



Stakeholder Engagement Incentive Submission

2016/17



PART ONE

STAKEHOLDER ENGAGEMENT INCENTIVE SUBMISSION

Contents

Introduction – Putting people at the heart of what we do

Our strategy	02
• Stakeholder identification and segmentation	02
• Tailoring our engagement	02
• What's new this year	03
Embedding engagement across our business	03
• Governance	03
How we engage with stakeholders	04
• Our engagement channels and audience reach	04
• What's new this year	05
Who we've engaged with	06
• What's new this year	06
• Our partnership approach	06
Our culture	07
• Behavioural Competency Framework	07
• Feedback on our company's culture	08
• Feedback from our 2016 colleague engagement survey	08
• Independent evaluation and accreditation	09
• External evaluation of engagement	10

INTRODUCTION

Putting people at the heart of everything we do

Wales & West Utilities is a values-driven company. Safety is a key priority for us and people are at the heart of everything we do: that means our colleagues, customers and a variety of stakeholders.

We want all who rely on us to be certain that we can be trusted to do our best for them. We've therefore focused our attention during 2016/17 on making sure that we have the resources and programmes in place to support real and meaningful engagement with all stakeholders. We want people to know that what they tell us can make a positive difference.

We've revised our stakeholder engagement strategy so that our Business Operating Committee, which I chair and which comprises our directors, plays a key role in reviewing and agreeing the business improvements and outputs we put in place as a direct result of feedback from our stakeholders. We've also taken steps to restructure and strengthen our engagement activities. Our stakeholder relations specialists have moved into our new People & Engagement Directorate. They are benefiting from additional support and resources, as well as from a stronger and more unified focus on key communication activities.

We continue to invest time to embed stakeholder engagement as a key consideration for everyone in our business. This year we held a stakeholder engagement-focused workshop for 32 senior managers and held two stakeholder-focused quarterly Colleague Roadshows for 110 colleagues, which I led, on this vital activity, to discuss how we can improve engagement with our stakeholders.

Our roadshow presentation and discussions were filmed for dissemination and further discussion at team meetings across the wider business, to help further embed our engagement culture.

We have increased external engagement, too, running four locational workshops, a Vulnerable Customers Forum and a Future Bill Payers workshop, engaging with 132 stakeholders. Our revitalised engagement strategy is already delivering great results – 212 outputs and benefits in 2016/17 for a total investment of more than £1.2 million at a cost of 17p for each of the 7.5m customers we serve across Wales and south west England.

Our strong focus on engagement helps us gain opinions and information that helps shape



our business plans. We recently devised the first UK Alternative Gas Workshop, attracting 64 delegates from within the industry, as well as others keen to know more about the potential of connecting renewable gas supplies to our network. This was as a direct result of stakeholder feedback, and most attendees were eager to share ideas with us on how the gas network can support an affordable, low-carbon energy future.

Working with our fuel poor partner, Warm Wales, a community interest company which operates in Wales and south west England, this year we initiated the first multi-utility gas, electricity and water conference on vulnerability; the 'Stronger Together' conference was attended by 104 delegates. It examined how we can adopt a co-operative approach to supporting individuals and families in vulnerable situations. The results have been very positive and are helping us to develop more collaborative partnerships and progress our social obligations strategy – an area that stakeholders have told us they would really like us to focus on.

Listening to what people tell us and making it a priority is having a positive effect on our company and, during the year, led to considerable external recognition of our improved business practices. Our latest Institute of Customer Service (ICS) scores, measured against all our service criteria – and not just the most successful service-delivery areas – have again placed us ahead of highly respected retail

brands such as Amazon and John Lewis and, according to the ICS, among the top-rated companies in the UK. This is evidence of our clear customer-focused culture, where our colleagues understand the expectation of our stakeholders and customers and deliver to those expectations and led to us jointly hosting an ICS customer service event. We are also the first gas network to achieve the British Standard for Inclusive Service Provision (18477) and, in June 2016, were awarded Business in the Community's Responsible Large Business of the Year award for our activities in Wales. These achievements continue to boost colleague morale, and in 2016/17 we changed our approach to measuring colleague engagement by working with Investors in People to review our practices and benchmark against this internationally recognised standard.

Overall it's been a very good year, but we never rest on our laurels. As customers and stakeholders continue to seek improving services, we are working to exceed their expectations. Our people-focused culture and values, coupled with successful and effective stakeholder engagement, puts us in a strong position to meet this perennial challenge.

Graham Edwards
Chief Executive

“ Our revitalised engagement strategy is already delivering great results – 212 outputs and benefits in 2016/17 for a total investment of more than £1.2 million at a cost of 17p for each of the 7.5m customers we serve across Wales and south west England ”

OUR STRATEGY

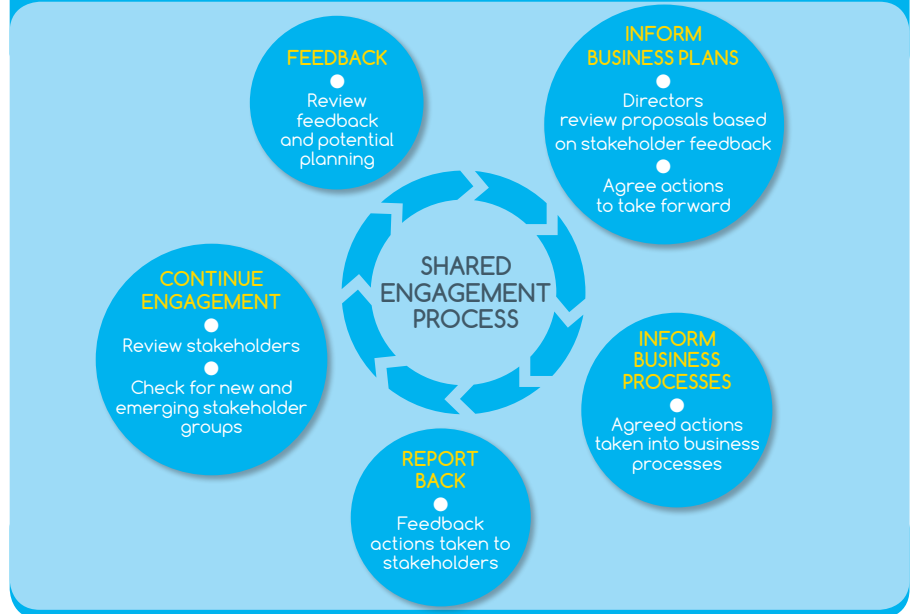
Our engagement strategy is guided by four key principles: transparency, inclusivity, materiality and responsiveness. We focus engagement on a very wide range of stakeholders, driven by our directors but 'owned' and delivered by colleagues at all levels throughout our business. This forms a virtuous circle. Stakeholders' feedback is always carefully considered, with our consequent proposals and actions subject to stakeholder scrutiny and refinement to ensure agreement and ongoing communication. This process is fundamental to engaging with and responding to the people and organisations who rely on us. Their feedback helps us to achieve better business performance and deliver improved customer service – for mutual benefit.

