This document reports our stakeholder engagement strategy, framework and activities for 2013-14. It supports the requirements of the Stakeholder Incentive submission for Part 1, and provides supporting evidence as indexed throughout this document as numbers with "[ ]" and referenced in the page footnote (provided as hard copy attachments.)

Building on last years' submission, we describe the important role our stakeholders play to help shape our business priorities. In particular, this 'Part 1 - Overview of Evidence' explains the **evolution** of our journey, **new innovative changes** and how we have **updated, improved and embedded** our stakeholder strategy throughout 2013-14. This helps us to deliver our stakeholder outcomes and supports our business vision.

1. Requirement - The company has a comprehensive and up to date stakeholder engagement strategy, which sets out:
- *How it keeps stakeholders informed about relevant issues, business activities, decision-making and other developments;*
- *How it enables timely input and feedback from stakeholders via appropriate mechanisms to inform decision making*

*Overview - This section demonstrates that our **engagement strategy is up to date** through a formal review of our 2013-14 stakeholder activities and understanding lessons learnt and applying **continuous improvement**. It highlights how we will involve our stakeholders in our activities and decisions, and how we are developing as a company to embed stakeholders into our everyday lives.*

Our stakeholder engagement strategy

1.1 During the development of our 8 year RIIO business plan, Ofgem recognised that our **"stakeholder engagement was robust"**. Last year, Ofgem's review Panel also commented that we have the **"most comprehensive engagement strategy"**.

1.2 Throughout 2013-14, we have continued on our journey to build on this and to identify our stakeholders, work with them to understand and discuss their needs, act on feedback and ideas, keep them informed, monitor, review and improve.

1.3 We want to ensure that we are doing the right thing - by providing a platform to facilitate open and transparent discussions; a well-structured and a well-delivered and up to date engagement strategy will **benefit our stakeholders and our business**.

> *Ofgem Quotes:*
>
> *"We consider that NGGD stakeholder engagement was **robust**…[NGGD] considered how best to engage with a wide range of different stakeholders…[and to] understand priorities and key issues before identifying solutions."*
> *(February 2012)*
>
> *"The panel considered NGGD had the strongest overall submission and the most **comprehensive engagement strategy**."*
> *(July 2013)*

Updating our stakeholder engagement strategy for 2014-15

1.4 Even though we have our stakeholder vision (our long-term destination) and strategy (how we will realise our vision), engagement principles (how we behave), and framework that structure our short and long term approach to stakeholder engagement, we recognise that stakeholder priorities and needs *will* change over time - i.e. it is imperative that an effective stakeholder engagement strategy **must be dynamic** - it must be 'live' and **up to date**.

1.5 To ensure this, we have built a commitment into our stakeholder strategy towards **continuous improvement**, we have stated the need to formally review our engagement strategy and activities on an annual basis.

1.6 At the end of 2013-14, **we conducted a formal review of our stakeholder strategy** that allowed us to reflect on our engagement throughout the year, gather lessons learnt, insights from our Panel and other sources. Our senior management team then used this to refresh the strategic direction of our engagement. We will continue to reflect upon our engagement and lessons learnt at the end of every year and re-establish priorities on an on-going basis.

1.7 The **Management Review of our 2013-14 stakeholder engagement strategy** [1] included a detailed reflection and a formal review and critical appraisal of our internal and external engagement activities, lessons learnt, feedback from external assessments, our Stakeholder Advisory Panel feedback (see 1.13 (2)) and what we heard from our external consultation during 2013-14.

Figure 1 - Management Review to update our Stakeholder Strategy

1.8 This review (figure 1) has allowed us to **update our stakeholder strategy** ahead of 2014-15 and ensures that it continues to be suitable, adequate and effective. The Management Review [1] and our updated Stakeholder Engagement Vision and Strategy [2] for 2014-15 documents have both been approved by our Gas Distribution Executive Committee.

