

Stakeholder Engagement Strategy

August 2021 reviewed



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Context of the Strategy

Hearing directly from customers and other stakeholders is the most impactful way for our business – from operational colleagues to the executive team, to learn about our communities and their needs.

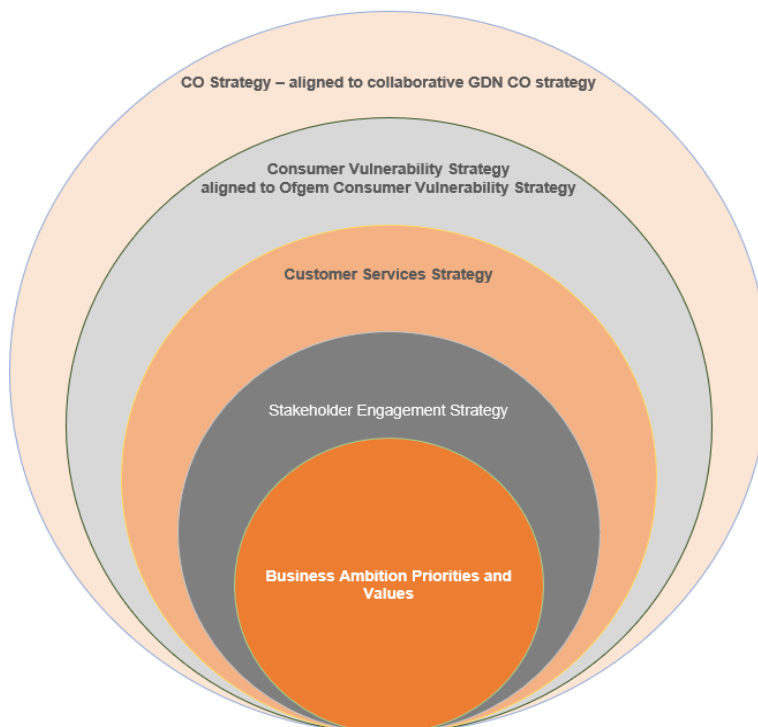
We analyse feedback from customers and other stakeholders, together with insight gained from the business, insight from the energy sector and other public, private and voluntary sectors, alongside political, environmental, legislative, economic, social, technological and ethical trends, to drive our business investment decisions.

Achieving our business ambition of future sustainability for our customers, other stakeholders and communities and delivering our RIIO-GD2 business plan commitments, can only be realised by inclusive engagement, collaboration and partnership working. This document sets out the strategy we follow to make sure we engage effectively, so we listen to and understand all our stakeholders' needs, and place them at the heart of our decision-making processes on how we run our business.

This strategy provides an end-to-end approach to engagement and is a point of reference, demonstrating to our stakeholders how we plan, conduct and continually learn from engagement activities.