Stakeholder identification and segmentation

Engaging with a broad and inclusive range of stakeholder groups allows us to act on feedback which represents the opinions and wishes of people in the localities and sectors we serve. To help us access the views of hard to reach groups of people, we work with partners, such as Care & Repair, an organisation that exists to help older people by repairing, adapting and maintaining their homes, and Warm Wales our fuel poor partner. We carry out an in-depth review of our database of more than 2,000 stakeholders every year in pursuit of thoroughness and maximum inclusivity, and regularly update it throughout the year when new stakeholders emerge.

Our approach to engagement is geared to making sure that stakeholders can influence our business plans and see the benefits of close

STAKEHOLDER CYCLE



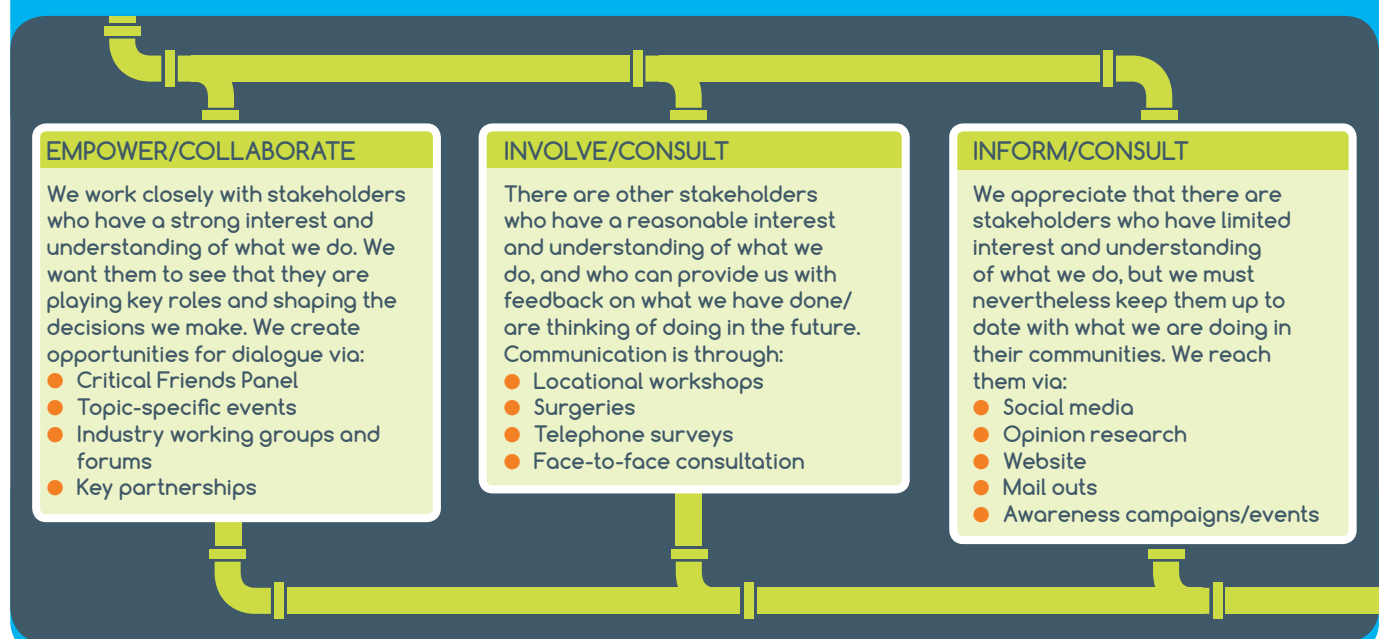
and regular communication. We monitor and measure the results of our engagement and our regulatory engagement report is subject to an independent high-level review to highlight areas for improvement, by stakeholder specialists AccountAbility. As a result of stakeholder feedback on our activities, we have identified and carried out, or have underway, 212 improvement actions, including a revised carbon monoxide (CO) strategy. We want to be sure that we are achieving the most robust and rigorous performance level, so we use the Stakeholder Engagement Standard (AA1000) as a guiding framework.

Our stakeholders are individuals, interest groups and other organisations in the communities we serve. These include representatives of different age groups, disability organisations and others. Our engagement is therefore tailored for relevance to each group, making sure that

the methods and the language we use are appropriate. We also use feedback to determine the effectiveness of our engagement channels and programmes. We understand how important it is to make engagement easily accessible for stakeholders, so we ran a series of independently facilitated workshops across the area we serve, from Llandudno to Plymouth, to make sure people get the opportunity to engage with us in their own communities.

Stakeholder focus is a key theme of our quarterly colleague roadshows and we've also held stakeholder workshops for our senior managers. We held an independently facilitated workshop to identify the stakeholders that are important for each part of our business. This has led to a step-change in our approach. This will remain a strategic focus and be included in our evolving 'inside out' strategy for the future.

TAILORING OUR ENGAGEMENT



AMBITION, PRIORITIES AND VALUES

In 2013, as a result of feedback from our annual colleague survey, we refreshed our business plan and introduced our revised ambition, priorities and values, all based on colleagues' input. Our chief executive and director-led workshops and roadshows, for colleagues at all levels, have in the following years strengthened our values-driven culture throughout the business.

