

This document reports our stakeholder engagement strategy, framework and activities for 2014-15. 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 and deliver mutual benefit. In particular, this ‘Part 1 - Overview of Evidence’ explains the **evolution** of our journey, how we’re **better understanding** the benefits to stakeholders and the business of good engagement, as well as to the **quality** of our **relationships** and the **insights** we get from them. Using this learning, how we have **updated, improved and embedded** our stakeholder strategy throughout 2014-15. 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 2014-15 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 Each year we undertake a **Management Review** to reflect on our performance, take on board lessons learnt and make recommendations for continuous improvement. As part of this review we make recommendations to:
 - 1) keep our **Stakeholder Engagement Vision & Strategy up to date** for the forthcoming year;
 - 2) make changes to our **processes, procedures** and **how we operate**;
 - 3) improve our **capabilities** and **stakeholder understanding**; and
 - 4) deliver **improved outcomes**.
- 1.2 We implement these recommendations throughout the year so we can continue on our journey to build on the learning and mature our relationships, work together to understand insights and discuss needs, act on feedback and ideas, keep 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**.

Updating our stakeholder engagement strategy for 2015-16

- 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 structures 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 a commitment in our stakeholder strategy towards **continuous improvement**, we have stated the need to formally review our engagement strategy and activities on an annual basis. We do this through our formal Management Review.
- 1.6 At the end of 2014-15, **we conducted a formal management review of our stakeholder strategy** that allowed us to reflect on our engagement throughout the year, gather lessons learnt, insights from our Stakeholder Advisory 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 2014-15 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 2014-15.

1.8 This review (figure 1) has allowed us to **update our stakeholder strategy** ahead of 2015-16 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 2015-16 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 / ISO 55001 for the management of infrastructure assets (also see para. 1.13 (3) (iii))

Figure 1 - Management Review to update our Stakeholder Strategy

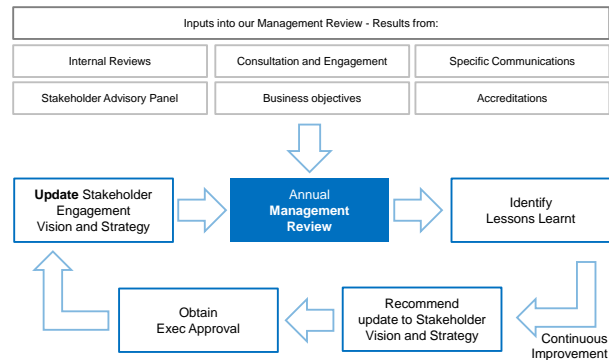
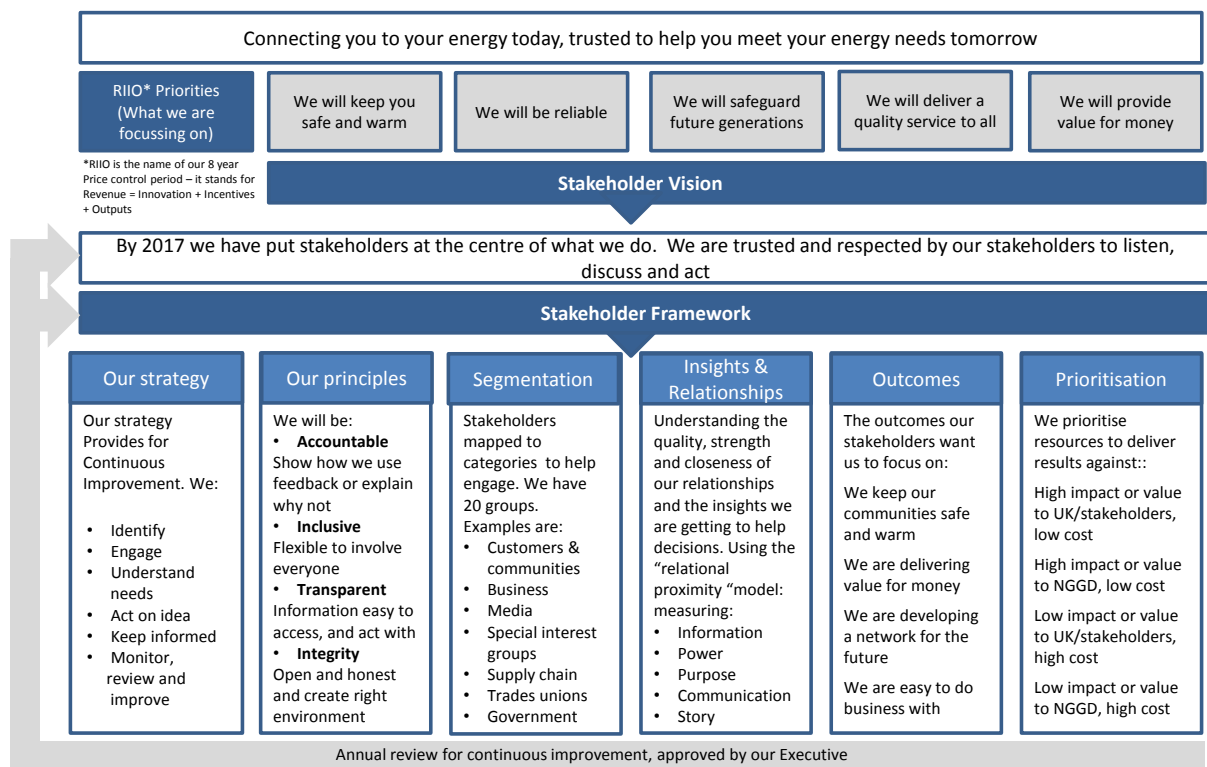


