available to advertise on the site along with a list of associated questions and answers, as well as phase information as the work progresses. Check with the Team Manager for the project to see if this display material has been requested from SGN's Corporate Communications Team.

FRONT



STW05 = Southern    STW05A = Scotland

BACK



STW06 = Southern    STW06A = Scotland

**New Connections and Enforced Diversion sites**

Our sites must have standard information signs which reflect the phases of the works in addition to the standard courtesy information. These separate signs will state:

FRONT



STW12 = Southern    STW12A = Scotland

BACK



STW16 = Southern    STW16A = Scotland

February 2013



## Greening the Gas Briefing Note

### Who is Scotia Gas Networks?

Scotia Gas Networks (SGN) is the UK's second largest gas distribution company operating Southern Gas Networks and Scotland Gas Networks. We deliver gas safely and reliably to 5.8 million customers across Scotland and the south and south-east of England. Our aim is to be the UK's leading gas network and we are already proving to be at the forefront of low carbon development through the delivery of the UK's first 'green gas' injection test project, as well as the first commercial project.

We are the only network to offer a full package of biogas processing and network connection and we see this as a key growth area. By 'greening the gas' which passes through our network, we will be ensuring that our network will be transporting sustainable and locally produced gas to homes and businesses well into the future. This will deliver energy security and cost-effective low-carbon heat, with major benefits for the UK economy.

### What is green gas?

We refer to any source of sustainable and low-carbon gas as 'green gas'. This can include synthetic gas and hydrogen however currently most of the focus and growth is around biomethane. Biomethane is derived from biogas which is produced by anaerobic digestion. During this process, organic material is broken down in the absence of oxygen to produce biogas and digestate, a nutrient rich fertiliser.

The most efficient use for this biogas is to clean it up and inject it into the gas network. Biomethane is regarded as a low-cost and scalable form of renewable and low carbon heat, which can help towards the country's energy goals.

### What is SGN doing in this area?

In 2010, we became the first gas distribution network to inject biomethane into the UK gas network at Didcot in Oxfordshire.

We are also a partner in the UK's first commercial biomethane plant at Poundbury in Dorset (pictured right). JV Energen is responsible for the production of biogas and we manage the remainder of the process from the clean-up of the biogas to its injection into the network.

*The UK's first commercial biomethane plant at Poundbury in Dorset*

### Connecting biogas to the gas network

There are two main processes required in order to get the raw biogas into the gas network. We are the only network to offer this full clean-up and injection package:

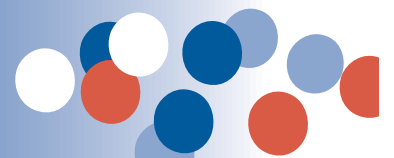
**Stage 1 – Clean-up:** The raw biogas is treated to remove contaminants from the gas. This includes processes which remove hydrogen sulphide, carbon dioxide and moisture.

**Stage 2 – Injection/connection:** This stage always involves the gas network operator. The final processes for getting the gas into the network include the physical connection, odorisation, pressure management, communications with our gas control centre and gas monitoring and analysis.

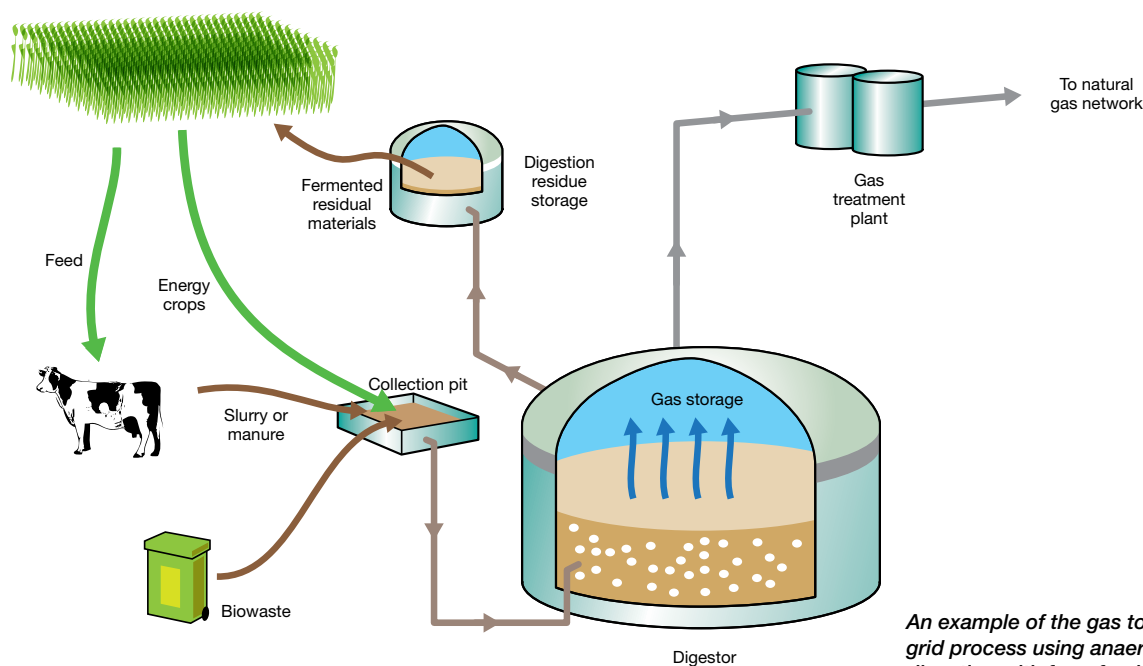


For more information on any of the issues contained in this briefing please contact:

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T: 0207 798 2905 E: richard.lowes@sgn.co.uk  
www.sgn.co.uk



## Greening the Gas Briefing Note



*An example of the gas to grid process using anaerobic digestion with farm feedstocks*

### What's the future for green gas?

Aiding the delivery of biomethane into the gas distribution network is central to our long-term strategy of 'greening the gas'. We believe the gas networks will perform a vital role in a low-carbon, affordable and sustainable energy system.

We are actively involved in a number of other green gas projects across the country and we consider ourselves a leader in terms of getting biomethane into the gas distribution network. We also have interests in hydrogen and synthetic gas.

There are a number of independent studies which have shown that the gas networks can be a major component of a low carbon energy system. We also know from our own research that people are generally happy using gas for heating and so if we can decarbonise the gas flowing to people's homes, this then saves households from switching to other more expensive forms of low carbon heat in the future while allowing carbon targets to be met.

By 2020 it is expected that there will be well over 100 biomethane plants connected to the network. Further into the future, biomethane could provide around 20% of the UK's domestic gas demand. There is also clearly scope for other low carbon gases to be included in this mix.

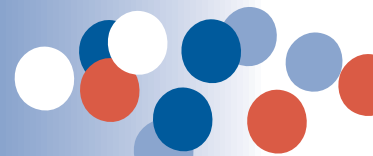
### Policy changes

Biomethane injection projects are currently supported by the Government's 'Renewable Heat Incentive' (RHI) which offers incentives to develop renewable heat technologies. The RHI is absolutely vital for green gas projects. However, in order to maximise the potential for green gas, we believe the following changes are also necessary:

- Increasingly joined up thinking between all agencies involved in green gas including DECC, Ofgem, the Health and Safety Executive and the Environment Agency. This is a complex area involving many different bodies and a number of regulatory hurdles exist at present
- Expansion of the RHI to support biomethane produced from landfill gas which could provide a significant source of green gas for the UK's distribution networks
- A comprehensive waste management policy to ensure that local authority waste collections make as much organic material available for digestion as possible
- The creation of a Government led Gas Networks Strategy Group, as currently exists for electricity networks
- Continued support for R&D and innovation in renewable gas production and upgrade techniques

For more information on any of the issues contained in this briefing please contact:

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Page 1

*Your safety is our priority*

**Did you know?**

A recent survey asking what members of the public knew about carbon monoxide (often referred to as 'CO'), identified that approximately 50% of those interviewed were not aware that:

**You can't see it - You can't smell it  
You can't taste it - You can't hear it  
That's why it's called the 'Silent Killer' !**

Carbon monoxide is a colourless, odourless, tasteless, poisonous gas produced by incomplete burning of fossil fuels (including gas, oil, wood, petrol and coal).

It can kill quickly and without warning. Department of Health statistics show that there are around 40 deaths per year caused by carbon monoxide and over 4,000 cases of carbon monoxide exposure.

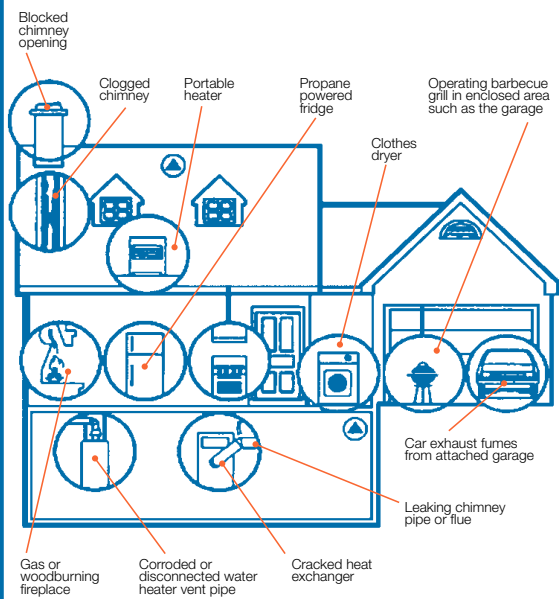
Even low levels of carbon monoxide exposure over a long period can cause serious conditions including brain damage or paralysis.

*Be aware of the symptoms of carbon monoxide poisoning*



If you are using any appliances burning gas, oil, wood, petrol or coal, ensure you purchase and install an audible carbon monoxide alarm, that complies with BS EN 50291 and it has the British Standards' Kitemark (or another European approval organisation's mark on it). Always follow the alarm manufacturer's instructions on siting, testing and replacing the alarm.