We adopted an 'inside out' strategy. By developing an internal culture which puts our people first, recruiting for and rewarding behaviours that exemplify

our values in action, we have embedded a culture that puts people at the heart of everything we do – internally and externally. Listening to and integrating the views and feedback of both our internal and external stakeholders into our business strategy and operations has helped us create a strong stakeholder-centric culture.

We are engaging with a steadily growing number of stakeholders and gaining more and higher quality feedback. We know that we need qualitative and

quantitative comparative information on how we are doing, and so we engage independent specialist consultants to give us an external perspective.

This information, alongside the feedback we receive from stakeholders, is informing how we work and communicate. It has enabled us to gain awards and accreditations that are a consequence of effective engagement and others that provide reassurance to customers and other stakeholders who depend on our company.

OUR AMBITION

To deliver outstanding levels of gas safety, reliability and customer service so that we are trusted and valued by the millions of people we serve every day.

PRIORITIES

Demanding SAFETY ALWAYS

We keep raising the bar on safety, continually looking for ways to improve standards for our customers and colleagues.

Driving OUTSTANDING SERVICE

We work hard to give our customers a reliable service and peace of mind by putting their needs at the core of our business.

Delivering VALUE FOR MONEY

We spend money wisely based on what will give the very best value, every time.

Doing all we can to PROVIDE A RELIABLE GAS SUPPLY & PROMOTE SUSTAINABILITY

We are committed to providing a reliable gas supply for our customers whilst protecting and helping the environment for today and for the future.

Designing OUR FUTURE

We invest in our people so that we all have the skills, confidence and innovative thinking to build our business long into the future. We want to be a company people aspire to work for.

VALUES

We put customers first
We build trust by giving excellent service. Listening and taking action on what our customers tell us.

We take pride
We take ownership and are accountable for our work, going above and beyond to get great results.

We work as a team
We build relationships with colleagues and partners, share best practice and encourage honest, open conversations.

We bring energy
We approach all our work with enthusiasm, always challenging ourselves to do better by embracing new ideas and innovative solutions.

What's new this year

We've taken a more localised approach to engagement. We recognise that different stakeholders in different areas across our network have different priorities and represent different groups. So we've addressed local issues – like vulnerability and fuel poverty in south Wales, and collaboration and the skills agenda in Devon and Cornwall, and this is set to continue.

We are making stakeholder engagement part of the everyday language of our business. We are helping our First Call Operatives (FCOs) – those people at the front line of customer contact – to understand that the customers they deal with every day are their stakeholders. We enhanced our customer service phone app, to help all our FCOs more easily sign up customers in

the most vulnerable situations to the Priority Services Register. This was rolled out through the business with training given to FCOs on how to recognise the signs that could show that a customer might be in a vulnerable situation, including dementia awareness.

EMBEDDING ENGAGEMENT ACROSS OUR BUSINESS

We have tested the robustness of our engagement processes and improved our internal processes for reporting the outputs and business performance enhancements that are directly linked to stakeholder feedback.

A targeted approach has been taken by all departments in our business. For example, our Human Resources team sees the trade unions, with whom they work daily, as among its stakeholders. Similarly, our Streetworks team sees the highways authorities as a principal stakeholder.

We've also engaged with more of our stakeholders by holding four locational workshops at various locations. These will continue, using the information we gain to make sure that we constantly review our strategy and activities to strive for maximum effectiveness. We will continue to hold these workshops at the extremities of our network operating area, in Llandudno in north Wales and Exeter in south west England.

Governance

We've strengthened our stakeholder engagement activity. We moved our team into the People & Engagement Directorate, following feedback from our Critical Friends Panel, who told us that we needed to continue to develop our stakeholder engagement function, due to its strategic importance to the business. As a result we made the decision to consolidate our communication activities and now, as part of our company's core communications group, our engagement team benefits from increased resources, the support of other professionals and the complementary skills that the team members can bring. This has enhanced our management of engagement activity, benefiting the business as well as improving our engagement capability for stakeholders.

Because we have now firmly embedded stakeholder engagement throughout our business, we considered that our Stakeholder

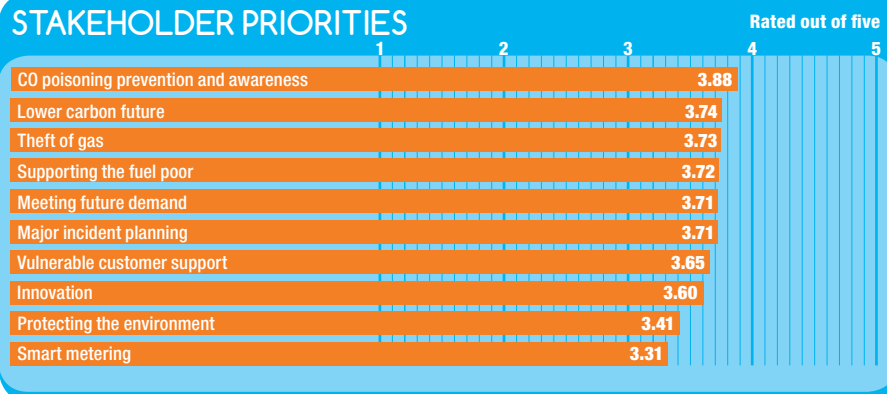
Steering Group (SSG) had fulfilled its function. In its place we have stakeholder-specific and topic-specific groups, such as those focusing on low carbon, social obligations and major incidents. The leaders of each group, all at director level, feed in the results of their engagements to our monthly Business Operating Committee meeting – chaired by our chief executive. These results are considered, as components of our overall performance, and further activities are agreed and assigned for action. These changes were explained and discussed with our colleagues at two of our chief executive-led quarterly colleague roadshows, attended by 110 colleagues. The event was filmed, to allow it to be sent to 113 managers for dissemination to their teams. These changes were also scrutinised by our Critical Friends Panel and our Vulnerable Customers Forum as part of our approach to elicit and embed input and views from these key strategic and informed stakeholders.