Figure 2 - Stakeholder Vision, Outcomes, Strategy and Principles



1.10 Our updated stakeholder engagement strategy for 2015-16 (figure 2) keeps the same ethos for our time-bound vision but makes it more engaging both internally and externally. Our framework has been updated to reflect the work we have been doing this year to better understand the quality of our relationships and the insights we get from them, as well as to provide more visibility of how we prioritise our stakeholder outcomes.

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. 4.9-4.10). It reminds us that 'how' we deliver is as important as 'what' we deliver.

Supporting Evidence:

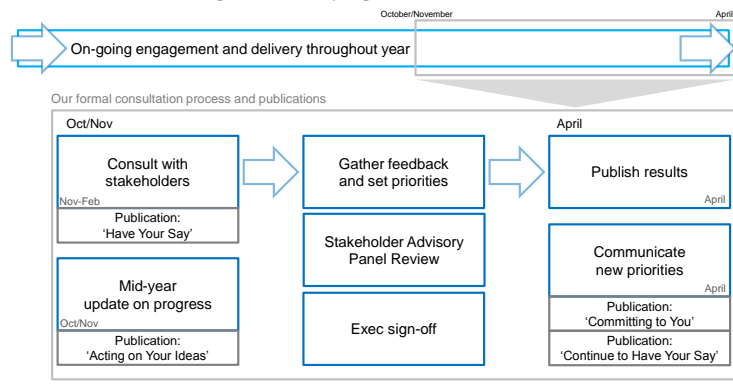
[1] NEW - Management Review of 2014-15 Stakeholder Engagement Vision and Strategy and Lessons Learnt - (May 2015)

[2] UPDATED - Stakeholder Engagement Vision and Strategy (2015-16) - (May 2015)

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 (Apr14 and Oct14) - we now offer a range of stakeholders the opportunity to visit us and familiarise themselves with what we do and how we work. These open days run in line with demand. Attendance included suppliers, supply chain, Local Authorities, customers, partners etc.
- Gas Industry Forums (May14 and Oct14) – we introduced this in 2013 based on stakeholder feedback and host this forum twice a year to discuss current industry topics. Attendance included shippers, consumer groups, I&C customers, partners, service providers etc.
- Shareholder Networking Workshops (June14 and Dec14) – events with shareholders for them to understand what we do, and how they can contribute as well as to focus on topical and future issues.