1.9 We have adopted this approach and framework towards the management and updating of our stakeholder strategy from our work with the British Standards Institute's PAS55 for the management of infrastructure assets (also see para. 1.13 (3) (iv)).
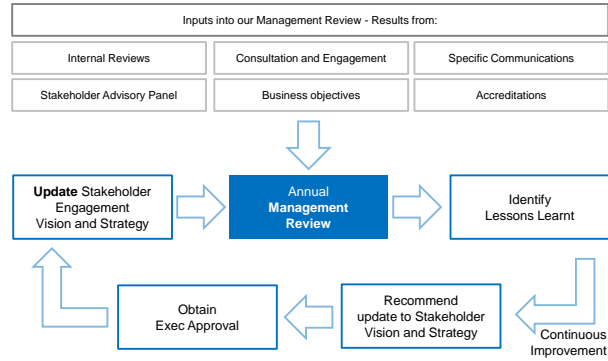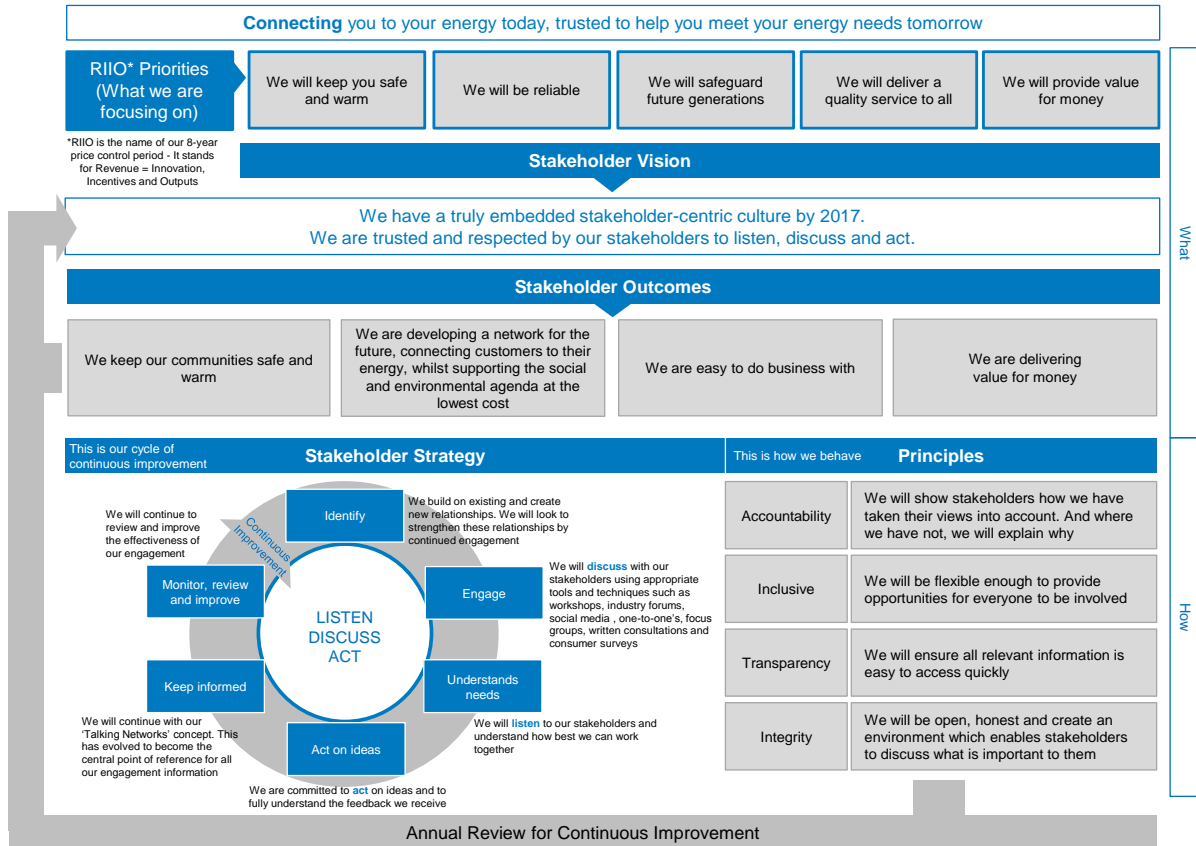
Figure 2 - Stakeholder Vision, Outcomes, Strategy and Principles

1.10 Our updated stakeholder engagement strategy for 2014-15 (figure 2) includes a shorter and more focused time-bound stakeholder vision, new stakeholder outcomes, makes better use of our stakeholder segmentation and confirms that our existing engagement strategy and principles remain relevant for the year ahead.

1.11 This framework maps to our business 'Line of Sight' and business vision and strategy. Leveraging stakeholder priorities insights, and perspectives helps to achieve and **deliver value to our stakeholders *and* our business** (also see para. 4.8-4.9). It reminds us that 'how' we deliver is an important as 'what' we deliver.

Supporting Evidence:
[1] NEW - Management Review of 2013-14 Stakeholder Engagement Vision and Strategy and Lessons Learnt - (March 2014)
[2] UPDATED - Stakeholder Engagement Vision and Strategy (2014-15) - (March 2014)

Keeping stakeholders informed, seeking timely input/feedback to inform decision making

1.12 To help keep our stakeholders informed about relevant issues and business activities, decision making and other developments, our engagement includes (1) **on-going engagement** and a formal structured (2) **annual consultation** cycle where we publish our reports (figure 3). This demonstrates how we are continuously working with stakeholders to seek and provide timely input and feedback.

Figure 3 - Keeping Stakeholders Informed
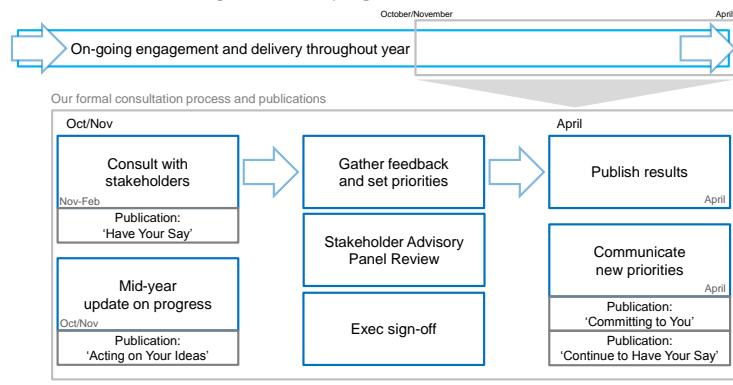
(1) On-going engagement - Throughout the year, we held a number of specific engagement activities. These included open days, consultations, workshops and webinars. Examples include:

- Stakeholder Open Days (Apr13 and Oct13) - we now offer a range of stakeholders the opportunity to visit us and familiarise themselves with what we do and how we work. Due to demand, these open days now run twice a year. Attendance included suppliers, supply chain, Local Authorities, customers, partners etc.
- Gas Industry Forum (Oct13) - stakeholders wanted us to re-establish and host this forum to discuss current industry topics, which will now run twice a year. Attendance included shippers, consumer groups, I&C customers, partners, service providers etc.
- iGT/UIP Workshop (Dec13) - workshop with Utility Infrastructure Providers (UIP) and Independent Gas Transporters (IGTs) to focus on connection request process improvements. Feedback from the attendees was very positive.

These forums offer an opportunity for our customers and stakeholders to understand more about our business and get involved in relevant issues, develop priorities and help shape our business decisions. (Also see para. 2.5 and figure 8 for further examples.)

(2) Annual consultation - Our formal annual stakeholder consultation offers the opportunity to invite all of our stakeholders to provide us with their views and feedback on our methods of engagement and to understand how we can prioritise our resources more effectively. We publish the following documents to gather timely input and to keep stakeholders informed:

i. Acting on Your Ideas [3] - Prior to our consultation (Oct/Nov), we publish an interim report that provides a progress update against each of our stakeholder commitments we made at the start of the year. For example, in April 2013 we made 29 commitments to stakeholders based on their priorities/feedback identified from our 3-month consultation (Nov12-Feb13) (through 'Committing to You').

ii. Have Your Say [4] - In November, this document commences our consultation process with our stakeholders on how we are doing, how our stakeholders want to engage with us and what is important to them so we can prioritise our resources.

iii. Committing to You [5] - In April, we then publish our new stakeholder commitments for the year ahead - these commitments are the promises we make from the feedback received from 'Have Your Say'. Our new commitments have now been developed from 2013-14 feedback and Exec approved. We published our 12 new commitments for 2014-15 in April14.

iv. Continue to Have Your Say [6] - To ensure this formal process remains 'live', we encourage further and on-going stakeholder feedback throughout the remainder of the year by keeping this consultation process open.

[3] UPDATED - Acting on Your Ideas - (Oct/Nov 2013)
[4] UPDATED - Have Your Say - (November 2013)
[5] UPDATED - Committing to You - (April 2014)
[6] UPDATED - Continue to Have Your Say - (April 2014)

Page 3

Developing a stakeholder inclusive organisation

Figure 4 - Our Stakeholder Engagement Framework

1.13 To support the delivery of our stakeholder vision and strategy (figure 2), we have our **stakeholder engagement framework** that helps us to ensure that we have a structure for our decision making. This includes our continuous commitment to improve our stakeholder vision and strategy, governance and controls, frameworks and assurance and enhance our engagement capabilities, culture and skills (figure 4). This is underpinned by our philosophy of Listen, Discuss, Act (also see para. 3.1-3.2 and figure 9) and our four stakeholder principles of integrity, accountability, transparency and inclusiveness. During 2013-14, we have made further improvements in all of these areas to help improve our decision making.

Stakeholder engagement underpins everything we do

- Vision and Strategy
- Governance and Controls
- Frameworks and Assurance
- Capabilities, Culture and Skills

Listen > Discuss > Act

| Integrity | Accountability | Transparency | Inclusive |
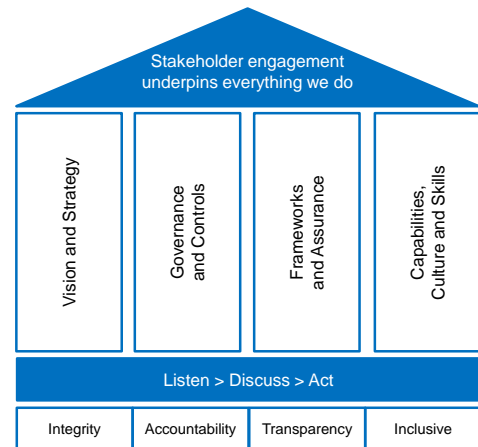
(1) Vision and strategy - We have made a number of updates to our stakeholder vision and strategy. As discussed previously, through our Management Review [1] (recall para. 1.7-1.9 and figure 1), we have documented lessons learnt throughout 2013-14 and these have fed into our updated Stakeholder Engagement Vision and Strategy for 2014-15 [2]. This work has also included the development of a more focused approach on delivering appropriate 'outcomes' (recall para. 1.10-1.11 and figure 2).