HOW WE ENGAGE WITH STAKEHOLDERS

Feedback from our Critical Friends Panel influenced our approach to holding annual locational workshops. There was a perception that we were remote, and we've sought to rectify this. In line with feedback we are continuing to hold topic-specific surgeries and stakeholder group workshops. We also have twice-yearly Critical Friends Panel meetings.

We have pioneered an initiative that is of considerable importance to communities and future stakeholders. Those interested in the role of gas in the future of UK energy supply told us they'd welcome an industry-focused event, so we held our first Alternative Gas Workshop, attended by 64 interested parties from throughout the UK. Following extremely positive feedback from attendees, we are now considering how best to set

STAKEHOLDER PRIORITIES



up a Wales Alternative Gas Panel, as there is slower take up of alternative gas connections to our network in Wales comparative to south west England. At the event, we also received 45 requests to investigate potential new biogas connections to our network. This initiative has therefore proven highly successful in raising wider industry awareness and understanding

of alternative gas connection, as well as benefits to the business in increasing interest in new biogas connections. It has provided us with insight on the levels of understanding and awareness of alternative gas opportunities of a range of stakeholder groups, which helps us to target relevant future communications and engagement.

Our engagement channels and audience reach

Engagement activity	Sample stakeholders	Approach	Reach	Sample actions and improvements
CRITICAL FRIENDS PANEL – EMPOWER/COLLABORATE				
	Vulnerable – Energy Saving Trust, Age Cymru/UK, Warm Wales, Cornwall Housing, CLA Cymru	<ul style="list-style-type: none">• Policy and Strategy verification• Topic-specific presentations• Detailed discussions• Debate and critical analysis• Exec Q&As	29	<ul style="list-style-type: none">• New CO strategy• The COdebreakers• Alternative Gas Workshop
	Business – Devon & Cornwall Busines Council, GMB, Home Builders Federation			
	Future of Energy – Regen South West, Renewable Energy Association, Renewable Energy Action			
	Education – Cardiff University, Royal Welsh College of Music & Drama			
	Industry – Gas Safe Register, National Energy Action			
	Innovation – Cardiff University			
	Customers – Hafod Housing Association			
	Health – National Energy Action			
STAKEHOLDER WORKSHOPS – INVOLVE/CONSULT				
	Parish Councils	<ul style="list-style-type: none">• Business updates• Short feedback presentations – “You said, we did”• Topic-specific Q&A sessions• Interactive 'Focus prioritisation' sessions	107	<ul style="list-style-type: none">• Vulnerable Customers Forum• New partnerships with Fire & Rescue Services• Gas mains replacement suite improvements
	Local Authorities			
	Housing Associations			
	Universities			
	Environmental Groups			
	Emergency Services			
	Supply Chain Partners			
TOPIC-SPECIFIC WORKSHOPS – INVOLVE/CONSULT				
Alternative Gas Workshop	Landowners	<ul style="list-style-type: none">• Detailed discussions• Topic-specific presentations• Round table Q&As• Exec-led Q&As – Together Stronger Conference	64	40 + attendees contacted us to enquire about connecting to our network
	Developers			
	National Farmers Union			
Vulnerable Customers Forum	Non-Governmental Organisations		12	Signed data-sharing agreements with three utilities – Scottish & Southern Energy, Western Power Distribution & Dŵr Cymru Welsh Water
	Consumer focus groups			
	Industry bodies			
Future Bill Payers Forum	Students		13	A better understanding of how we should engage with this audience, to help with future business planning
Stronger Together Conference	Non-Governmental Organisations			
	Utilities		106	Plans in place for a collaborative approach to supporting vulnerable customers with Dŵr Cymru Welsh Water
	Housing Authorities			
	Local Authorities			
RESEARCH – INFORM/CONSULT				
	Telephone surveys	Interviews with customers and non-customers to understand their perception of us	1,056	Changes to website planned into Phase 2
	Political Audit – selection of political stakeholders including MPs, Ams and Civil Servants	Telephone interviews to understand their perception of us	27	Plans to engage more frequently with political stakeholders, following a clear appetite from them to receive more communications
INFORMATION CAMPAIGN – INFORM/CONSULT				
	All customers	Social media campaigns for CO Safety Comp	47,000	CO Schools Safety Competition entries improved by 446%
	Potential recruits	Apprentice and graduate recruitment promotion	196,000	Applications increased to 923 for 23 jobs – up 64% on last year

Activities, such as those shown in the table, are in addition to the day-to-day engagement that our colleagues carry out as part of their jobs. However, all of which use stakeholder input to drive improved performance.

As part of our shared engagement process, we asked representative stakeholders to give us their perceptions of what's important in our business activities. We will continue to do this annually to track any changes in stakeholders' priorities.

Our stakeholder engagement programme is broad and inclusive. A range of our activities during 2016/17 is detailed on the right.

What's new this year

Researching stakeholder opinion

We constantly seek to innovate and improve what we do. We've broadened our engagement channels and taken steps to gain greater insight into how we are perceived by the media, individuals, businesses and key stakeholders, including politicians and government officials.

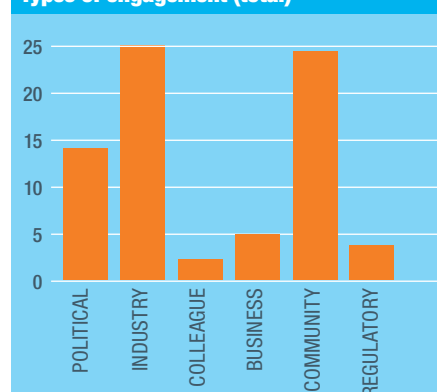
We instigated stakeholder opinion research with a representative selection of domestic and business customers (more than 1,000 in total) to determine their perceptions of the gas distribution network.

This helps us better understand how we can best manage engagement with discrete groups of stakeholders, focusing on communication channels and those business activities that are most preferred by those with whom we communicate.

Continuing and developing this research every year will help to show trends in stakeholders' opinions, identify new areas that are considered important, as well as finding new and emerging stakeholder groups.