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. Our full range of engagement can be seen in para 2.5 and figure 8.

(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:

- 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 2014 we made 12 commitments to stakeholders based on their priorities/feedback identified from our 3-month consultation (Nov13-Feb14) (through 'Committing to You').
- 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.
- 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 2014-15 feedback and Exec approved. We published our 10 new commitments for 2015-16 in April14.
- 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 2014)

[4] UPDATED - Have Your Say - (November 2014)

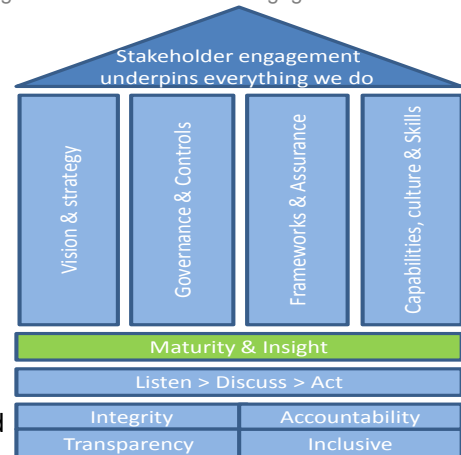
[5] UPDATED - Committing to You - (April 2015)

[6] UPDATED - Continue to Have Your Say - (April 2015)

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 10) and our four stakeholder principles of integrity, accountability, transparency and inclusiveness. During 2014-15, we have made improvements in all of these areas, as well as introduced a **Maturity & Insights Strategy** to help understand our relationships and improve our decision making.



(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 2014-15 and these have fed into our updated Stakeholder Engagement Vision and Strategy for 2015-16 [2]. This work has also included the development of a more focused approach to understanding the quality and strength of relationships we have. (recall para. 1.10 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 **Stakeholder Advisory Panel** [7] met four times in 2014-15. 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 [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. All our documents are published on our dedicated Talking Networks website (see para 3.10).

Furthermore, during 2014-15 we have continued to report on our **Stakeholder Commitment Key Performance Indicators (KPIs)** [9] which help us to monitor and achieve our stakeholder objectives and requirements in a timely manner. These KPIs are reported to our Gas Distribution Executive 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 2014/15, 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 business. This involved externally sampled surveys across both customers and our employees to understand our performance; followed by a three day external assessment where employees were interviewed at all levels about how we manage our customers. We **continue to hold our ICS ServiceMark accreditation** and will again undertake surveys with customers and employees during the summer so we can continue to understand and improve. As part of our annual Employee Opinion Survey we ask specific questions around our understanding and performance of our customers, and in 2013 we widened the scope to include wider stakeholders [10]. We had a positive response to the employee survey with our customer score ranking 82 out of 100 – 7 points above the sector norm.



[7] RECALL - Stakeholder Advisory Panel - Terms of Reference - (June 2013)

[8] NEW – 2014-15 Stakeholder Advisory Panel - Work plan - (April 2014)

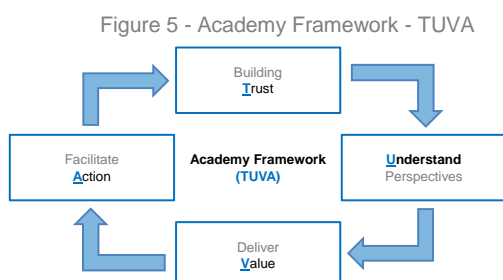
[9] UPDATED - Example of Stakeholder Commitment KPIs - (May 2015)

[10] NEW – Employee opinion survey 2014-5 - Customer and stakeholder results – (May 2015)