Stakeholder Engagement Strategy relationship

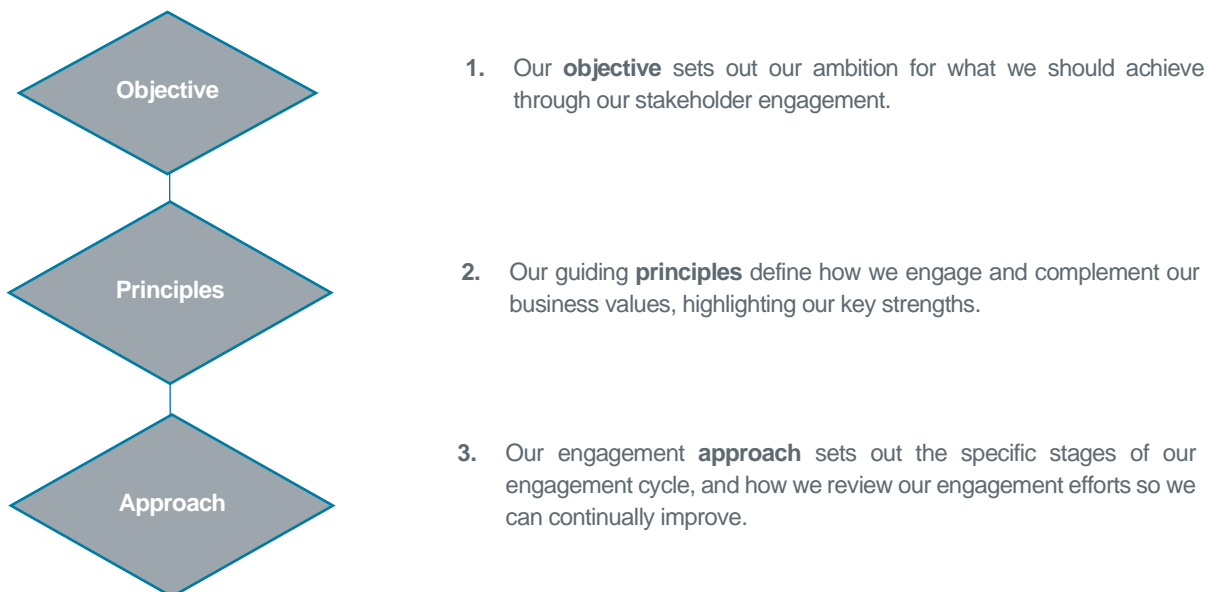
Our stakeholder engagement strategy supports our business Ambition, Priorities and Values, setting out to understand the needs, wants and preferences of our customers and other stakeholders. It links to our customer service strategy, and the discrete consumer vulnerability and CO strategies that set out how we will deliver for our customers and other stakeholders.



Our Stakeholder Engagement Strategy

Our Stakeholder Engagement Strategy lies at the core of our business, defining how we effectively engage with a wide range of stakeholders to identify their views on strategic issues.

It is composed of three elements:



Our Objective

Our objective sets out our vision for the role stakeholder engagement plays in informing our key business decisions. It focuses on our business objectives of a balanced approach to net-zero transition, not leaving anyone behind, and continuing our key focus on inclusive customer service, particularly supporting customers in vulnerable situations, with the overarching ambition of being a sustainable business.

We continuously strive to be a sustainable business, putting people and communities at the heart of what we do. We identify our stakeholders' wants, needs, perspectives and behaviours through appropriate engagement activities, analysing and reviewing feedback alongside our own and external insight to inform business decision-making, and shape the delivery of the services that matter to all our stakeholders.

Guiding Principles

Three high-level principles support our engagement objective, informing our engagement approach, and reflect our business' values. In identifying these principles we have considered the AA1000SES 2015 engagement standard.

Inclusivity – engaging a wide and inclusive range of customers and other stakeholders to understand their priorities for our business activities and co-determine priority issues.

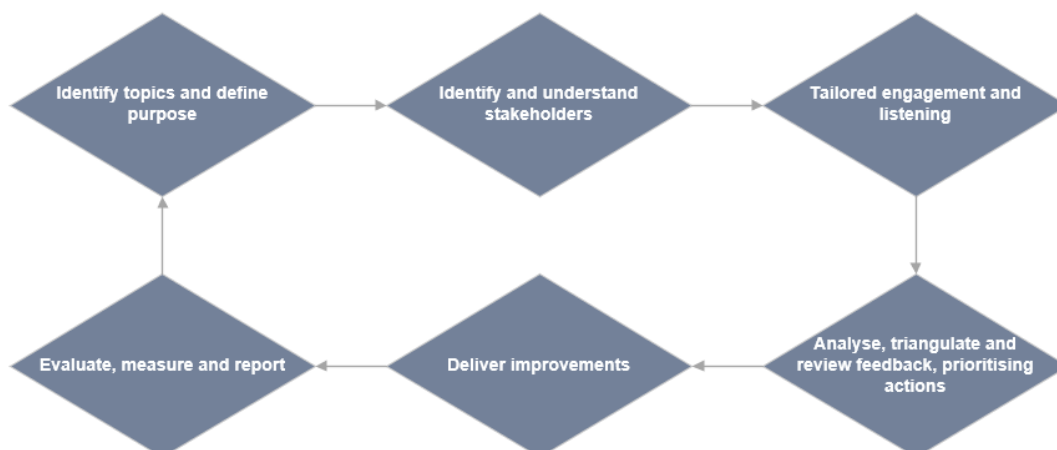
Transparency – demonstrating that openness, honesty and accountability guide our business decision-making and are embedded within initiatives, outputs and outcomes.