(2) Governance and controls - We have continued to actively review our own internal practices as we further embed our stakeholder governance and controls. In particular, our new **Stakeholder Advisory Panel** [7] met three times in 2013-14. This is our external panel of industry experts that ensures that our business practices take proper account of the interests, aspirations and concerns of all of our stakeholders and customers. The objective of this independent Panel is to allow our Executive to draw on the experience of eminent and diverse senior advisors from outside of our business to discuss key stakeholder issues, through an agreed work plan and measures of success [8]. The Panel have the opportunity to contribute to and influence the debate with our Executive team and provide a strong voice for our stakeholders, helping to shape our business strategy and decisions by offering crucial insights and act as a sounding board for new ideas and initiatives [9].

Furthermore, during 2013-14 we have been developing and reporting on our **Stakeholder Commitment Key Performance Indicators (KPIs)** [10] which help us to monitor and achieve our stakeholder objectives and requirements in a timely manner. These KPIs are reported to our Gas Distribution Performance Committee (DPC) chaired by the Director of Gas Distribution, and attended by our Executive team.

(3) Frameworks and Assurance - We have continued to build upon the principle that independent **external assessment and accreditation** can help us to improve and to demonstrate and assess our capabilities and commitment to continuous improvement. During 2013/14, we have been working with external partners and have been involved in the following external assurance initiatives:

i. Institute of Customer Service (ICS) - The ICS is the professional body for customer service. Throughout 2013-14, we worked with the ICS towards achieving their Service Mark across the *whole* of our Gas Distribution business (i.e. not just a single function, process or area of the business). This involved externally sampled surveys across both customers and our employees to understand our performance - from this we achieved high scores in all categories of the assessment and compared this to external benchmarks within and outside of our sector [11]. Following this, we were then subject to a thorough 3-day external assessment where employees were interviewed at all levels across staff and managers about how we manage customers. We were **successfully awarded the Institutes 'Customer Service Mark'** [12] (the first GDN to achieve this). We are now a Council member of the ICS and have committed to work with the ICS throughout 2014-15 and share our learning and best practices with other organisations.


[7] UPDATED - Stakeholder Advisory Panel - Terms of Reference - (June 2013)
[8] NEW - Stakeholder Advisory Panel - Work plan and Measures of Success - (June 2013)
[9] NEW - Stakeholder Advisory Panel - Example: Minutes and Actions - (February 2014)

[10] UPDATED - Example of Stakeholder Commitment KPIs - (May 2014)
[11] NEW - Institute of Customer Service - Benchmarking extract - (June 2013)
[12] NEW - Institute of Customer Service - Assessment Report - (October/November 2013)

ii. <u>Customer Service Excellence (CSE)</u> - During the year we have also been working with another external accreditation provider to independently assess our capability against their **Customer Service Excellence framework**. Once more, we chose the scope of this assessment to be for the whole of our gas distribution business. In 2013-14, we completed a preliminary 3-day consultation (June13), plus an initial 3-day assessment (Sept13). We have started to develop an action plan as we move towards full certification. The output from this consultation has also fed into our Management Review [1] and recommendations for action.

iii. <u>Plain English Campaign</u> - We are committed to writing our documents using clear language so that they can be read, understood and acted upon on a single reading. During 2013-14, we have been working with the **Plain English Campaign** (PEC) who provides an independent document review service. For example, our published Stage 2 Incentive submission has this Mark of approval.

iv. <u>BSi-PAS55</u> - We have continued to achieve the British Standards Institution Publicly Available Specification (PAS-55) for Asset Management. We were the first gas distribution business to achieve this and we schedule annual independent audits under the principles of plan-do-check-act. In early 2014, this Specification was changed to ISO-55001 (similar to ISO 9001, ISO 14001 and OHSAS 18001). This ISO includes assessment against a new stakeholder clause *"the organisation has determined relevant stakeholders and their requirements and expectations, the process…for decision making and stakeholder requirements..."*. We continue to hold a strong audit report against PAS55 and are working towards the new requirements under ISO-55001.

(4) <u>Capability, Skills and Culture</u> - To do a great job, we recognise that we must **improve our own core skills and capabilities**. To support this, and as sponsored by our Executive team, during 2013-14 we developed a detailed best-practice, structured capability programme to improve our own customer and stakeholder management and engagement skills across all levels of our business. In November 2013, we held our pilot **Academy for Customer and Stakeholder Management** [13]. The delivery of this training is to initiate a significant cultural shift towards quickly improving and advancing our own customer and stakeholder capabilities. It is intended to up-skill everyone with a need in our business at all levels with 3-days of intense learning for Skilled level followed by a further 3-day course for Advanced. This course is structured around our new 'TUVA' framework for Customer and Stakeholder Management (figure 5).

Figure 5 - Academy Framework - TUVA
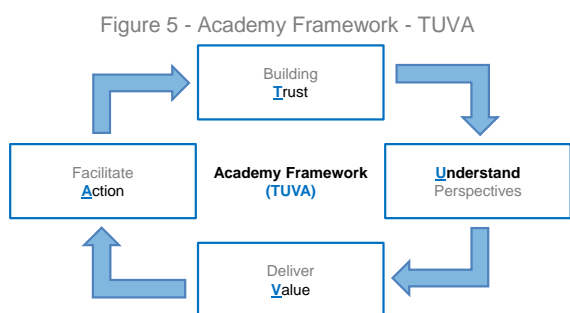
A second period of training was held in February 2014. Following this course, delegates use an internal community platform called Yammer (similar to Facebook) - this Community of Interest ensures on-going development and sharing of experience and best practice.