- ii. Customer Service Excellence (CSE) – In 2013 we had preliminary and initial assessments from independent auditors so we could assess our capability against the Customer Service Excellence framework. This assessment provided a diagnostic tool to assess our journey and identify improvements. Since this initial assessment we have introduced two key initiatives - **Performance Excellence** (delivering a framework that will help to improve the value we deliver to our customers and stakeholders and deliver continuous improvement (see para 4 below) and an **internal change programme** re-designing the Commercial team structure to align accountabilities to our internal processes and functions and external stakeholders and business priorities. The team is now called Stakeholder Delivery.
- iii. BSi-PAS55 / ISO 55001 - We continue to achieve the BSI Publicly Available Specification (PAS-55) for Asset Management. This Specification was recently changed to ISO-55001, with one of the substantial differences being the specific inclusion of “**understanding the needs and expectations of stakeholders** and how internal and external communications needs are established”. We were assessed against this as part of the surveillance visit in September 2014. The assessor’s view of compliance with this new requirement was as follows: “**Understanding** of the organisation and its context, and the **needs and expectations of stakeholders, is considered to be good** across key areas of the business” [11].
- iv. Stakeholder Advisory Panel Annual Report – Our independently chaired Stakeholder Advisory Panel plays a vital role by providing an external perspective. The Panel Chair presented the **first independent report** to our Executive in October on progress made and areas of focus [12]. We are also working with others such as **QoE** (Quality of Experience) to share and **benchmark** our **performance** against **wider sector peers**, for example retail and banking.
- v. Plain English Campaign - We are committed to writing our documents using clear language so that they can be read, understood and acted upon on a single reading. We continue to work with the **Plain English Campaign** who provides an independent document review service. Our Stage 2 Incentive submission has this Mark of approval.

(4) Capability, Skills and Culture - To do a great job, we recognise that we must **improve our own core skills and capabilities**. During 2014/15 we rolled out our structured capability programme to improve our own **customer** and **stakeholder management** and **engagement skills** across all levels of our business. This has now become business as usual. To support this we have developed a number of stakeholder **master classes** 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 and our courses are structured around our new ‘TUVA’ framework for Customer and Stakeholder Management (figure 5).

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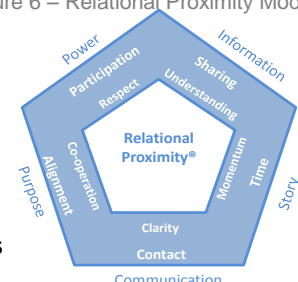


In addition we have developed an on-line gamification platform for our field force to practice their customer and stakeholder interaction skills. We are piloting a number of modules built on the ‘TUVA’ framework. For our Customer Centre we are working with our Academy and ICS to develop a Customer Service Apprenticeship Programme, building on our Mary Gober customer service excellence skills and techniques.

To further enhance our capability and develop stronger and high quality relationships we are working with Renuma Consulting so we can better understand the relationships we have with our stakeholders and the quality of the information we get from them, to inform decision making [13].

Armed with this and our new ways of working through our Performance Excellence programme, which puts customers and stakeholders at its heart, we are driving value and smarter ways of working, focussing on our customers and stakeholders needs, building trust both internally and externally.

Figure 6 – Relational Proximity Model



[11] NEW – ISO 55001 – Audit Report – Stakeholder section - September 2014

[12] NEW – Stakeholder Advisory Panel - 1st Annual Report - September 2014

[13] NEW – The Relational Proximity Model ®

2. Requirement - A broad and inclusive range of stakeholders have been engaged.

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 7), 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.

- 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 Maturity & Insights Strategy** (see para 2.4 below) supports our desire to have a better understanding of the quality of our relationship and the insights we get from them.
- 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 133 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 'Pubic Services' within our segmentation. Our stakeholders are now segmented into 19 groups (figure 8).