We also commissioned an independent audit to determine how we are perceived by key politicians and energy stakeholders (27 people and organisations). It showed a clear appetite from the stakeholders to engage more with us on a range of topics, including the future of energy and social obligations. This is helping us to plan and prioritise our engagement programme with both the UK and Wales Governments.

Types of engagement (total)



Examples of engagement	Type of engagement
APRIL 2016	
Locational Workshop x 4	Community
Vulnerable Customers Forum	Community
Future Bill Payers Forum	Community
Hosted RNIB 'Train the Trainer' event	Community
TAI 2016 conference	Community
Craig Cefn Parc drop in centre – Warm Home Assistance promotion	Community
Landlords association evening event – Warm Home Assistance promotion	Community
Gas Distribution Network (GDN) carbon monoxide (CO) Best practice group	Industry
Data sub group meeting	Industry
MAY 2016	
Torfaen Learning Centre (CO and Priority Service Register awareness)	Community
Safeguarding Customer Working Group	Community
Utility Week Live	Industry
JUNE 2016	
BSI Sharing best practice day (BSI: 18477)	Business
Critical Friends Panel x 2	Community
Royal Bath & West Show	Community
Big Bang Fair	Community
Safeguarding Customer Working Group	Community
Future of Research & Innovation in the Energy Sector	Industry
National Asset Management Conference	Industry
National Storage & south west Energy Storage Conference	Industry
GDN Fuel Poverty Group	Industry
Sponsored summer PGES Networking Event	Political
Ofgem Future of Regulations event	Regulatory
JULY 2016	
CKI International Future of Energy (FOE) event	Colleague
Royal Welsh Show	Community
Energy Policy Forum for Wales	Industry
Emergy Summit	Industry
AUGUST 2016	
Safeguarding Customer Working Group	Community
GDN Safeguarding group	Community
SEPTEMBER 2016	
Smart Energy for Wales – Focus around local authorities in Cardiff	Political
Care & Repair conference	Community
Annual IGEM Conference	Industry
GDN Fuel Poverty Group	Political
OCTOBER 2016	
Devon and Cornwall Business Council – Regional Multi-Utility event – Stakeholders (Future of Gas)	Business
Chaired FOE session at the National Low Carbon Networks Innovation Conference	Industry
Utility Week Congress	Industry
NOVEMBER 2016	
Smart Flexible Scotland Event – implications for Wales Energy	Industry
Energy and Utilities Alliance – the energy trilemma	Political
CBI Dinner (Ken Skates AM – Economy Minister Wales)	Political
JANUARY 2017	
Colleague Roadshow	Colleague
CEO of Energy Systems catapult visited Wales & West Utilities	Industry
Smart Flexible Wales Energy conference	Industry
Combined Water & Energy Meeting	Industry
IGT GIRS Forum	Industry
BG Housing Team	Industry
We represented all Gas Networks at national event for local authorities at Energy Systems Catapult (Smart Systems & Heat)	Industry
Decarbonised Gas Alliance meeting with Welsh Government Minister and Jennifer Pride	Political
FEBRUARY 2017	
Energy Networks: Working Together to Tackle Vulnerability Workshop	Community
Safeguarding Customer Working Group	Community
Business in the Community Cymru Leadership Team	Community
Green Frog (Gas fired power generation review)	Industry
James Heapey MP visited Wales & West Utilities	Political
Anglesey (Rhun ap Iorwerth AM – Gaerwen infill)	Political
MARCH 2017	
CBI Round table Wales (Nick Hurd MP)	Business
Institute of Customer Service showcase event	Business
CAB networking events	Community
Alternative Gas Workshop	Industry
Supply point administration agreement (SPAA) working group	Industry
Industrial Strategy Wales (Greg Clarke MP & Nick Hurd MP)	Political

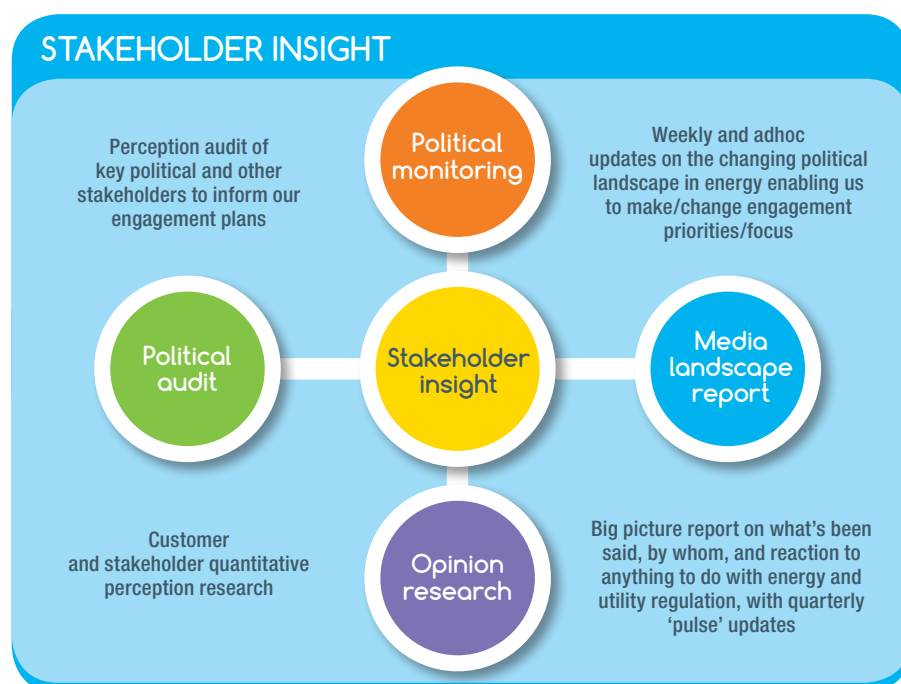
Exploring stakeholder perception

We wished to learn about the perception of our company by the media, so we commissioned a report of digital and print media coverage of the energy industry, including ourselves, during 2016. We are now updating these findings on a quarterly basis. These reports inform us of external perceptions of our company as a key energy distributor and the media reaction to what we say about ourselves. It helps us to gauge how far our messages are being received and interpreted, as well as how we are perceived relative to other gas and electricity networks and suppliers.