We have also trained 1,000 of our customer facing staff in Mary Gober customer excellence skills and techniques which focuses on the psychology and language used in engagement. Alongside this we have embarked on a behavioural change programme called Viral Change, which is helping us to find new ways to do things better.

During 2013-14, to further improve our own cultural capabilities, we undertook an internal change programme of our Commercial function. The conclusion of this project was to re-design the team structure to align accountabilities to our internal processes and functions and external stakeholders and business priorities. This team, now called the **'Stakeholder Delivery' team**, also provides team members with the opportunity to develop additional stakeholder-centric skills and capabilities.

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[13] NEW - Our Academy - Customer and Stakeholder - Examples of learning Outcomes and other material

*Overview - This section describes how we ensure that we have engaged with a **broad and inclusive range of stakeholders**, and how we recognise their different needs. As part of our annual consultation, we review our stakeholder segmentation for **completeness** and that stakeholders have been treated **fairly**. This helps us to have a richness of discussion, shape our business priorities and our decisions.*

Broad and inclusive engagement - segmentation and insights

2.1 We recognise that the **interests of our stakeholders change over time**, and the diversity and breadth of their **needs differ significantly** as to what their priorities are, how we get into them and how we meet their needs. It is imperative that we consider *how* we engage with a broad and inclusive range of stakeholders rather than adopt a general approach. Specific engagement will help to focus and shape our business priorities. In addition, a broad range of stakeholders will also ensure that we have a **good balance of perspectives and priorities** and that our engagement is inclusive and fair.

2.2 At the 'identify' stage of our strategy (recall figure 2 and see figure 6), and before we engage, we want to ensure that we will be inclusive and will cover a broad range of stakeholders by identifying, segmenting and reviewing our stakeholder groups.

Figure 6 - Including a broad range of stakeholder groups

i. Identify - our stakeholders who have an interest in our activities. We do this internally by business mapping and then consult with stakeholders to see who else we should be engaging with.

ii. Segment - stakeholders are then segmented by interest and mapped to our business priorities and outcomes. This helps us to tailor our engagement towards their needs. Our stakeholder and customer insights strategy (see para 2.4 below) supports our desire to have a better understanding of their characteristics.

iii. Review - we continuously assess whether stakeholders and groups are still appropriate and if any are missing from our database. This ensures **inclusiveness of engagement**. For example, in our recent 'Have Your Say' (recall para. 1.12 (2) ii) [4]) where we received feedback from more than 70 different stakeholders across a range of groups, we asked (question 10) *"We have consulted with a broad range… who else should we be consulting with?"* This has helped us to review our existing segmentation and identify that we need to include 'Media groups' within our segmentation. It has also identified that we need to further segment Local Authorities and the Highways Agency for more focused engagement. Our stakeholders are now segmented into 20 groups (figure 7).

Figure 7 - Our Segmented Stakeholder Groups

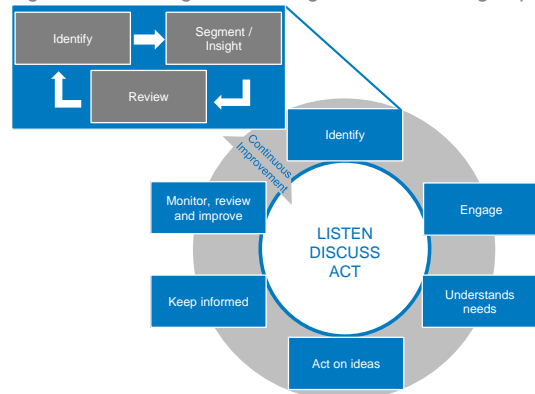|				
Customers and communities	Consumer Groups	Regional and Local Government (inc. the HA and LAs)	National Government	Trade Unions
Other Networks	Fuel Poverty Groups	Supply Chain Partners	General Public	Skills and Education
Business-to-business Customers	Environmental (inc. sustainability and renewables)	Regulators and Industry Bodies (incl. Health and Safety)	Service Providers	Non-Governmental Organisations and Think Tanks
Media	Employees	Shareholders	Trade Bodies	Energy Groups

Even though a broad range of stakeholders are engaged, it is also **important that stakeholders are treated fairly**. For example, in our recent 'Have Your Say' (recall para. 1.12 (2) (ii) [4]) we asked (question 4) *"Do you feel that you were treated fairly during the engagement?"* 97% of stakeholders said that we treated them fairly (also see figure 11) - we included this question from a recommendation to measure 'fairness' of engagement from our Customer Service Excellence assessment (recall 1.13 (ii)).

2.3   As part of our programme of continuous improvement, we recognised that we needed to improve our awareness of stakeholder needs. This also was evident through our independent preliminary assessment with CSE (recall para. 1.13 (ii)), identified by our own Stakeholder Advisory Panel and the Ofgem Stakeholder Panel, all of whom proposed the need for us to better understand our individual customers and stakeholders and to improve on our segmentation analysis.