Figure 7 - Including a broad range of stakeholder groups

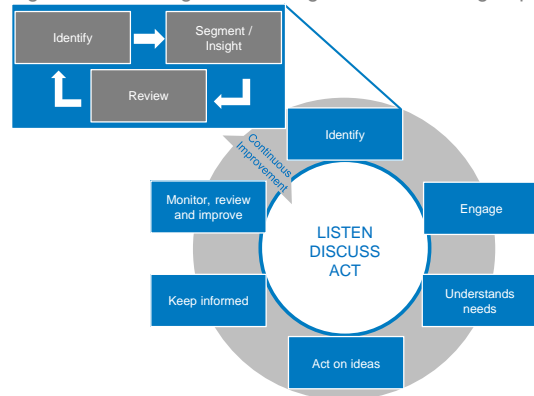


Figure 8 - Our Segmented Stakeholder Groups

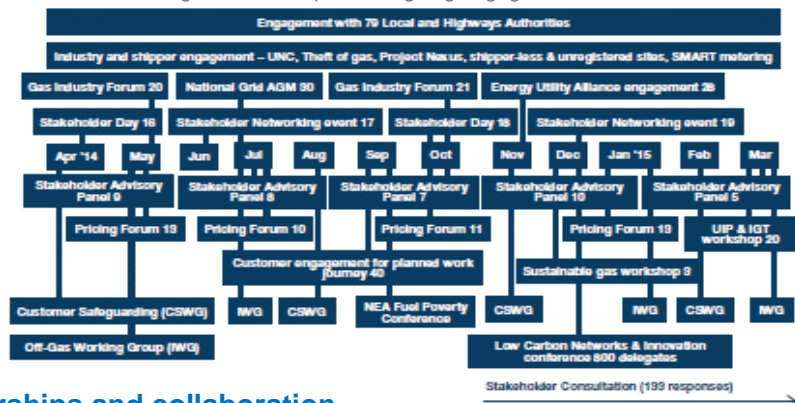
Customers and communities	Business to Business Customers	Skills and Education
National Government	Trade Bodies and Professional Institutions	Environment (incl. sustainability and renewables)
Fuel Poverty Groups	Regulators and Industry Bodies (incl. Health and safety)	Regional and Local Government including Local and Highway Authorities and Public Services
Service Providers	Media	Other Networks
Energy Groups	NGOs and Think Tanks	General Public
Shareholders and investors	Employee and Trades Unions	
Consumer Groups	Supply Chain Partners	

Even though a broad range of stakeholders are engaged, it is also **important that stakeholders are treated fairly**. 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?*" 92% of stakeholders said that we treated them fairly (also see figure 12) - 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 have a better understanding of the **quality** and **strength** of the **relationships** we have with our stakeholders. This also was evident through the challenge and review we have had from our 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 our understanding and insights.
- 2.4 To support this improvement action, and with our existing segmentation framework, we have developed a new **Stakeholder Maturity and Insights** strategy (recall para 2.2 ii) [14]. We are also working with Renuma Consulting to better understand the closeness, strength and quality of our relationships we have with our stakeholders, and the quality of the information we're getting to help us make informed decisions. Our Stakeholder Maturity and Insights Strategy will evolve to take on board the learning from this work. We have also developed our own stakeholder maturity measure, based on the Stakeholder Relationship Management Model (SRMM ®) and criteria to help us reflect on where we are on our journey.

- 2.5 Throughout 2014-15, through our on-going engagement (figure 9) we have held numerous workshops and forums (recall para. 1.12 (1)) for example, that demonstrates the broad range of our engagement across our stakeholder segments in addition to our formal consultation (recall para. 1.12 (2)). (see also Page 9 Part 2 Stakeholder Engagement Incentive Submission)

Figure 9 - Example of on-going engagement in 2014/15



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 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 working with National Joint Utilities Group, we are a member of WPD's Stakeholder Panel, Chair the GDN Carbon Monoxide Collaboration Forum, the Off-Gas Grid Industry Working Group on behalf of Fuel Poverty Advisory Group (FPAG), and the Industry Customer Safeguarding Working Group. We are members of other GDN collaboration groups including customer satisfaction, stakeholder engagement and fuel poverty. We are working with the ICS, QoE (Quality of Experience) 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 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 10 - Philosophy of Listen, Discuss and Act



- 3.2 Our engagement framework includes our philosophy of '**Listen, Discuss and Act**' (figure 10). 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.