Continuous Improvement – aiming to identify key stakeholder issues before they arise, and effectively resolving them when they do; making the most of and acting on stakeholder opportunities and communicating outcomes to stakeholders.

Our engagement planning process

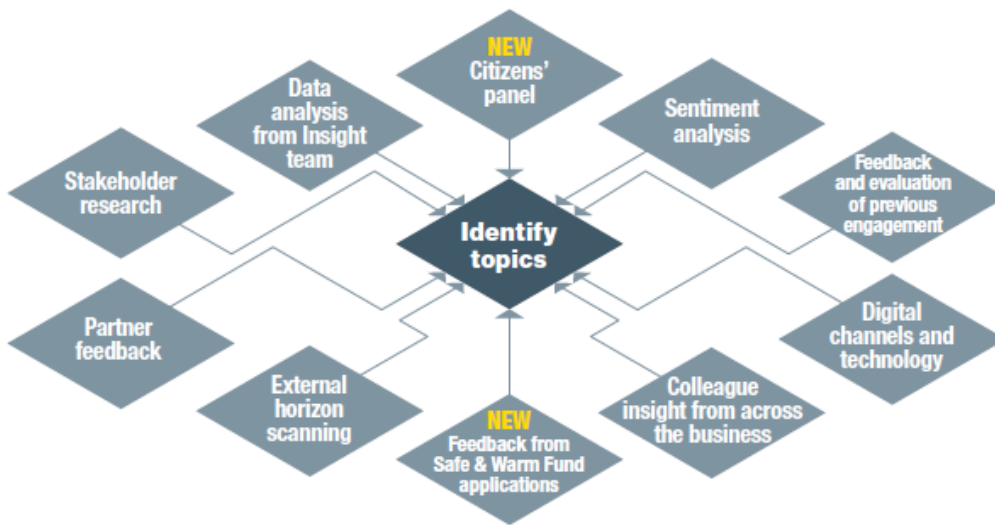
Our engagement is centrally facilitated and locally delivered, so it is important to have a simply defined engagement approach to be used across the business. We have reviewed our existing strategy to make it relevant for GD2 delivery and to improve accessibility for colleagues. It now has six steps, which are interlinked and form a cycle that supports high quality engagement, through relevant channels with appropriate stakeholders, resulting in actions that improve engagement activities as well as business improvements, which are reported back to stakeholders, with measurements in place so we can be held to account for our actions.

Ultimately, our engagement approach sets out how we identify the actions we will take based on stakeholders priorities, to demonstrate how their voices inform our business decisions and actions.



Identify topics and define purpose

We use a wide range of tools and channels to identify the topics on which we should engage stakeholders (see diagram). By defining our engagement purpose – the question we are seeking to answer, we can use appropriate success measures to evaluate if our engagement is effective. There is a colleague check-list in our engagement planning guide, to support.



Identify and understand stakeholders

We maintain a stakeholder database as well as using other tools to identify stakeholders by their knowledge, interest and geography. We have a stakeholder segmentation database with more than 70 segments, enabling identification of stakeholder groups in relation to our business activities – this is regularly reviewed and updated. Customers and citizens can be engaged on complex business activities, once they are made familiar with the energy sector, ensuring broad and inclusive engagement.

Tailored engagement and listening

We use a matrix to tailor our engagement channels to stakeholder group(s). Virtual engagement has become the preferred engagement channel of many, enabling inclusivity for, inter alia, rural stakeholders and others who have difficulty traveling to a venue. A full range of appropriate engagement channels should be considered, including telephone and traditional mailing out of materials. Engagement content is tailored, giving consideration in each case to stakeholder knowledge levels and expertise and different preferences for text or visual materials.