Increased engagement opportunities for stakeholders this year

We ran locational workshops at various places across our network area to extend the opportunity for stakeholders to engage with us on a face-to-face basis and to increase the range of stakeholder representative organisations with whom we engage. At each of these events we gain feedback from harder to reach regional groups which helps to inform our engagement programme. These workshops were attended by 107 people. We also held topic-specific surgeries on our social obligations, the future of heat, biogas connections and smart metering at the end of each workshop to allow stakeholders more time for further discussions and to provide feedback on the subjects of most interest to them. 100% of those who completed our satisfaction form reported that they found our locational workshops and surgeries interesting or very interesting and we have already held more of both in 2017/18.

We hosted a Vulnerable Customers Forum with



representative organisations to discuss a variety of issues, including how we can help people who are in the most vulnerable situations in society. Following stakeholder feedback at this event, and working with our fuel poor partner, Warm Wales, we initiated the first multi-utility conference in Wales on vulnerability. Called 'Stronger Together', gas, electricity and water companies participated to discuss potential collaborations and partnerships. Our collective goal is to deliver co-ordinated services for vulnerable groups and this was a significant stakeholder engagement event in our 2016/17 calendar. The outcomes will have a far-reaching impact on our collaborative approach to the way we provide services for all

customers, particularly those who are in the most vulnerable situations. There is more information on this event in Part Two.

Following feedback from the stakeholders who attended this event, we are considering how we may host similar events in other areas of our network. We sought stakeholder guidance on the specific areas and exact nature of these events during our locational workshops, held in May 2017.

We also hosted a workshop for young people who will be the energy bill payers of the future, to make sure we consider their views in our business planning.

WHO WE'VE ENGAGED WITH

Below is an overview of our broad and inclusive list of stakeholders.

Shippers, suppliers and other utilities	Consumer focus groups	Innovation groups
Fuel poverty groups	Alternative gas groups	Media
Vulnerable customer groups	Regulators	Non-Governmental Organisations
Colleagues & Trade Unions	Blue-light services	Shareholders and Investors
Customers	Other Gas Distribution Networks	Health & Safety Executive
UK & Welsh Governments	Environmental groups	Local Authorities
MPs & AMs	Supply chain partners	Industry bodies
People within our network	Skills and Education groups	

gas industry and the challenges it faces. These well-informed people are increasingly able to give us feedback on more complex aspects of our business planning and they scrutinise our activities and our approach.

Our partnership approach

We have reviewed existing partnerships with organisations who share our values and priorities, and also created new ones. We can therefore work closely with bodies that can identify and engage with hard-to-reach customers on our behalf, for example Fire & Rescue Services. To make sure we have a consistent approach we have:

- Designed a 'Partners Pack' to promote the full range of services we offer customers who are in the most vulnerable situations. The pack includes CO awareness advice, and information on Priority Service Register benefits and Locking Cooker Valve installation.

What's new this year

We've reviewed our stakeholder database, segmenting it by sector and making sure we include as many relevant groups as possible.

Following the 'Stronger Together' conference, we created a new partnership with the charity Care & Repair, which supports older people in their homes, helping with repairs as well as providing financial advice, in order to engage with harder

to reach groups in our network area. We are also starting to work more collaboratively with Dŵr Cymru Welsh Water, the water and sewerage company serving most of Wales.

We revitalised our Critical Friends Panel to make sure there is stakeholder representation across all relevant groups. This panel is made up of representative individuals who are gaining a more detailed knowledge and understanding of the

It also highlights potential funding for connections to our network through our Warm Home Assistance scheme, as well as highlighting the criteria for free of charge meter alterations, should the customer be unable to access it, in case of an emergency.

- Introduced a system of monthly reporting by our partners to make sure we're getting the information we need, and
- Sought feedback from partners to make sure we achieve maximum mutual benefit from working together.

We'll continue reviewing and building additional partnerships and we are seeking closer working relationships with other utility companies and organisations to maximise efforts to help those most in need of advice and support.

FEEDBACK AND BENEFITS OF OUR ENGAGEMENT

100%
of attendees
said our
locational
workshops were:
**interesting
or
very
interesting**

99% of attendees said they
had the opportunity to contribute

95% of attendees said we
covered the right topics

Colleague engagement with our
intranet (Pipeline) continues to increase:

54% increase in posts

67% increase in reactions made

24% increase in communities created

36% increase in discussions started

93% of
attendees said
they'd like to
attend future
workshops

**Customer
Satisfaction
scores have
improved
from 9.05
(15/16) to
9.11 (16/17)**

Our revised stakeholder governance model, together with our revised and improved engagement and feedback processes, continue to help us embed stakeholder engagement so it becomes second nature with all colleagues. It has resulted in a significant number of stakeholder engagements, outputs and benefits – all of which are detailed in the table at the end of Part Two.

For example, an output related to our highest regarded business priority by stakeholders of raising awareness of CO can be summarised as follows. 97% of stakeholders who attended our locational workshops told us we should continue to do more to raise awareness of the needless deaths and injuries caused every year by CO poisoning – and make it

our top priority. This led us to review and revise our CO awareness strategy so that we can reach those who are potentially most affected by CO poisoning – young and older people in vulnerable situations and those living in our CO 'hot spot' postcode areas, where we receive proportionately higher CO call outs.

OUR CULTURE

Our values-driven business culture permeates all our engagement. Our ambition is to deliver outstanding levels of gas safety, reliability and customer service so that we are trusted and valued by the millions of people we serve every day. We put people at the heart of everything we do, and this principle guides our customer service and stakeholder strategies.

Our directors, senior managers and others in our leadership team play key roles in our stakeholder engagement, leading a range of workshops on various subjects. They drive our engagement with UK and Wales Governments and the civil service, academia and policy forums. It's important that the voice of the industry is heard and we had a presence at more than 70 conferences, panel sessions and round table events in 2016/17.