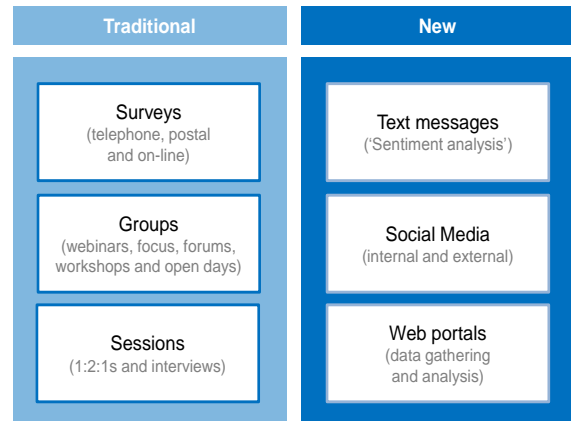
Engage

3.3 Building on our strong engagement platform, we have continued to build on our methods and mechanisms. We continue to offer a variety of engagement mechanisms to meet our stakeholders' needs (as detailed in Committing to You for 2014 [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 11).

Figure 11 - Mechanisms we use to Engage and Inform and Monitor

3.4 In 2014-15, as part of the wider Group, we introduced "Connecting", through in-depth features, blogs and other articles "Connecting" provides a platform for, and encourages conversation and debate. Our variety includes a mix of traditional and new approaches. This ensures we offer a diversity of methods of engaging and seeking feedback.

3.5 Traditional approaches include phone surveys, paper surveys via post and electronic surveys via email. We also make sure that this is 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 are using a social media dashboard (called Hootsuite) to listen across and scan different social media channels. We have also enhanced our reputation monitoring and horizon scanning activities so we can be more practice.

3.7 As part of our engagement activities, we always invite feedback; in particular within our open consultation period (Nov14-Feb15) (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 133 stakeholders. This was up from 70 the previous year, as we embed stakeholder engagement across the business and equip our people with the tools and confidence to actively engage and solicit feedback. 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 12) 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 12 commitments since April 2014 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

[15] UPDATED - Committing to You for 2014 (April 2014)

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 **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** [16]. This portal includes research, feedback and comments and how we are progressing in easy-to-digest forms such as briefings, publications and information booklets. During 2014/15 we had c9,000 hits and 122 registered users.



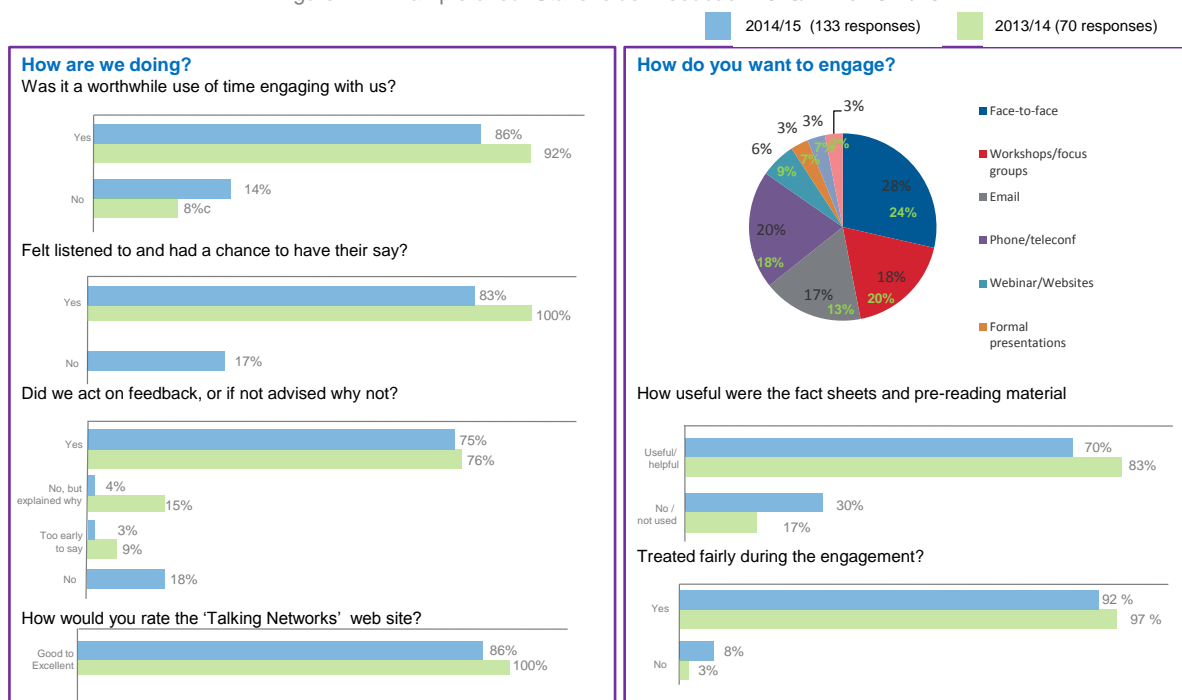
4. Requirement - The company can demonstrate it is acting on input/feedback from stakeholders