*Potential carbon monoxide sources in the home*



We all like to feel safe in our own home but you can see from this diagram that carbon monoxide risks may lurk in most rooms in your house usually through fossil fuel appliances. It may also be due to blocked flues or chimneys, car exhaust fumes or the use of barbecues in enclosed areas.

It's not just gas appliances in the home that can produce carbon monoxide!

Other areas at risk may include:

- Camping sites
- Boats
- Wood pellet storage areas
- Use of barbecues in enclosed areas
- Portable heaters
- Rental properties
- Holiday accommodation
- Student accommodation
- Garages

Never use a BBQ in a tent, awning, caravan, boat or any enclosed spaces. Even if the charcoal appears to have gone out it can still be dangerous and a deadly source of carbon monoxide!



If you have a carbon monoxide alarm at home, it may be worth considering taking your alarm with you on holiday. However, you must not rely on the alarm to protect you but it may give an early warning that carbon monoxide may be present. Carbon monoxide alarms are affected by humidity levels, which may build up in holiday accommodation.

Carbon monoxide alarms which meet the BS EN 50291 standard may be used in temporary accommodation, including caravans, motorhomes, boats and tents.

Never run a gas, petrol or diesel-powered generator inside a tent or awning. Always ensure there is adequate ventilation.

### Appliances are NOT flexible

Never use appliances for uses they were not designed for. Never use cookers, hotplates or barbecues as space heaters.

Have your appliances installed and regularly serviced by qualified installers, who should check the adequacy of ventilation and flueing. Installers should be registered with one of the following:



Ensure there is adequate ventilation in rooms containing fuel burning appliances such as paraffin heaters. In addition, ensure periodic checks are made on chimneys and flue systems for fossil fuel appliances.

## Your Carbon Monoxide Safety Checklist

For your safety follow the checklist below... it might just save your life!

- ✓ Ensure your appliances are installed by qualified engineers
- ✓ Ensure your gas, oil or solid fuel appliances are serviced annually and the safety of the appliance is confirmed by a qualified engineer
- ✓ Ensure there is adequate ventilation and do not block off air vents
- ✓ Install a carbon monoxide alarm where fossil fuel appliances are installed or used
- ✓ Test your carbon monoxide alarm regularly, in accordance with the manufacturer's instructions
- ✓ If any of your appliances are showing any of the signs of carbon monoxide as listed below, turn off the appliance and contact the National Gas Emergency Number or arrange for a qualified engineer to inspect the appliance for safety
- ✓ If you are in rented property, for example student accommodation, the landlord is required by law to ensure the gas installation and gas appliances are checked for safety on an annual basis and provide a gas safety certificate
- ✓ Domestic gas suppliers are obliged to provide free gas safety checks for vulnerable customers (through the supplier's Priority Services Register) with free gas safety checks. You should contact your gas supplier if you feel you may qualify for this assistance
- ✓ If you or other occupants are experiencing any of the symptoms described in this leaflet, seek immediate medical assistance and contact the National Gas Emergency Number, 0800 111 999\*.

**If in doubt Ventilate - Evacuate - Get Help!**

### Remember the potential signs of Carbon Monoxide

Signs of potential carbon monoxide being present on gas or oil appliances can include:

- Staining of appliance surfaces
- Sooting or discolouration on or around boilers, gas fires, cooking appliances and paraffin or oil heaters
- Flames that normally burn blue, change to burning with a yellow or orange colour.

If you suspect any of your appliances are releasing carbon monoxide in your property, call the National Gas Emergency Number 0800 111 999\*

If anyone appears to be suffering from the symptoms of carbon monoxide poisoning seek immediate medical attention - remember, the source of the carbon monoxide could be outside your property

We are providing this free leaflet as part of our ongoing commitment to gas safety

If you smell gas at any time call the 24 hour freephone National Gas Emergency Number: 0800 111 999\*

Gas Safe Register™ Helpline: 0800 408 5500

To contact our 24-hour customer service helpline please call 0845 070 1431

We've teamed up with GTi to give you the opportunity to purchase a quality FireAngel CO-9X CO Detector. See our website for details or call 0845 219 0434

[www.sgn.co.uk](http://www.sgn.co.uk)

\*All calls are recorded and may be monitored



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## **Useful links**

Our Business Plans and further publications are available to view on our website:

<https://www.sgn.co.uk/Publications/>

Our YouTube channel contains several videos, including incident updates and information on mains replacement and other projects:

<http://www.youtube.com/user/SGNvideo>

Our Customer Charter is based on feedback from our stakeholders and has been tailored toward the individual regions we serve:

<https://www.sgn.co.uk/Contact-SGN/Customer-charter/>

Our Twitter accounts:

<https://twitter.com/SGNScotland>

<https://twitter.com/SGNSouthern>

[https://twitter.com/SGN\\_Policy](https://twitter.com/SGN_Policy)