Analyse, triangulate and review feedback,

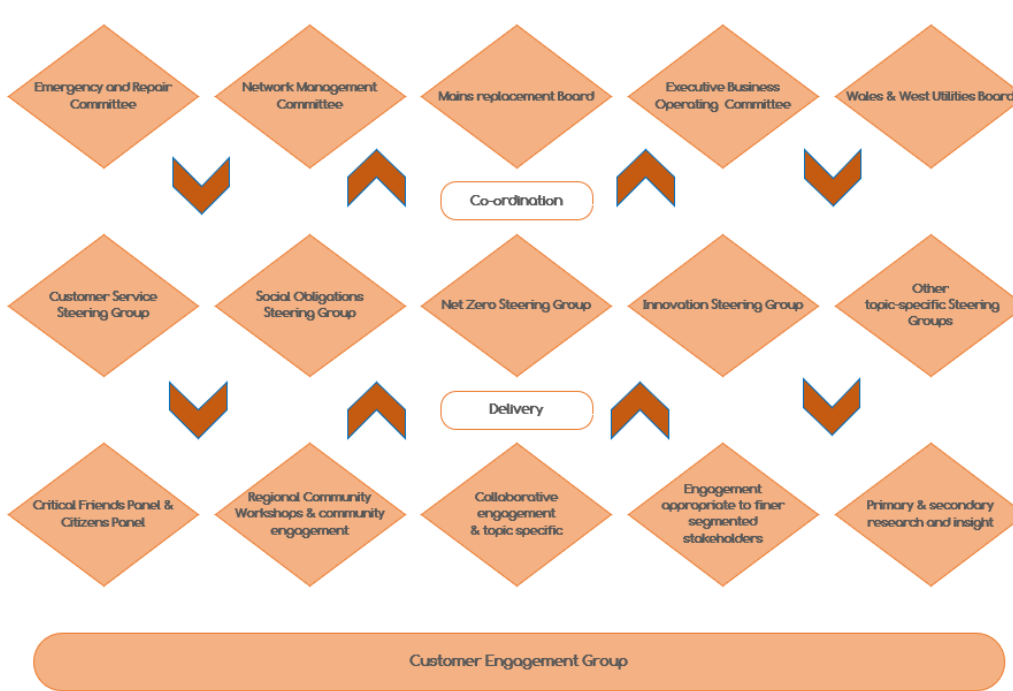
Colleagues can use day after reporting for adhoc daily engagement activities, which feed into monthly project reporting on engagement progress. Reports from research and other engagement activities such as workshops are collated by the engagement team. Stakeholder feedback is analysed and weighted – alongside other internal and external insight and trends, to make sure decisions made on feedback are robust. Triangulation of engagement insight considers:

- Robustness of engagement activity – in-depth qualitative or larger-scale quantitative – sample size etc?

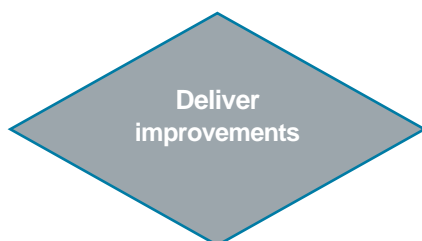


- Appropriateness of stakeholders – are they directly or indirectly impacted and sufficiently familiar with the engagement topics?
- Recency of engagement – can the insight be considered current?
- Analysis – has it been analysed and conflicts examined and solved?

Engagement feedback will result in a wide range of possible actions. Some focusing on marginal improvements to our engagement planning process, and others providing insight on how we can improve business-critical processes. Different actions need to be prioritised according and overseen by a specific level of governance – as per our governance model.



So we are able to evaluate the success of our actions, as part of prioritisation, we will set out the measurable objectives we want our actions to achieve, and also so we hold ourselves to account. We use our measurement framework (Appendix 1) for this, which includes SROI, qualitative, quantitative and soft measures, such as story-telling, to set targets to assist in action prioritisation, as well as post activity, to measure progress and achievement to targets set.



Where relevant, we will further work with stakeholders to further co-determine business improvement actions as well as our actual engagement planning process. Actions will then be carried out as appropriate as a result of stakeholder feedback.



We aim to continually improve our engagement strategy, planning process and the facilitation of our engagement events. Feedback is taken into the business for action and issues and opportunities will feed into future engagement decision-making, linking back into the engagement planning process.

To check the success of the actions we have taken, we use our measurement framework to gauge progress and achievements against targets. We will report on our actions to stakeholders, through a range of appropriate channels.