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]) identified two new stakeholder groups that had not taken part in our consultation previously. It highlighted two areas of our service we need to improve, one is around ease of use of our asset data service and the other is delivering non-standard work, such as carrying out diversions. If these two groups were excluded from the results the feedback would have been similar to last year. Figure 12 below provides results from our last two years' engagement.

Figure 12 - Example of our Stakeholder Feedback 2013/14 vs 2014/15



- 4.3 In summary, we had 133 responses (compared to 70 last year), the headlines include: 79% said that we have acted on their feedback or if not explained why not, with 3% saying that it was too early to say. 86% felt that the engagement was worthwhile and a **good use of their time**, and 92% 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. 86% of stakeholders rated our dedicated web-portal ('Talking Networks' recall 3.10 [16]) between **good to excellent** in terms of **ease of use, informative, timely and relevance**.

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 simplify industry processes
- Focus on supporting vulnerable and fuel poor customers and raise awareness of Carbon Monoxide (CO)
- Help shape the transition to a low carbon future
- Promote new ways of working (particularly when carrying out mains replacement)

4.5 We have made two new specific commitments around ease of use of our asset data service and delivering non-standard work, such as carrying out diversions, to ensure we make improvements in these areas and we will involve our stakeholders in this (recall para 4.2).

4.6 Through our engagement, we have also received feedback and requests, where following analysis, **we did not take forward our stakeholders' views**. For example during recent discussions with a CO group we were asked to support a data gathering exercise on CO incidents. As we are already working with Gas Safe Register on a similar initiative we have not taken this forwards, however we are engaging further on how the publication of individual case studies of the effects of CO poisoning can bring these issues to life and help change behaviours.

4.7 This year we will again focus on delivering outcomes and we have made 10 new commitments for 2015-16 to deliver these outcomes - these have been developed from over 130 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 Executive Team on progress and involve and communicate back to stakeholders our performance against these promises.

4.8 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

4.9 We have always been aware of the need to recognise the importance of measuring our stakeholder engagement performance. We have, as part of Performance Excellence, developed a suite of **Stakeholder Management Key Performance Indicators** [9] and we report monthly to our Executive Team against our stakeholder priorities and commitments. This visual information is permanently updated and displayed in our performance hubs to help drive improvements in our performance.

4.10 We continue to identify and develop **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 – Richard Court



Our aim for 2014-15 was to build stronger relationships and to measure the progress and value we are delivering. We continue to build on this as we work with our stakeholders to balance short term stakeholder and business priorities with longer term key industry challenges.

Richard Court, Head of Stakeholder Delivery