Our directors and senior managers deliver our colleague quarterly roadshows held throughout our network area. We recognise that our 1,400

colleagues are vitally important stakeholders. They are responsible not only for delivering services and improvements as a result of stakeholder and customer feedback, but also for being a front line in that engagement. Two quarterly roadshows attended by 110 colleagues focused on stakeholder engagement – reminding everyone about our strategy and giving advice and insight as to this aspect of our roles. This information was sent out in our monthly briefing to 113 managers, including a film of the roadshow, to brief to their teams.

Behavioural Competency Framework

While senior managers have always been expected to lead on engagement, our new Behavioural Competency Framework formalises this responsibility. It is a way of clarifying all colleagues' responsibilities to our stakeholders.

**We're a responsible
business, driven by
our values. Safety
is a key priority and
people are at the
heart of everything
we do**

Launched last year, our Framework sets out the way we deliver our business priorities and how we expect our colleagues to behave in their day to day roles. Our company demands high standards of all and expects every colleague to behave in a

responsible manner – in line with our values. Our Framework was developed from information and feedback gained from colleagues at all levels in our business. It informs individual and team performance reviews, underpins our ambition,

priorities and values, and provides clear guidance on what is expected of all of us, particularly in relation to stakeholder engagement. This is of crucial importance in helping us to build and strengthen relationships with our customers and stakeholders.

Feedback on our company's culture

"An Investors in People accreditation is the sign of a great employer, an outperforming place to work and a clear commitment to success. Wales & West Utilities should be extremely proud of their achievement."

Investors in People

"To win an award at such a highly-regarded event as the RoSPA Awards is a great achievement for our winners. It recognises their commitment to maintaining an excellent health and safety record and raises the bar for other organisations to aspire to. We offer them our congratulations."

Royal Society for the Prevention of Accidents (RoSPA)

"A presentation in the form of a 'film premiere' with an information sheet and booklet was held at Head Office, delivered in three sessions to all staff. This portrayed the organisation's 'Behavioural Competency Framework' – based on four core behaviours of customers first, ownership and accountability, team relationships and efficient and innovative processes. The framework was communicated to all WWU offices, as seen during the depot visits."

BS18477: British Standard for Inclusive Service Provision

"Wales & West Utilities enjoys an excellent reputation for customer service and work hard to maintain and enhance this in everything they say and do. Anecdotal evidence was given of some employees who had taken a pay cut to come to work with Wales & West Utilities because it is the kind of organisation they want to work for and be part of."

"Accountability [for customer service] sits nominally with the Customer Service Manager although several employees were keen to point out that 'we all do customer service'; this attitude was made amply evident in conversations and interviews. The culture is not limited to employees but extends to partner organisations and contractors as well."

"A large recent initiative, centred around vulnerable customers, was rolled out in the Celtic Springs offices and to field teams. A workbook used in these sessions was provided; many attendees used the e-learning package where they had ready access to a computer. In all the interviewee groups at least one person mentioned this training and the results were seen in action on the field visit to a vulnerable customer (elderly and with impaired mobility)."

Institute of Customer Service (ICS)

Feedback from our 2016 colleague engagement survey

"How many companies recognise talent and reward it like we do? Celebrating Excellence awards etc. I'm very passionate about working for WWU, and very, very proud."

"Going from strength to strength each year is my observation, and belief."

Performance Manager mid and north Wales

"I have been working with Wales & West Utilities for more than 10 years and would highly recommend the business to others."

Asset Assistant, Celtic Springs

"I'm proud to work at WWU and have a great team of people around me. Great place to work!"

Independent evaluation and accreditation

All of the accreditations and endorsements we've received are due, in part, to the 'inside out' strategy that is now embedded across our business. Colleagues are aware of the relevant stakeholder groups within their specific geographical or business areas and aim to achieve accreditations that endorse their work.

AA1000SES: Stakeholder Engagement Standard



We make sure that our work is in line with the AA1000SES Stakeholder Engagement Standard. This sets out a framework for the design, implementation, assessment and communication of quality stakeholder engagement – and includes essential characteristics such as inclusivity, meaningful outcomes and effective communication.

Every year we have an independent assessment, so we can maintain the focus required to meet this very high standard.

Gold award status
for the fourth year in row – only gas network to ever achieve this

Royal Society for the Prevention of Accidents (RoSPA)

As may be expected of a company like ours, safety is of course our number one priority.

The RoSPA Awards are among the most prestigious in the sphere of health and safety.



We were awarded the RoSPA Gold Award for our H&S performance in 2016 and this is our fourth such award in a row. No other UK gas network has achieved this and we are immensely proud of the success. This message of safety achievement is important to build into our communication and engagement and it is a welcome reassurance to the people, organisations and interest groups who rely on us for a high quality and very safe service.

British Standard for Inclusive Service Provision (BS18477)
First gas network to ever achieve this

BS18477: British Standard for Inclusive Service Provision



The BS18477 standard is designed to help organisations identify customer needs and adapt their services to be inclusive and easily accessible.

In December 2016, we underwent a five-day audit which involved interviews with more than 40 of our colleagues and the scrutiny of processes in all departments. The outcome was that we were awarded BS18477 and in the process became the first gas network to receive the accreditation.

BS18477 recognises that people have a wide range of abilities, personal circumstances and varied requirements and it highlights that these needs can make some customers vulnerable and disadvantaged. We acknowledge that vulnerability can be caused by many things, including illness or a change in personal circumstances, such as a family bereavement or losing a job.

We've achieved BS18477 in large part because of our engagement with various groups whose feedback has greatly influenced what we do. We have since made sure that stakeholders and partner organisations we work alongside are aware that reaching this standard is testament to the effort we commit to engagement and the successful outcomes that we achieve.

BSI Consultant Heather Nowak said:

"Great customer service matters, but few organisations actually deliver above and beyond expectations. Wales & West Utilities are one such company. Their willingness to go that extra mile for their customers is evident from their round-the-clock community engagement, and their dedication has been rewarded with impressive results and business growth.

"They have strategies in place making sure all their colleagues are engaged with the support services the company can provide to the vulnerable in society, while their proactive partnership working with local organisations means they can prioritise customers who may be at increased risk if the gas supply is disrupted."