2.4   To support this improvement action, and with our existing segmentation framework, we have developed a new **Customer and Stakeholder Insights** document [14]. This document provides the framework to enable us to better understand the individual relationships we have, identify any gaps and to be more targeted in our approach to improving our stakeholder engagement. This document helps us to ensure we deliver stakeholder and business outcomes. We have also developed our own stakeholder maturity measure and criteria to help us reflect on where we are on our journey.

2.5   Throughout 2013-14, through our on-going engagement (figure 8) we have held numerous workshops and forums (recall para. 1.12 (1)) for example, that demonstrates the broad range of our engagement

Figure 8 - Example of on-going engagement in 2013/14

across our stakeholder segments in addition to our formal consultation process (recall para. 1.12 (2)).
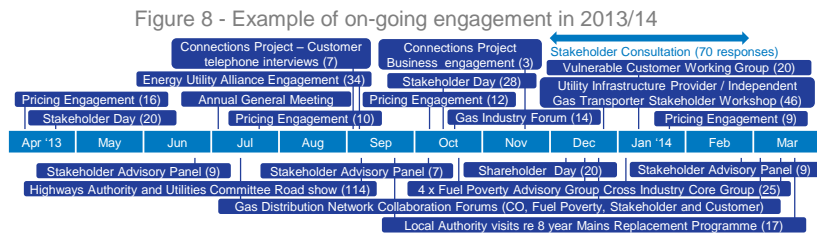
Optimising engagement - partnerships and collaboration

2.6   To ensure that we **optimally engage** with a broad range of stakeholders, we endeavour to make sure that we have not duplicated efforts and we have been **working with the industry** to develop a shared and common approach and strategy where appropriate. This delivers best practice and an efficient and common strategy to maximise and share our stakeholder engagement and interaction.

2.7   Examples of our partnerships and collaboration include being a member of WPD's Stakeholder Advisory Panel, Chair the GDN Carbon Monoxide Collaboration Forum, Chair of the Fuel Poverty Working Group on behalf of Fuel Poverty Advisory Group (FPAG), and Chair of the Industry Vulnerable Working Group. We are also members of other GDN collaboration groups including customer satisfaction, stakeholder engagement and fuel poverty. We are also working with the ICS (recall para. 1.13 (i)); Quality of Experience (QoE) and with our Stakeholder Advisory Panel to gather insights, independent review and challenge. This industry involvement has, and will help to develop our people and to raise our profile in the industry - a common goal for us and our stakeholders.

3. Requirement - *The company has used a variety of appropriate mechanisms to inform and engage with 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.*

Overview - *This section demonstrates the variety of tools and techniques used for our different stakeholders' groups. This will help to both **engage** and **inform**. Once we have identified the need to work with stakeholders, we then utilise the best method to communicate and **share results** and conclusions.*

3.1   To provide the best possible service to our stakeholders, we need to fully understand their needs and expectations. With this knowledge and feedback, we can then ensure that they are at the heart of our business decisions by offering accessible communication channels for discussions.
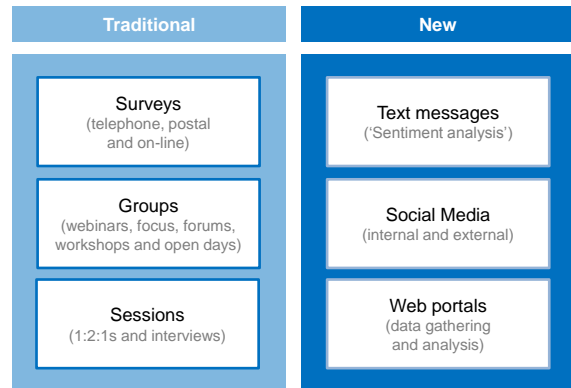

Figure 9 - Philosophy of Listen, Discuss and Act

3.2   Our engagement framework includes our philosophy of **'Listen, Discuss and Act'** (figure 9). We seek to gather views on how we can improve our services, share our promises for the year and then communicate how we are acting on feedback and by using appropriate mechanisms in support of this.

Engage

3.3 Building on our strong engagement platform, we have continued to build on our methods and mechanisms. We have continued to offer a variety of engagement mechanisms to meet our stakeholders' needs (as detailed in Committing to You for 2013 [15]) and again we will re-assess this on an annual basis to take account of any changes. We invite feedback via any mechanism required including post, online survey, email, phone, 1:2:1's, social media, as well as workshops and forums (figure 10).

Figure 10 - Mechanisms we use to Engage and Inform and Monitor

3.4 In 2013-14, we have been introducing new and innovative mechanisms to engage with customers and stakeholders as a platform for discussion. Our variety now includes a mix of traditional and new approaches. This ensures we offer a variety of methods of engaging and seeking feedback.

Traditional	New
Surveys (telephone, postal and on-line)	Text messages ('Sentiment analysis')
Groups (webinars, focus, forums, workshops and open days)	Social Media (internal and external)
Sessions (1:2:1s and interviews)	Web portals (data gathering and analysis)

3.5 Traditional approaches include phone surveys, paper surveys via post and electronic surveys via email. We also make sure that this is now balanced with new approaches to engagement and gathering feedback such as receiving real-time text updates ('sentiment analysis') and further improved uses of internal data-web portals (e.g. customer satisfaction and gathering stakeholder initiatives).

3.6 In addition, we recognise the value in gathering feedback from 'unstructured data' i.e. feedback sourced from general media and social media platforms such as Twitter, Facebook, YouTube (external) & Yammer (internal)' - we have introduced a social media dashboard to listen (called Hootsuite) that scans social media channels, and reputation monitoring through traditional forms of media.

3.7 As part of our engagement activities, we always invite feedback; in particular within our open consultation period (Nov13-Feb14) (recall figure 3) - 'Have Your Say' (recall para. 1.12 (2) (ii) [4]) - we invited our stakeholders to tell us what we should be focusing on and how we can use our resources more effectively. For example, our recent consultation ('Have Your Say') gathered views and feedback from more than 70 stakeholders (up from 40 the previous year). This feedback was once more from a broad range across our stakeholder groups, including customers and customer groups, Business to Business, Local Authorities, shareholders, supply chain partners, special interest groups (e.g. fuel poverty and carbon monoxide) and others. To gather this feedback we offered different mechanisms from postal surveys, on-line surveys, email, telephone, workshops and open days throughout all of our engagement and throughout the year. The responses from our stakeholder survey (figure 11) showed that the preferred methods of engagement continue to be face-to-face, workshops, email and phone.

3.8 We believe that our different methods of engagement have given us a richness of discussion and interaction that has been beneficial to ourselves and from continually monitoring the satisfaction of our stakeholders throughout this journey; we believe that this has been reciprocated.

Inform

3.9 Publications - As well as informing through our on-going engagement, 'Acting on your ideas' (recall para. 1.12 (2) (i) [3]) is our publication that provides a formal update on our commitments that we set at the start of the year. This document gives an interim status update against each of our stakeholder commitments and examples of case studies. These commitments are the promises we have made following stakeholder engagement and feedback. We have been working on our 29 commitments since April 2013 and this document provides an update and progress status for each one. For some of the commitments, we have provided more detail on the work we are doing to meet them. 'Committing to You' (recall para. 1.12 (2) (iii) [5]) is the publication of the results of our open consultation and the identification and statement of our new commitments for the year ahead. This document also provides a further update on any commitments from the previous year.

3.10 In order to support our existing Codes of Practice, and following independent assessment feedback from CSE (recall section 1.13 (ii)), we have developed a **new Customer Charter** [16]. The purpose of this document is to clearly explain to our customers and stakeholders our services and what to do if things go wrong. This document is published on our Talking Networks web-site.

3.11 Web-portal - In order to inform and update our stakeholders we continue to publish and share the outputs and publications of our engagement on our dedicated stakeholder website called **Talking Networks** [17]. This portal includes research, feedback and comments and how we are progressing in easy-to-digest forms such as briefings, publications and information booklets. In 2013 we had more than 5,000 hits and 110 registered users.
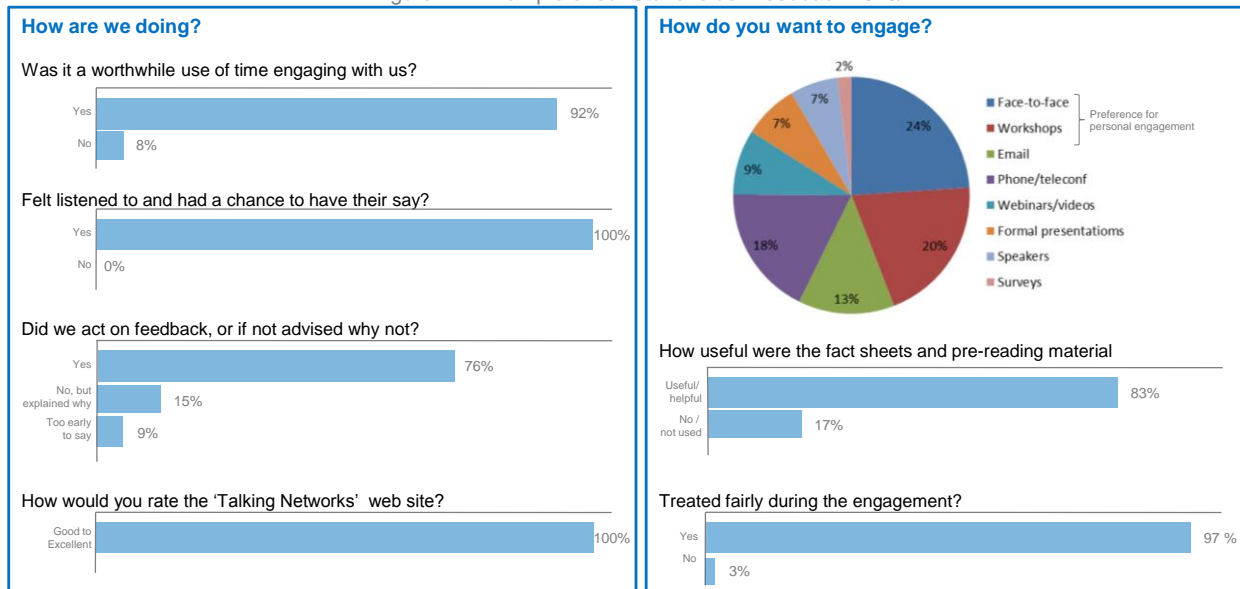
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4. Requirement - The company can demonstrate it is acting on input/feedback from stakeholders

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Overview - _This section demonstrates how we **act on feedback**. It presents aggregated results of our stakeholder engagement and how we have strived to measure and observe benefits of our engagement._

Acting on feedback

4.1 Our annual publication called 'Acting on Your Ideas' (recall para. 1.12 (2) (i) [3]) formally reported against our stakeholder commitments. This provided a summary of our stakeholders' views, together with the actions we are taking based on this feedback.