Institute of Customer Service: ServiceMark

We were first awarded the prestigious Institute of Customer Service (ICS) ServiceMark in 2014. Building on that success, we've now been re-accredited at Distinction Level.



Our accreditation followed a rigorous week-long assessment which involved customer surveys, colleague interviews, and analysis of company documentation and processes. The assessment also gave us the opportunity to prepare a plan for further improvement.

We achieved a customer satisfaction score of 90.4 which is considerably higher than the utility company average of 73.3 and the all-sector benchmark score of 77.4. This highlights our market-leading customer service performance. ServiceMark is granted for three-year periods and is the ICS's most thorough accreditation.

Once again, this award is a successful outcome recognising our good communication with stakeholders and our commitment to pursue continuous improvement. The accreditation is another reassurance to those we deal with that we are committed to doing our best for the communities we serve. As a direct result, we were invited to jointly host an ICS member event, showcasing our performance and customer initiatives, attended by representatives of 44 delegates.

Jo Causon, Chief Executive at The Institute of Customer Service said:

"Efficiency, effectiveness and empathy are key components of any great service delivery. At last week's showcase event, Wales & West Utilities' commitment to the service agenda was evident right from the very top of the organisation. They demonstrated through the use of clear and transparent measurement, and genuine commitment from the front line to the CEO, how they provide clarity for employees and customers about what needs to be done in real time, supporting their purpose and delivering for customers.

"Events like these provide a great platform for customer service professionals to share and learn from different industries, ensuring we are all truly striving for best practice and never settling for complacency."

Business in the Community Wales**Responsible Business of the Year**

We were recognised by Business in the Community (BITC) as Responsible Large Business of the Year during 2016 for our success in embedding responsible business practices throughout our operations in Wales.



Rosie Sweetman, director at Business in the Community Cymru, said:

“Wales & West Utilities have put their values at the heart of what they do and truly embedded responsible business through their operations and decision making; it was great to see the baton of Wales Responsible Large Business of the Year being passed from Principality Building Society to another leading Welsh company.”

ISO 55001: Asset Management

At the beginning of 2017, we successfully gained renewed certification for the standard for Asset Management, ISO 55001. This will run until 2020, subject to annual assessments.

The theme of an audit for ISO 55001 focused on our strategic approach to planning for GD2 and managing the significant challenges we face around the future of energy.

The auditor was particularly interested in our Future Energy Model, our communication and engagement work, and also our involvement in significant innovation projects. This includes Project FREEDOM which is, in collaboration with Western Power Distribution and the company Passive Systems, investigating hybrid heating systems for domestic customers.

Health & Safety Executive Major Hazard Safety Leadership Inspection: Exemplar rating

Following the Health & Safety Executive (HSE) awarding us an Exemplar rating for our Major Hazard Safety Leadership, which underlined the importance that we place on safety, we have maintained our engagement with them and other safety organisations. Seeking their feedback is vitally important in helping us maintain our excellent safety record and we share our safety best practice with other organisations at HSE seminars and workshops.

IMechE & IGEN Graduate Scheme: New accreditation

We understand the importance of having engineers with the experience and capability to make completely sure that we operate a safe and reliable gas network. Chartered Engineers are key to this requirement.

We aim to select the right type of committed, self-motivated, forward thinking individuals into our Graduate Recruitment scheme. Our company needs people who will not only become Chartered Engineers, but who will also develop into leaders of the future.

Our scheme was recently accredited once again by IMechE & IGEN, providing evidence of the importance we place in developing our people for the benefit of customers and stakeholders, and of the continued support that we give to individuals.

Chair of the reaccreditation panel, Kevin Cleminson, said:

“It’s good to see that the future of the industry is in good hands.”

OHSAS 18001: Occupational Health and Safety Management (OHS)

Following an audit which involved a number of our back office and operational colleagues, we were awarded the OHSAS 18001 Standard. This sets out the

requirements for occupational health and safety management best practice.

Given the importance we place on safety and the wellbeing of our colleagues, it’s something of which we’re very proud. It is an indication of our commitment to all who work in the company and our understanding of their needs, achieved by regular engagement with our colleagues to help shape policies and services.

External evaluation of engagement

We’re constantly learning and striving to improve the various ways we engage with our stakeholders. To obtain an external perception, we commissioned stakeholder engagement specialist Westbourne to conduct an audit of our engagement practices. We asked for them to be examined alongside those of other gas networks, and also to consider feedback previously received from Ofgem.

The findings of this assessment have played an integral part in our revised approach to stakeholder engagement, including our strategy refresh and internal processes leading to our circle of engagement, which we’ve detailed in this document.

We have incorporated the key assessment outcomes in our revised stakeholder engagement strategy and processes. The headline recommendations are:

- 1 Make sure that stakeholder feedback is taken on board, where possible, and that changes to your business practices are highlighted. Where they are not possible, be open and honest about why.
- 2 Proactively lead the way in establishing partnership working and in working in collaboration with relevant bodies.
- 3 Place a greater emphasis on recording the effectiveness of certain activities against the costs incurred so that you can demonstrate which activities provide best value for money.

Westbourne:

“We have worked with Wales & West Utilities to ensure that all comments made by stakeholders at events are recorded and fed back. Once we record the comments made, we produce detailed reports which are, in turn, sent to all those people who attended.

Importantly, we draw out recommendations from the events which were presented to senior personnel at Wales & West Utilities and to members of the Wales & West Utilities Critical Friends Panel for their scrutiny. The company then strives to incorporate these recommendations into its Business Plan, wherever possible.”

Investors in People – Silver Level

This year our annual colleague engagement survey was carried out in conjunction with Investors in People (IiP) and included 57 one-to-one interviews between our colleagues and auditors from IiP.



Our people are at the heart of everything we do, and we were delighted to achieve IiP’s silver level accreditation at the first time of trying.

Being awarded a silver level accreditation against the IiP Standard demonstrates our commitment to high performance through good people management and allows us to benchmark ourselves against the best in the business on an international scale.

As a values-driven business, it’s great to be recognised externally as a company that people should aspire to work for and we will continue to look for ways to attract and retain our colleagues.