4.2 The results of our recent engagement 'Have Your Say' (recall para. 1.12 (2) (ii) [4]) demonstrate that our stakeholders believe we are acting on their feedback and this was very similar to last year (figure 11). For example, 100% said they felt that they were listened to and had a chance to have their say.

Figure 11 - Example of our Stakeholder Feedback 2013/14

How are we doing?

Was it a worthwhile use of time engaging with us?
- Yes: 92%
- No: 8%

Felt listened to and had a chance to have their say?
- Yes: 100%
- No: 0%

Did we act on feedback, or if not advised why not?
- Yes: 76%
- No, but explained why: 15%
- Too early to say: 9%

How would you rate the 'Talking Networks' web site?
- Good to Excellent: 100%

How do you want to engage?
- Face-to-face: 24% } Preference for personal engagement
- Workshops: 20%
- Email: 13%
- Phone/teleconf: 18%
- Webinars/videos: 9%
- Formal presentatioms: 7%
- Speakers: 7%
- Surveys: 2%

How useful were the fact sheets and pre-reading material
- Useful/helpful: 83%
- No / not used: 17%

Treated fairly during the engagement?
- Yes: 97 %
- No: 3%

4.3 Other headlines include: 91% said that we have acted on their feedback or if not explained why not and the remainder (9%) said that it was too early to say. 92% felt that the engagement was worthwhile and a **good use of their time**, and 97% felt that **they had been treated fairly**, with stakeholders continuing to believe that we are **communicating and disseminating** information in an easy to understand way. All stakeholders rated our dedicated web-portal ('Talking Networks' recall 3.11 [17]) between **good to excellent** in terms of **ease of use**, **informative**, **timely** and **relevance**.

[16] NEW - Customer and Stakeholder Charter - (August 2013)
[17] UPDATED - Talking Networks - Our Stakeholder Engagement web-portal

4.4 As a result of our recent stakeholder feedback, we are again able to identify themes and priorities such as stakeholders wanting us to:

- Help facilitate industry change and to increase our visibility and awareness
- Focus on raising awareness of the dangers of carbon monoxide
- Focus on innovation and promoting new ways of working (particularly when carrying out mains replacement)
- Working with others to help improve affordability and demand management, and
- Provide transparency of costs and understanding how we spend consumer's money.

4.5 Through our engagement, we have also received feedback, where following analysis, **we did not take forward our stakeholders' views**. For example during a recent industry workshop with Utility Infrastructure Providers (UIP), a suggestion was received to add large scale (A0) or other map layers printing to our mapping tools to support UIP's back office processes. The A0 functionality was reviewed and found to be uneconomic to build into the system at present, however we are engaging further on developing other map layers.

4.6 This year we have focused on delivering outcomes and we have 12 new broader Commitments for 2014-15 to deliver these outcomes - these have been developed from over 70 stakeholder responses and have been signed off by our Executive Team. We will put action plans in place to deliver these and report monthly to our Exec team on progress and communicate back to stakeholders our performance against these promises.

4.7 Following the publication of these commitments, we will **continue to engage** with our stakeholders throughout the year, report on progress, and keep them informed and involved with the actions and decisions we are making. Key to this will be to **improve through learning and sharing our experiences** with our stakeholders and the wider industry.

Measures and benefits

4.8 We have always been aware of the need to recognise the importance of measuring our stakeholder engagement performance. During 2013-14, and under our business philosophy of continuous improvement and Performance Excellence, we developed a suite of **Stakeholder Management Key Performance Indicators** [10] that reports monthly to our Exec team against our stakeholder priorities and commitments. This visual information is permanently updated and displayed in our performance hub to help drive improvements in our performance.

4.9 Furthermore, we have become **more outcome-focused** and we have supported this by identifying the **costs and benefits** of our engagement activities for both our stakeholders *and* our business. We appreciate that successfully measuring and delivering our stakeholder strategy and our engagement will ensure that as well as improving outcomes to customers and stakeholders, this will also add value to us. This once more demonstrates that our 'Line of Sight' (recall para. 1.11) ensures that we are doing the right thing for our stakeholders and for us as a business.

Concluding comments and thoughts - *Emma Fitzgerald*

Based on a strong engagement platform of openness and trust, we want to go beyond, and build established relationships with our stakeholders throughout the lifecycle of our engagement with them - this will truly deliver real benefits to our stakeholder and us as a business."

Emma FitzGerald, Director of Gas Distribution